



in the news

[home](#) [site search](#) [org chart](#) [contact us](#) [web comments](#)

A PUBLICATION FROM THE BONNEVILLE POWER ADMINISTRATION

Journal

October 1998



[Click here for past Journals.](#)

TABLE OF CONTENTS

News stories:

- [Subscription proposal released](#)
- [Region gathers to discuss Subscription proposal](#)
- [Gore announces fish cost consensus](#)
- [Hickok named COO](#)
- [BPA and PGE reach agreement](#)
- [BPA adopts Cost Review recommendations](#)
- [Issues '98 summary available](#)
- [BPA to purchase more wind power](#)
- [Wildlife mitigation project in Idaho](#)
- [Tribes purchase land for habitat restoration](#)

Public Involvement

- [Status Reports](#)
- [Calendar of Events](#)

- [How you can get involved](#)
-

Subscription proposal released

BPA recently released the [Power Subscription Strategy Proposal](#) for power purchases beginning in fiscal year 2002. Contracts range from three years to 10 years. The Subscription proposal has four major goals:

- spread the benefits of the Federal Columbia River Power System as broadly as possible, with special attention given to the residential and rural customers of the region;
- provide market incentives for the development of conservation and renewables;
- avoid rate increases through a creative and businesslike response to markets and additional cost reductions of at least \$130 million a year; and (4) allow BPA to fulfill its fish and wildlife obligations while assuring a high probability of U.S. Treasury payment.

The federal power system has a total inventory available for subscription of 6,300 average megawatts. Of this amount, BPA estimates publicly-owned utilities and cooperatives, designated by federal law as preference customers, will take as much as 5,500 aMW. Residential and small farm customers of investor-owned utilities will be eligible to receive 1,000 average megawatts of direct power plus 500 aMW in benefits, either power or the financial equivalent.

BPA plans to continue to sell power to direct-service industries, its aluminum and chemical producing customers. The amount would depend on how much is purchased by the first two groups. BPA will also offer DSIs interruptible power that could be as much as 1,000 aMW on a priority basis, which they could firm up with their own purchases. BPA has scheduled public meetings in Spokane and Portland to discuss the Subscription proposal. (See Calendar below.)

[\(return to table of contents\)](#)

Region gathers to discuss Subscription proposal

"I'm proud of this [Subscription] proposal — it's the result of balancing many interests and complexities," BPA Administrator Judi Johansen told the audience of nearly 275 people at the Columbia River Power and Benefits Conference on Sept. 29 in Portland. Click [here](#) to read Judi Johansen's entire speech.

BPA planned the conference to bring the region together to discuss the Subscription proposal. "I view this as an important building block that will bridge us to an uncertain future," she said. Johansen called on the region to offer "candid, clear, and constructive comments" and to work together to refine the proposal that she said will provide stability and bridge the region to the future "before someone else does it for us."

Former Congressman Al Swift, who gave the [luncheon address](#), said the 1980 Northwest Power Act prevented a civil war over allocation of federal power. The compromises that led to the Act were difficult, and they came because people perceived a threat to the hydro system, he said. "By agreeing to share the system, we kept it," Swift stated. He cautioned that the threat today is greater than it was two

decades ago, and the region's Congressional delegation does not wield the authority it had then. "Give Congress some unity to work with — we have something worth fighting for," Swift counseled.

Throughout the day, over 40 speakers reacted to BPA's subscription proposal and suggested modifications. Some hailed the document as "darn good," while others said elements of it may not be legal or enforceable. Johansen wrapped up the session by saying BPA would work with the region to revise the proposal. "We will get closer on the issues," she stated.

(return to table of contents)

Gore announces fish cost consensus

Vice President Al Gore recently announced that regional and federal interests have agreed on a range of acceptable costs for BPA's fish program for fiscal years 2002-2006 and related principles for BPA's fish spending. Calling the agreement an important step toward a long-term strategy to restore the region's salmon runs, Gore said it protects the needs of power users while bolstering salmon restoration efforts and protecting BPA's ability to make its annual U.S. Treasury payment. Under the agreement, BPA will plan on a range from \$438 million to \$721 million a year to fund fish and wildlife efforts. The range reflects 13 possible scenarios developed by regional experts to restore fish and includes options from barging fish past the dams to breaching dams on the lower Snake River. The actual cost will depend on the plan developed by the region, the Administration and Congressional actions sometime in 1999-2000. A summary of principles is included in the *Keeping Current* on Subscription that *Journal* subscribers received in the mail and is also on the [BPA Web page](#).

(return to table of contents)

Hickok named COO

BPA Administrator Judi Johansen recently announced that Steve Hickok will be BPA's chief operating officer. Hickok has been acting in the position since Sue Hickey left the agency in October 1997. He was previously head of BPA's Power Business Line. Johansen intends to open the Power Business Line position for competition both inside and outside the agency.

(return to table of contents)

BPA and PGE reach agreement

Residential and small farm customers of Portland General Electric Co. will soon see their electric rates decrease 5.5 percent because BPA will pay PGE \$34.5 million in rate relief for its customers through 2001. BPA is committed to spreading the benefits of low-cost power from the Columbia River power system among residential and rural consumers in the Northwest.

The agreement between PGE and BPA comes after a year of negotiation over PGE's participation in the "residential exchange program," a provision of the Northwest Power Act of 1980. The law granted access to the benefits of federal power to home and rural customers of Northwest utilities. Since 1980, BPA has provided more than \$1 billion in rate benefits to Oregonians served by PGE, PacifiCorp and other utilities.

A utility may receive such benefits when the cost of its power is higher than that of federal system power. Under the exchange agreement, BPA may either provide monetary benefits or sell federal power to such utilities in order to lower rates to their customers. BPA is committed to continuing access to federal power after 2001.

(return to table of contents)

BPA adopts Cost Review recommendations

BPA accepts and is adopting the full cost savings recommended earlier this year by a special Cost Review panel convened by the Northwest governors. The Cost Review panel included BPA and Northwest Power Planning Council representatives, and five outside experts. The experts recommended power expense savings totaling \$131 million annually for fiscal years 2002-2006. An additional \$15 million in increased revenue through asset management should produce a total annual savings of \$146 million. BPA is committed to aggressively managing its costs and to working with the U.S. Army Corps of Engineers, the Bureau of Reclamation and the Washington Public Power Supply System to achieve the Cost Review savings in full.

(return to table of contents)

Issues '98 summary available

BPA took public comment from May 19 through June 26 on major issues facing the agency. The issues are cost management, funding for fish and wildlife, subscription, transmission and risk management. BPA has prepared fact sheets summarizing the public comments and giving BPA's response to each issue. Copies are available by calling the document request line listed on the back page and by accessing BPA's [Web site](#).

(return to table of contents)

BPA to purchase more wind power

BPA will purchase electricity from three more wind-powered turbines at an energy project already under way. SeaWest Energy Corp. of San Diego, Calif., is developing the Wyoming Wind Energy Project in Carbon County, Wyo. PacifiCorp of Portland and the Eugene Water & Electric Board of Eugene, Ore. will own the project. Construction of the initial 69 wind turbines began in August 1997. At that time, BPA agreed to purchase 15 megawatts of the facility's 41.4-megawatt output. BPA sold that power to Salem Electric of Salem, Ore.

"Our wind power sale to Salem Electric will bring in enough revenue to cover almost all of the costs associated with the three new turbines," said BPA Administrator Judi Johansen. "Deals like these allow BPA to invest returns in new renewable resources. We'll continue to look for inventive ways to back renewable energy."

BPA is working with SeaWest to install three additional 600-kilovolt wind turbines. The three turbines together can produce up to 1.8 megawatts of electricity, enough power to serve nearly 700 homes. SeaWest will own and operate the three turbines and sell the power exclusively to BPA. Power from the

turbines should be on line by July 1, 1999.

(return to table of contents)

Wildlife mitigation project in Idaho

As partial mitigation for loss of habitat caused by construction of Palisades Dam, BPA teamed up with the Rocky Mountain Elk Foundation and the Idaho Department of Fish and Game to purchase approximately 2,100 acres just east of Idaho Falls, Idaho. The property, a portion of the Circle Quarter O Ranch, will become a part of the already existing Tex Creek Wildlife Management Area and increase the size of the management area from 28,750 acres to 30,850 acres.

(return to table of contents)

Tribes purchase land for habitat restoration

The Confederated Tribes of the Umatilla Indian Reservation have purchased the 8,441-acre Rainwater Ranch in southwestern Washington to manage as fish and wildlife habitat. BPA funded the purchase through the 1993 Washington Wildlife Mitigation Agreement, an agreement between a coalition of wildlife managers and the state of Washington. The Rainwater Ranch includes extensive timberland, rangeland and about eight miles of anadromous fish spawning and rearing habitat in the South Fork Touchet River. The property is summer and winter range for Rocky Mountain elk, mule and white-tailed deer, black bear and mountain lion. It supports healthy populations of wild turkey and grouse and provides habitat for a wide variety of nongame species. The land will be managed by the Umatilla Tribes and the state of Washington.

(return to table of contents)

PUBLIC INVOLVEMENT

Status Reports

BPA/Lower Valley Transmission Project.

Idaho and Wyo. — To resolve a voltage stability problem in the Jackson and Afton, Wyo., areas; new 115-kV line proposed on existing right-of-way. BPA and the Forest Service have decided to build the line. ROD is available. Call to receive a copy.

Big Eddy-Ostrander Vegetation Management EA.

Ore. — To control vegetation on two segments of the 500- kV transmission line right-of-way. One segment is from Lolo Pass to near Parkdale. The other segment is east of Parkdale. An EA is being prepared. Call to be added to the mail list.

Bonneville-Hood River Vegetation Management EA.

Ore. — To control vegetation on the 115-kV transmission line right-of-way between Bonneville Dam and Hood River. A FONSI is being prepared. Call to receive a copy.

Columbia Wind Farm #1.

Wash. — The final EIS (#2682) is available. Call to receive a copy.

Fourmile Hill Geothermal Development Project EIS (Calpine).

No. Calif. — A geothermal power plant and new transmission line have been proposed on Forest Service land in the Klamath and Modoc forests. BLM has the lead. BPA is a cooperating agency. A final EIS and summary are available. Call to receive a copy.

Johnson Creek Artificial Propagation Enhancement.

Idaho — Development of a native chinook salmon broodstock for rearing of acclimated smolts to preserve and recover the population. An EA is being prepared. Call to be added to the mail list.

Northwest Regional Power Facility.

Wash. — To construct a combustion turbine near Creston. The final EIS (#2887) and a Supplement Analysis is available. Call to receive a copy.

Select Area Fisheries Evaluation.

Ore. and Wash. — Placement of net pens in Clifton Channel, Deep River and Steamboat Slough. A revised FONSI is being prepared. Call to be added to the mail list.

South Oregon Coast Reinforcement EIS.

Ore. — To reinforce electrical service to the southern coast of Oregon and provide the necessary transmission for Nucor Corp. to build a new steel mill in the Coos Bay/North Bend area. The Bureau of Land Management, Forest Service, U.S. Fish and Wildlife and Corps of Engineers are cooperating agencies. A draft EIS is being prepared. Call to be added to the mail list.

Telephone Flats Geothermal Project EIS (CalEnergy).

No. Calif. — A geothermal power plant and new transmission line have been proposed on Forest Service land in the Modoc Forest. BLM has the lead and BPA is a cooperating agency. The draft EIS and summary are available. Call to receive a copy.

Vegetation Management Program EIS.

Regionwide — To develop a vegetation management program while maintaining a safe and reliable transmission system. The draft EIS is being prepared. Call to be added to the mail list.

Yakima River Basin Water Enhancement Project Programmatic EIS.

Wash. — The Bureau of Reclamation has the lead and BPA is a cooperating agency. The final programmatic EIS is being prepared. Call 1-800-861-5443 to be added to the mail list.

(return to table of contents)

Calendar of Events

BPA Subscription Strategy Proposal

Oct. 8th, Cavanaugh's Ridpath Hotel, Legend A Room, 515 W. Sprague Ave., Spokane, WA 99201, 10 a.m.–noon, Educational Workshop, 1:30 p.m., Public Comment Opportunity.

Oct. 14, DoubleTree Lloyd Center, Holiday Room, 1000 N.E. Multnomah, Portland, OR 97232, 9:30 –11:30 a.m. Educational Workshop, 1 p.m. Public Comment Opportunity.

Governance and the Columbia River Conference

Oct.15, Lloyd Center DoubleTree Hotel, Portland.

(return to table of contents)

Close of Comment

Subscription Strategy Proposal – Oct. 23

(return to table of contents)

Acronyms:

EA: Environmental Assessment

EIS: Environmental Impact Statement

FONSI: Finding of No Significant Impact

NOI: Notice of Intent

ROD: Record of Decision

Visit the BPA home page at <http://www.bpa.gov>.

An archive of past *Journals* is available on the Internet at
<http://www.bpa.gov/Corporate/KC/home/journal/>.

We welcome all comments from you at Journal-CKC, Bonneville Power Administration, P.O. Box 3621, Portland, OR 97208-3621 or enballa@bpa.gov.

For More Information or To Get Involved:

The *Journal* is a monthly newsletter of the Bonneville Power Administration for customers and interested publics.

To order documents or to subscribe to a "hard copy" version of the *Journal*: call 800-622-4520 or 230-3478 (Portland) or [click here](#).

For questions/comments, call: 230-3478 (Portland) or 800-622-4519, or E-mail to comment@bpa.gov.
Address comments to: P.O. Box 12999, Portland, OR 97212.

BPA Offices:

Boise - 208-334-9137

Missoula - 406-329-3060

Seattle - 206-216-4272

Spokane - 509-353-2515

Walla Walla - 509-527-6225

Washington, D.C. - 202-586-5640

Vancouver, Wash. - 360-418-8600

BPA Public Involvement, Internet, E-mail address: Comment@BPA.gov

(return to table of contents)

The *Journal* is edited by Nicia Balla, BPA Corporate Communications, enballa@bpa.gov.
The Public Involvement section is compiled by Jean Pennington, BPA Corporate Communications,
japennington@bpa.gov.

The Web page version of the *Journal* is maintained by BPA Communications Services,
krkane@bpa.gov.
