



Journal

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Mitman named BPA's CFO

Nancy Mitman has been named executive vice president and chief financial officer of the Bonneville Power Administration, further solidifying the organization's executive leadership. She has served in that role in an acting capacity since July 2013, with oversight of BPA's capital and debt management,

accounting, cash management and budgeting.

"Nancy brings a wealth of knowledge from many different aspects of the budgeting and financial apparatus of BPA," said Deputy Administrator Greg Delwiche. "She has very ably and capably been serving as our acting chief financial officer for more than a year, and she has clearly demonstrated that she is the right person for the job."

During her tenure as acting CFO, Mitman guided BPA's finance team through a new agreement with Energy Northwest to restructure debt. Those actions promise to reshape and lower the costs of BPA's overall debt portfolio in ways that could save more than a billion dollars for regional ratepayers over the long term. Additionally, the restructuring provides substantial near-term rate benefits and frees up access to capital.

Also under her leadership, BPA conducted the first Capital Investment Review, a public process that involves a new, cross-agency capital prioritization and allows interested parties the opportunity to comment on BPA's draft asset strategies and 10-year capital forecasts. BPA also completed the Integrated Program Review of cost structure for the upcoming BP-16 rate case. Other highlights of Mitman's tenure include implementation of a new travel system for employees and affirmation of BPA's strong bond rating by the three rating agencies.

"BPA is well positioned to further address financial strategies and initiatives, including prioritization of investments, allocation of financial resources, management of costs, planning for future revenue and management of liquidity

and cash," Mitman said. "It's a privilege to serve in this role, and I look forward to working with our customers and other stakeholders to continue BPA's enduring prudent approach to fiscal management."

Mitman began her career at BPA in 1988 as an accountant and steadily rose through the ranks of management and leadership in Finance. In addition to multiple stints as acting chief financial officer, she has served as BPA's treasurer and deputy chief financial officer. She holds an accounting degree from Montana State University. She lives in St. Helens, Ore., with her husband.

Making turbines safer for fish

When infrastructure is built to stand the test of time, the chance for a do-over may only roll around every half century or so. And every opportunity counts in the regional effort to restore vibrant salmon runs in the Columbia River Basin. That's why three federal agencies are leading a project to improve the design of hydroelectric turbines in Northwest dams to make them friendlier to future generations of fish.

With a trio of 1961-vintage hydroelectric turbines approaching the end of their useful life at Ice Harbor Lock and Dam in 2008, BPA and the U.S. Army Corps of Engineers recognized a window of opportunity. Ice Harbor Dam, on the Snake River near Pasco, Wash., has proven to be a fruitful site for developing technical innovations aimed at raising survival rates of endangered and threatened fish in the region.

Private and government biological and engineering experts are working together on the Ice Harbor project, which is unique because it elevates fish passage improvements to the highest goal, ahead of power and turbine efficiency gains. The turbines are also expected to be more efficient at generating electricity, providing 3 to 4 percent more power from the same volume of water. If they achieve their promise, the new turbines could be available for other Corps dams on the Columbia and Snake Rivers.

Engineer George Brown of BPA called the work an "excellent example of collaboration among BPA, the Corps, NOAA and a capable contractor."





Ice Harbor Dam, on the lower Snake River near Pasco, Wash., has been a fruitful site for technical innovations that are helping increase the survival of endangered and threatened fish passing federal dams. (Photo credit / U.S. Army Corps of Engineers photo by David G. Rigg)

“The key ingredient holding us all together is the goal of creating meaningful improvements to the environmental performance of a critical Northwest power resource,” Brown says. “The efficiency and reliability benefits to the hydroelectric system are an important bonus, stretching the value of the limited water resource.”

The Corps awarded a \$10.9 million contract in 2010 for two turbines, the first in the next generation of advanced equipment that could provide safer passage for young salmon and steelhead migrating to the Pacific Ocean. BPA is funding the project, like other power-related investments in the 31 dams of the Federal Columbia River Power System, through its regional ratepayers. Voith Hydro Inc. of York, Pa., is designing and building the major components, including the runner, the part of the turbine that spins with the force of the river to generate power. This spring, the federal agencies decided to fund a third new turbine runner at Ice Harbor, expected to be in operation after 2020.

“The emphasis had been to keep fish out of the turbines, with the thought that the blades are really, really bad for fish,” said Kevin Crum, turbine project manager at the Walla Walla District of the Corps. “But we’re finding with new designs, they are not that bad — we’re actually seeing survival rates of 92 to 96 percent.”

The Corps and BPA crafted the contract as a model to demonstrate a science-based turbine design and development process that could guide replacement of other turbines around the Columbia River Basin. Scott Bettin of BPA’s Fish and Wildlife division says building a safer turbine was just the next logical step in a sequence of major improvements to fish passage in the FCRPS in recent years.

“There’s three ways fish can get around a dam,” Bettin explains. “We installed bypass systems and improved the effectiveness of spill with surface routes. Now we’re replacing the turbines with state-of-the-art designs to improve survival through this route.”

The project partners have been through multiple design cycles over the past three years, using advanced computer modeling as well as tests with physical models to examine water flow and pressures. With a diameter of 23 feet, the turbines may appear to resemble a giant water wheel, but the project team resists the notion it is re-inventing the wheel.

“The basic principles of the turbine haven’t changed, and to a casual observer our improvements probably would not be very obvious,” Crum says. “However, the cumulative effects of the hundreds and hundreds of design tweaks we’ve made result in substantial flow and efficiency improvements through the turbines.”

Ahmann adds, “It’s the design tools and process that are high-tech, not the turbine itself. But by making these subtle changes, we hope to make big improvements for fish.”

“In addition to providing some much-needed turbines at Ice Harbor,” he says, “this R&D effort has provided essential information that will help us make smart and responsible decisions in the future when it comes time to replace the federal turbine fleet in the Northwest.”

Building bridges for fish

For the Luhns of Asotin County, Wash., raising cattle has been nearly a two-decade family venture. Their land, 8,000 acres off the banks of the Snake River, straddles a small, perennial tributary called Tenmile Creek. The creek

became a natural border for seasonal grazing on the ranch. While most of the acreage lay to the east of Tenmile, nearly 1,100 acres lay to the west and was used in the spring.

The story might have ended there if not for a unique rainbow trout with a penchant for epic journeys. Their presence didn't concern the ranchers until it became apparent that Tenmile Creek was more than just a corridor for the fish. Surveys from the Washington Department of Fish and Wildlife, funded in part by BPA, confirmed the ranchers' suspicions:

Steelhead weren't simply swimming through Tenmile, they were spawning there. And some of the redds, or nests, were perilously close to a rocky ford used as a water crossing by the Luhns' cattle.

"Just seeing the animals in the creek bed with redds both 10 feet above and below the crossing, you know it's not good," said Levi Luhn, a second generation rancher.

The steelhead is an Endangered Species Act-listed fish in the Columbia Basin. The presence of redds on the creek running through the Luhns' property seemed a sure harbinger of change.

So Luhn turned to the Asotin County Conservation District. Founded in 1940, it facilitates responsible land-management programs designed to increase agricultural and ranching efficiencies while decreasing impacts on available resources, whether environment or energy. Its staff also frequently works as a translator and mediator between ranchers and county, state and federal entities.

"Most people are afraid of regulation, and we act as a buffer between ranchers and government agencies," said Megan Stewart, a program coordinator for the conservation district. "We're totally voluntary and provide ranchers opportunities, as well as technical and financial assistance."

Looking at the Luhn Ranch and Tenmile Creek, it became obvious that the exposure of the creek to the cattle needed to be minimized. Stewart was able to show Luhn how fencing could keep cattle out of most of the creek and provide the rancher some significant benefits. Drawing on BPA funding, the conservation district helped to pay for most of the cost of installing wood barriers along seven miles of Tenmile Creek.

"The fencing prevents cattle from entering the stream and trampling any habitat for fish, as well as keeps waste out of Tenmile itself," said Dawn Boorse, an environmental protection specialist for BPA who works with the conservation district.

It didn't take long for the Luhns to see an improvement in their operations.

"We started using a higher percentage of the pasture," Luhn says, explaining that the cattle would typically graze near the riparian corridor and not throughout the open acres. "We've got more animals in the pasture even as we're seeing decreases in overuse."

The rocky ford, however, remained the access point for most of the Luhns' 300 cow-calf pairs and all of the heavy equipment used in the spring pasture. To stop crossing the creek at that point was hardly feasible. A bridge would help to resolve issues — but such a structure would have to span roughly 55 feet to keep it out of the floodplain. That could easily cost tens of thousands of dollars.

"How does the average farmer put in a bridge of this scale on that size of a budget? He can't," Luhn said.

Enter the conservation district once more.

"I use all my tools in the arsenal to make a project work," said Stewart, adding that she leverages monies from multiple sources to reduce the impact and cost-share to landowners. "I use each funding source to make the whole puzzle fit together to have an overall successful project."

Among those funding sources, BPA holds a particular importance.

"BPA is one of our best partners because they're flexible and understanding of the challenges we face on the ground," Stewart said. "Without that flexibility, some projects would never happen."

Through ratepayer investment, BPA funds habitat protection and restoration as part of a basin-wide program to mitigate for the impacts of federal dams in the Columbia River Basin on fish and wildlife.

With the bridge constructed, it'll face its first test in the spring of 2015 as 300 cow-calf pairs pass from winter pasture to spring pasture. Below the clacking of hooves on the wood panels, Tenmile Creek will flow unfettered with the steelhead spawning habitat unperturbed.

BPA, Idaho reach agreement for habitat protection

A \$40 million agreement between Idaho and BPA will protect and enhance more than 8,500 acres of wildlife habitat over the next 10 years.

The agreement is designed to mitigate the impacts on wildlife from development of federal hydropower dams in southern Idaho.

"The agreement also protects the state's fiscal interests by establishing a dedicated endowment fund to ensure Idaho can manage these lands for future generations," said Idaho Gov. C.L. "Butch" Otter.

“This agreement, funded by our electrical ratepayers, clearly defines and meets BPA’s mitigation requirements to the state in southern Idaho, while providing great benefit to the state for wildlife and, in many cases, resident fish,” said Lorri Bodi, BPA vice president of Environment, Fish and Wildlife.

BPA will pay the Idaho Department of Fish and Game \$40 million over 10 years to support the administration,

operation and maintenance, and restoration and acquisition of wildlife habitat in southern Idaho.

“The agreement provides Idaho greater flexibility in how we realize mitigation benefits,” Idaho Fish and Game Director Virgil Moore said. “Certainty of funding for new mitigation projects as well as long-term funding to manage these properties is critical.”

Public Involvement [Updates & Notices]

AGENCY PROJECTS

Northwest Energy Market Assessment [Regionwide]

BPA is participating in the Northwest Power Pool’s Market Assessment and Coordination Committee (MC). The MC, a collaboration of 19 public and investor-owned utilities from across the NWPP footprint, is considering the design for a within-hour energy market, called a security constrained economic dispatch. BPA is holding a public process to consider its participation in the SCED design proposal being developed by the MC. For information, go to www.bpa.gov/goto/MarketAssessment.

POWER

Rate Period High Water Mark public process [Regionwide]

BPA held a comment period and series of public meetings on the establishment of Rate Period High Water Marks that will be used to set power rates for fiscal years 2016 and 2017. Customer comments and suggestions related to the Tier 1 System Firm Critical Output computation are still under review. BPA will update customers soon on the outcome of the comment review and the status of the final determinations. For more information, go to www.bpa.gov/goto/RHWM.

TRANSMISSION

Spar Canyon-Round Valley Access Road Improvement Project [Custer County, Idaho]

BPA is proposing improvements to the access road system for its Spar Canyon-Round Valley transmission line on Bureau of Land Management land in Custer County, Idaho. Access roads are critical for continued safe and reliable operation and maintenance of the transmission system. Improvements would involve constructing four to six miles of new road, reinforcing road crossings at drainages with rock, and acquiring access rights from BLM for new road use. BPA and BLM are preparing a draft environmental assessment. For more information, go to www.bpa.gov/goto/SparCanyon.

ENVIRONMENT, FISH AND WILDLIFE

Merry Canyon and Trinity acclimation sites [Chelan and Okanogan counties, Wash.]

BPA is preparing the final environmental analysis on its proposal to fund two acclimation ponds for coho salmon as part of the Mid-Columbia Coho Restoration Program, which is implemented by the Confederated Tribes and Bands of the Yakama Nation. For information, go to www.bpa.gov/goto/MidColumbiaCohoRestoration.

Southern Idaho Wildlife Settlement

After seeking public comment, BPA and the State of Idaho reached a settlement to protect and conserve wildlife habitat in southern Idaho. Under the agreement, BPA will provide funding to Idaho to implement its Southern Idaho Wildlife Mitigation program that permanently protects wildlife habitat in southern Idaho. BPA is also providing stewardship funding that allows Idaho to administer its program, maintain existing protected areas and protect and restore new properties for quality wildlife habitat. In return, Idaho will acknowledge that BPA has met its wildlife mitigation obligations. Read the final agreement at www.bpa.gov/news/pubs/RecordsofDecision/rod-20140923-Southern-Idaho-Wildlife-Mitigation-Memorandum-of-Agreement.pdf.

FOR MORE INFORMATION

Information on other projects under environmental review is available at www.bpa.gov/goto/NEPA.

For information about the National Environmental Policy Act in general, go to www.bpa.gov/goto/environmentalplanning.

The Journal is a monthly publication of the Bonneville Power Administration. If you have questions or comments, or you want to be added to the mailing list for any project, call toll free 800-622-4519.

To order copies of documents, call: 800-622-4520 or 503-230-7334. Written comments may be sent to: BPA, P.O. Box 14428, Portland, OR 97293-4428. Email address: comment@bpa.gov. BPA home page: www.bpa.gov. For details on BPA environmental reviews listed above, including site maps and documents issued to date, see www.efw.bpa.gov/environmental_services/nepadocs.aspx. Process Abbreviations: EA-Environmental Assessment, EIS-Environmental Impact Statement, ESA-Endangered Species Act, FONSI-Finding of No Significant Impact, NOI-Notice of Intent, ROD-Record of Decision.

