



Journal

August 2015

BPA sets agency rates for fiscal years 2016–2017

BPA released its Final Record of Decision and fiscal year 2016 and 2017 power and transmission rates on Thursday, July 23. The new rates will be filed for approval with the Federal Energy Regulatory Commission in July and will go into effect Oct. 1, 2015.

On the power side, the final Priority Firm Power Tier 1 rate increase averages 7.1 percent. The weighted average transmission rate increase is 4.4 percent.

“BPA has spent the past two years working with our customers and other regional partners to meet the collective needs of the Northwest in the most reliable, cost-effective and environmentally sustainable way possible,” said BPA Administrator and CEO Elliot Mainzer. “The rates in the Final ROD reflect that collaborative effort.”

Power rates

The overall power rate increase is driven in part by the expiration of one-time debt management actions that reduced capital costs in the current BP-14 rate case. Additional factors in the rate increase are: other capital-related costs; expense increases for hydro system operations and maintenance; expected cost increases for fish and wildlife programs as well as the long-term 2012 Residential Exchange Program settlement; and an increase in BPA's cost of acquiring energy and transmission services to meet obligations to deliver power to off-system customers.

Unexpected events between the initial proposal and the Final ROD put upward pressure on rates. Alcoa's decision to reduce the amount of long-term firm power it purchases from BPA, coupled with lower forecasted market prices (a result of low natural gas prices), means that BPA expects to see less revenue from the energy that would have been purchased by Alcoa.

However, certain expense reductions helped to offset the overall increase, including additional debt management actions, interest savings on expensing energy efficiency, undistributed expense reductions and a decrease in operations and maintenance expense at the Columbia Generating Station. These reductions enabled BPA to reduce the expected rate increase.



Rate Case Turbine photo: BPA and the Bureau of Reclamation are overhauling the Third Power Plant at Grand Coulee Dam in northeast Washington. Here, workers remove a 3,000-ton hydroelectric turbine that had been producing power since the 1980s. All six turbines in the third powerhouse will be refurbished in the next 10 to 15 years as part of a \$275 million project funded by BPA ratepayers.

Transmission rates

The transmission rate increase is needed for new construction and replacement of existing assets to maintain reliability and facilitate the integration of renewable resources. The rate increase also ensures that BPA covers the costs of reliability compliance as well as cyber and other security requirements.

The administrator also adopted a settlement agreement reached between customers and BPA staff last September on most ancillary and control area services rates.

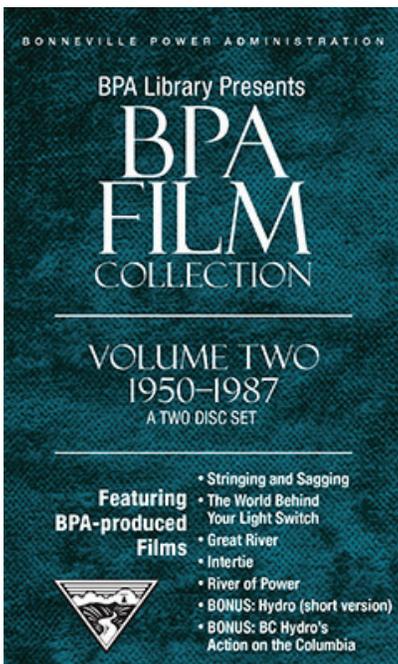
Next steps

The decisions in this rate case set the stage for regional discussions on topics to enhance BPA's long-term sustainability. This fall, BPA will explore and discuss key issues with stakeholders, including its capital investments in the hydropower and transmission systems and its program delivery models, including energy efficiency.

The new rates will affect local retail utilities differently depending on the amount of power and type of services they purchase from BPA. Local utilities ultimately determine the retail impact of BPA rates on individual businesses and residents.

For more information on the rate case and to view the Final ROD, go to www.bpa.gov/goto/BP16.





To receive your free DVD, contact the BPA Library and Visitor Center at 800-622-4520 or visitorcenter@bpa.gov.

BPA shares new collection of historical films

The Bonneville Power Administration is sharing a new collection of movies about the history of energy in the Northwest. “BPA Film Collection, Volume Two, 1950–1987,” features five BPA-produced films from the 1950s, ’60s, ’70s and ’80s, plus two bonus films.

After promoting the development of the Federal Columbia River Power System and the concept of public power in its

earlier films, BPA began telling stories about the challenges and successes of operating the Northwest power grid, and educating the public about the many benefits of its low-cost electricity.

“This chapter of BPA films showcases the innovation and expertise behind designing, operating and maintaining the Northwest power system. And a lot of that equipment is still in use today,” says BPA librarian Kaye Silver.

The collection is a highly-anticipated follow-up to “BPA Film Collection, Volume One, 1939–1954,” the first group of films from BPA’s archives. Since its release last year, BPA has distributed about 3,000 copies to electric utilities, libraries, museums and individuals throughout the Northwest, every corner of the country and beyond. Requests came from as far away as Scotland.

“The first volume was a historian’s delight and volume two proves to be just as fascinating,” says Laurence Cotton, who specializes in regional history and guides history-themed cruises on the Columbia and Snake rivers.

The collection opens with “Stringing and Sagging a High-Voltage Transmission Line” (1950), a richly detailed film about power engineering that uses animation, tower models and field footage to show how Bonneville built the largest long-distance transmission system of its kind in the nation.

“Stringing and Sagging’ is a beautiful and intimate film about engineering,” says BPA librarian Libby Burke, a film archivist with a degree in cinema studies who curated both collections

and provides an introduction to each group of films. “The process of determining how to run high-voltage transmission was so new at the time.”

The next BPA movie, “The World Behind Your Light Switch” (1966), explains the thousands of uses of electricity and shows crews repairing power lines in bad weather. It includes footage of the first repair of the underwater cable serving the San Juan Islands, the laying of which was depicted in a 1952 BPA film called “25,000 Volts Under the Sea,” part of the first collection.

In 1963, BPA and the Bureau of Reclamation co-produced “Great River,” which covers many aspects of delivering electricity and water to the people of the Northwest. A decade later, it was re-released with a new beginning and ending by Portland-area newscaster Ted Bryant. The 1973 version is included in the set.

The final two BPA-produced films in the collection won numerous awards. “Intertie” (1969) showcases the construction of the Pacific Northwest-Pacific Southwest Direct Current Intertie, a high-voltage electric superhighway that helps the two regions balance power needs in the West and share surplus electricity. It features spectacular aerial footage, bluegrass music and time-lapse construction of the Celilo Converter Station, the line’s northern terminus in The Dalles, Ore.

Made for Bonneville’s 50th anniversary in 1987, “River of Power” is the most comprehensive BPA film. It looks at the geology of the Columbia River Basin and the development of the river, incorporating footage from earlier BPA films. It also features alternate recordings of some of the Columbia River songs written by Woody Guthrie for BPA in 1941.

There are two bonus films in the collection. “Action on the Columbia” (1964) captures the Canadian perspective on the Columbia River Treaty, the international agreement between Canada and the United States that guides the management of water resources and helps prevent major floods. It features spectacular aerial views of the upper Columbia River in British Columbia before the dams went in. With permission of BC Hydro, this film is included in the collection in honor of the 50th anniversary of the treaty.

The collection closes with the recently rediscovered version of BPA’s first film, “Hydro.” Vice President Henry Wallace took this shorter version of the 1939 film on a goodwill visit to Russia, Mongolia and China in the spring of 1944. BPA writer-producer Stephen Kahn also screened this version for audiences in New York City. This version made in the 1940s removes about eight minutes of electricity rate and other local information from the original 33-minute film. Until recently there was no copy of it in BPA’s archives. But last spring, a BPA electrical engineer bought a 16-millimeter reel from an antique store in Vancouver, Wash., which turned out to be the lost international version of “Hydro.”

“As soon as I looked at it, I could tell it was shorter than the original,” Burke recalls. “And I couldn’t believe we had another unexpected treasure on our hands.”

BPA is offering a free DVD of the films. To receive a copy, contact the BPA Library and Visitor Center at 800-622-4520

or visitorcenter@bpa.gov. You can view, share and learn more about the seven films at www.bpa.gov/goto/films. To host a screening, contact BPA librarian Libby Burke. Transcripts of the films are also available.

IEEE aims to improve seismic design of power substations

Designing better seismically-engineered substations — that’s the core purpose of a committee under the Institute of Electrical and Electronics Engineers, which recently met in Portland, Ore. About 40 engineering and technical experts representing utilities, consulting firms, manufacturers and academia from Canada, Germany, Mexico, New Zealand, the United States and elsewhere attended the June meeting in the Bonneville Power Administration’s Rates Hearing Room.

“The goal of the IEEE 693 Seismic Design of Substations committee is to ensure that a city such as Portland continues to be livable after a seismic event,” says Kamran Khan, an engineer with Canada’s Trench Group, a manufacturer of high-voltage instrument transformers, bushings and coils.

IEEE (pronounced eye-triple-e) is a global community of technical experts and thought leaders that facilitates standards development, promotes innovation, enables the creation and expansion of international markets and helps protect health and public safety.

Engineers and experts are revising IEEE 693, a seismic design standard for substations that includes qualifications for each type of substation equipment (seismic performance requirements for equipment function, installation methods and documentation). Given the new seismic testing methodologies and technologies that have been introduced since it was published 10 years ago, the standard is due for a revision.

“The entire industry is collaborating to bring the standard up to speed with the best seismic engineering practices,” says Christophe Tудо-Bornarel, an engineer with Transpower New Zealand Ltd.

Before the late 1990s, each utility had its own seismic requirements, which led manufacturers to design custom solutions that were costly and inefficient to develop. The IEEE 693 standard is a win for utilities, manufacturers and the public because it allows utilities to select standardized criteria and equipment makers to engineer to defined needs and conditions. And there’s a huge benefit to the public.

“The seismic qualification process is far more efficient and costs are distributed internationally, so you end up with better seismically engineered products at a lower cost,” Khan adds.

To the committee, the value of an improved standard is obvious.

“So much of our daily lives depends on reliable electric power,” says committee chair Eric Fujisaki, a civil engineer with Pacific Gas & Electric Co. in Northern California. “Our hope is that the seismic resiliency of the electric system can be enhanced by the work of this committee.”

BPA is an active member of the IEEE 693 committee. Dr. Leon Kempner Jr., principal structural engineer and BPA’s seismic program manager, serves as co-chair, and Mike Riley, an engineer in BPA’s Structural Design group, is a member.



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Public Involvement [updates & Notices]

BPA PROJECTS

BP-16 Rate Case [Regionwide]

BPA conducted a consolidated power and transmission rate proceeding, BP-16, to set rates for the fiscal year 2016–2017 rate period. The formal rate-setting process culminated in the filing of a final rate proposal, including the Administrator's record of decision, with the Federal Energy Regulatory Commission in late July 2015. BPA will request approval for the rates to be effective Oct. 1, 2015. For information, go to www.bpa.gov/goto/BP16.

POWER

Alcoa Remand Public Process [Regionwide]

BPA accepted public input and comment to assist BPA in its response to the decision issued Sept. 18, 2014 by the U.S. Court of Appeals for the Ninth Circuit. The ruling in *Industrial Customers of Northwest Utilities, et al. v. Bonneville Power Administration* related to BPA's contracts with its direct service industry customers. In its decision, the court instructed BPA to address four specific questions regarding service to Alcoa and the recovery of funds. Comments received during the comment period will assist BPA in its decision-making before issuing a draft record of decision on these four issues in summer 2015. For more information, go to www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/DSI.SHTML.

TRANSMISSION

Midway-Moxee Rebuild and Midway-Grandview Upgrade Transmission Line Project [Benton, Yakima counties, Wash.]

BPA issued a draft environmental assessment for the proposed Midway-Moxee Rebuild and Midway-Grandview Upgrade Project in July. The 115-kV lines are deteriorating due to age and exposure to weather and need to be rebuilt to ensure reliable electric service. BPA will hold a public meeting Aug. 24 to answer questions and accept comments on the draft EA. BPA is the lead agency on the draft EA and the BLM is a cooperating agency. BPA will accept comments on the draft EA through Sept. 29, 2015. For more information, go to www.bpa.gov/goto/MidMoxGrand.

I-5 Corridor Reinforcement Project [Cowlitz, Clark counties, Wash.; Multnomah County, Ore.]

BPA published a project update with new information about the projected need for the line, as well as non-wires measures that could be used to relieve some of the congestion that the line is designed to address. BPA continues to conduct surveys and studies to determine the potential impacts of the project. We expect to release a final environmental impact statement in late 2015, followed by a record of decision in 2016. If BPA decides to build the project, we would then focus on negotiating acquisition of the required easements from property owners and obtaining permits. For more information, go to www.bpa.gov/goto/15.

ENVIRONMENT, FISH AND WILDLIFE

Crooked River Valley Rehabilitation Project [Idaho County, Idaho]

BPA, along with the USDA Forest Service, Nez Perce Tribe and U.S. Army Corps of Engineers, completed the final environmental impact statement for the Crooked River Valley Rehabilitation project. The project proposes to rehabilitate two miles of Crooked River damaged by mining on Forest Service lands. BPA is a cooperating agency and will decide whether to fund this project. For information, go to http://data.ecosystem-management.org/nepaweb/nepa_project_exp.php?project=40648.

Wallooskee-Youngs Confluence Restoration Project [Astoria, Ore.]

BPA issued a finding of no significant impact in July, along with the final environmental assessment and response to comments on the proposal to fund this project sponsored by the Cowlitz Indian Tribe. The project will restore and enhance 193 acres of tidal wetlands in the Columbia River estuary near Astoria. For information, go to www.bpa.gov/goto/WallooskeeYoungs.

CLOSE OF COMMENT

- **Sept. 29**, Midway-Moxee Rebuild and Midway-Grandview Upgrade Transmission Line Project

CALENDAR OF EVENTS

For current meeting information, go to www.bpa.gov/PublicInvolvement/Cal.

Quarterly Business Review

- **Aug. 4**, 9:30 a.m. to 12:20 p.m.
BPA Rates Hearing Room
Suite 200, 1201 Lloyd Blvd., Portland, Ore.

Midway-Moxee and Midway-Grandview Transmission Rebuild

- **Aug. 24**, 4 to 7 p.m.
Moxee City Hall
255 West Seattle Avenue, Moxee, Wash.

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.

