



# Journal

November 2016

## BPA closes out Integrated Program Review and Capital Investment Review

BPA completed the Integrated Program Review and Capital Investment Review by publishing the close-out report on Oct. 12. This ends the intensive process that kicked off in June and included an eight-week comment period.

BPA received over 60 comments during the IPR. The final spending levels had to balance the strong pressure for cost containment our customers asked for, against our multiple statutory obligations and requests from other stakeholders who call on us to sufficiently fund programs that benefit the broader region.

“The IPR closeout reflects the first steps toward changing the trajectory of rising costs,” said Elliot Mainzer, BPA administrator. “I am confident that through aggressive cost management, disciplined budgeting policies and continued advancements in our analytic capabilities for informed decision-making, we will position BPA as the wholesale power provider of choice in the next decade.”

More information about the IPR, including a copy of the close-out letter, visit the IPR website at [www.bpa.gov/goto/IPR](http://www.bpa.gov/goto/IPR).

In all, compared to the expense spending levels proposed in June, the spending increases are lower by \$22.9 million in both 2018 and 2019. These averaged annual reductions are comprised of \$18.5 million for Power Services and an average \$4.4 million for Transmission Services.

The Power Services reductions include lower operations and maintenance expenses with the Bureau of Reclamation, Corps of Engineers and the Columbia Generating Station. It also includes a reduction in fiscal year 2019 in fish and wildlife costs associated with the Lower Snake River Compensation Plan. One of the largest changes came from a policy decision to increase the percentage of self-funding for the energy efficiency incentive from 25 to 30 percent. More on this policy decision can be found in the close-out letter.

Power Services and Transmission Services share reductions to the Technology Innovation program. BPA believes it can find other means to maintain the strength of this program. They also share reductions to Key Strategic Initiative spending including the Asset Management KSI, Commercial

Operations KSI and Long-Term Financial and Rates KSI. BPA found more efficient ways to implement these initiatives and reduce the expected costs of these KSIs.

“These were hard decisions to reduce budgets and this reflects the hard work that employees have put into this process,” said Mary Hawken, deputy chief financial officer and project manager of this IPR process. “Everyone has engaged in taking a second look at their budgets to find how we can find real reductions that are valuable for our ratepayers.”

In addition, BPA slowed the proposed ramp in hydro investments to reduce fiscal year 2017–2019 direct capital spending by \$74 million, and it shifted transmission investments to reduce spending by \$57 million in 2017.

## BPA makes U.S. Treasury payment on time for 33<sup>rd</sup> consecutive year

BPA completed its 33rd consecutive annual payment to the U.S. Treasury on time and in full. The total payment was for \$1.9 billion for fiscal year 2016, which ended Sept. 30. BPA’s cumulative payments to the U.S. Treasury during those 33 years amount to more than \$27.6 billion.

“This is the largest payment BPA has ever made to the U.S. Treasury,” said BPA Administrator Elliot Mainzer. “This year’s payment includes substantial early debt retirement that is part of our plan for disciplined and proactive debt management, a crucial aspect of maintaining our financial strength and remaining cost competitive.”

This year’s payment includes \$1.4 billion in principal; \$343 million in interest; \$60.2 million in irrigation assistance payments and \$35.4 million in other payments. Of the \$1.4 billion in principal, \$958.7 million was early retirement of higher-interest rate debt to the U.S. Treasury. This was made possible by a series of regional cooperation debt and cash management transactions through which Energy Northwest issued BPA-supported bonds to refinance debt, financial actions that will save money for Pacific Northwest ratepayers over the long term. Of the \$1.9 billion, \$104.4 million was paid by applying Treasury credits for non-power-related fish mitigation efforts and other credits, including interest earnings.



“The collaboration between BPA, Energy Northwest and the region’s public power entities has enabled us to deliver significant interest savings to our ratepayers,” said Javier Fernandez, BPA executive vice president and chief financial officer. “These regional cooperation debt transactions help BPA manage its long-term commitment to keeping costs low, as well as maintaining and improving its financial health.”

In addition to the U.S. Treasury payment, BPA paid operations and maintenance expenses for the U.S. Army Corps of Engineers, Bureau of Reclamation and U.S. Fish and Wildlife Service projects directly funded by BPA. This direct funding amounted to \$404 million in fiscal year 2016.

## Public Involvement [updates & Notices]

### BPA PROJECTS

#### Integrated Program Review and Capital Investment Review [Regionwide]

BPA kicked off the Integrated Program Review and Capital Investment Review on June 16. The IPR/CIR process allows interested parties to see all relevant FCRPS expense and capital spending-level estimates in one forum. The IPR/CIR is conducted every two years, before each rate case, and provides participants with an opportunity to review and comment on BPA’s program-level estimates, draft asset strategies and capital spending levels before their inclusion in the rate case. The comment period closed Aug. 12. A final publication will be published in October. For information, go to [www.bpa.gov/goto/iplr](http://www.bpa.gov/goto/iplr).

### POWER

#### BP-18 Rate Case [Regionwide]

BPA expects to publish notice of its initial rate proposal for the BP-18 Rate Case in the Federal Register on Nov. 10. The BP-18 rate proceeding will set rates for wholesale power, transmission, and ancillary and control area services for FY 2018 and 2019. BPA expects that the formal rate-setting process will culminate in filing a final rate proposal and the administrator’s record of decision with the Federal Energy Regulatory Commission in late July 2017. BPA will request approval for the rates to be effective Oct. 1, 2017. The prehearing conference is scheduled for Nov. 17. For information, go to [www.bpa.gov/goto/BP18](http://www.bpa.gov/goto/BP18). **SEE CALENDAR**

### TRANSMISSION

#### Hills Creek-Lookout Point Transmission Line Rebuild Project [Lane County, Oregon]

BPA proposes to rebuild the 26-mile Hills Creek-Lookout Point 115-kilovolt wood-pole transmission line between the cities of Oakridge and Lowell, Ore. Improvements would involve replacing all wood-pole structures (including poles and other hardware), replacing conductors and ground wires, realigning the line to avoid a rockfall and landslide, and improving access roads. BPA published the draft environmental assessment in August and accepted comments through Sept. 19. The U.S. Forest Service is a cooperating agency

with BPA for the EA. If BPA decides to proceed with the project, construction would begin in the summer of 2018. For information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Hills-Creek-Lookout-Point.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Hills-Creek-Lookout-Point.aspx).

#### Kalispell-Kerr Transmission Line Rebuild Project [Flathead and Lake counties, Montana]

BPA proposes to rebuild the 41-mile Kalispell-Kerr 115-kV wood-pole transmission line between the cities of Kalispell and Polson, Montana. Improvements would involve replacing all wood-pole structures (including poles and other hardware), replacing conductors and ground wires, and improving access roads. BPA expects to publish the final environmental assessment in 2016. If BPA decides to proceed with the project, construction would begin in the spring of 2017. For information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Kalispell-Kerr.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Kalispell-Kerr.aspx).

#### Marys Peak BPA Communication Site Project [Benton County, Oregon]

BPA needs to upgrade and maintain its existing communication site on the summit of Marys Peak, located approximately 12 miles southwest of Corvallis, Ore. The BPA communication network allows for critical information exchange during emergencies, safe and timely power restoration during outages, and supports control of the larger regional BPA power transmission network in the Pacific Northwest. The scoping period began on Sept. 27 and will close on Dec. 2, 2016. A public meeting will be held on Nov. 9 from 4:30 PM to 7:00 PM at the Philomath High School Community Room in Philomath, Ore. BPA plans to prepare an environmental assessment for the proposed project. For information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Marys-Peak-BPA-Communication\\_Site\\_Project.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Marys-Peak-BPA-Communication_Site_Project.aspx).

#### Bonneville-Hood River Rebuild Project [Multnomah and Hood River counties, Oregon]

BPA is proposing to rebuild portions of its 23-mile, 115-kV Bonneville-Hood River transmission line and an associated tap line running to Cascade Locks, Ore. BPA is proposing to replace the aged wood and steel lattice H-frame structures and other components along the line and tap, and to improve its access road and trail system. BPA published the draft environmental assessment on Sept. 29, 2016, and accepted comments through Oct. 31, 2016. If BPA decides to proceed with the project, access road work would begin in the

summer of 2017 and structure work would begin in the summer of 2018. For information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Hood-River.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Hood-River.aspx).

## **ENVIRONMENT, FISH AND WILDLIFE**

### **Columbia River System Operations Environmental Impact Statement [Regionwide]**

On Sept. 30, 2016, the Corps of Engineers, Bureau of Reclamation and Bonneville Power Administration — known as the Action Agencies — published a notice of intent in the Federal Register notifying the public that the agencies intend to prepare an environmental impact statement on the long-term system operations and configuration of fourteen federal multiple purpose dams and related facilities located throughout the Columbia River Basin. The Action Agencies will use this EIS process to assess and update their approach on hydropower system operations through the analysis of alternatives and evaluation of potential effects to the human and natural environments, including the effects on socioeconomic factors and species listed under the Endangered Species Act. The Action Agencies will serve as joint lead agencies in developing the EIS. Fifteen scoping meetings will be held throughout the region, as well as two online webinars for those that cannot participate in person. A public comment period will run through Jan. 17, 2017. For information, go to [www.crso.info](http://www.crso.info).

### **Middle Entiat River Restoration Project [Chelan County, Washington]**

BPA is proposing to provide funding for the Middle Entiat River Habitat Restoration Project along a 4-mile section of the Entiat River, in Chelan County, Washington. The goal of the proposed project is to re-establish natural riverine processes and a properly functioning and self-sustaining riverine floodplain ecosystem that would provide critical spawning, rearing and off-channel refuge habitat for native fish and floodplain-associated wildlife in the Entiat River Basin. Target species would be steelhead, bull trout and other resident fish. A draft environmental assessment is expected to be available for comment this year. For information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/MiddleEntiatRiverHabitat.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/MiddleEntiatRiverHabitat.aspx).

### **Eightmile Ranch Coho Acclimation Site [Okanogan County, Washington]**

BPA and the U.S. Forest Service released the final environmental assessment for the Eightmile Ranch Coho Acclimation Site in March. BPA plans to release its finding of no significant impact, if warranted, later this year. For information, go to [www.bpa.gov/goto/Eightmile](http://www.bpa.gov/goto/Eightmile).

### **Trinity Coho Acclimation Site [Chelan County, Washington]**

BPA plans to release a supplemental analysis for the Trinity coho acclimation site in late 2016 or early 2017. This site is part of the Mid Columbia Coho Restoration Program, an effort to reintroduce self sustaining populations of coho salmon to the Wenatchee and Methow subbasins. BPA prepared an environmental impact statement for this program in 2012. The Trinity site was later added to the program when other sites proved infeasible. An initial project scoping comment period closed in September 2014. For information, go to [www.bpa.gov/goto/midcolumbiacoho](http://www.bpa.gov/goto/midcolumbiacoho).

### **Natapoc Fish Hatchery [Chelan County, Washington]**

BPA plans to release a supplemental analysis for the Natapoc fish hatchery in late 2016 or early 2017. This site is part of the Mid Columbia Coho Restoration Program, an effort to reintroduce self

sustaining populations of coho salmon to the Wenatchee and Methow subbasins. BPA prepared an environmental impact statement for this program in 2012. The EIS addressed the Natapoc Hatchery, at the time known as George Hatchery; however, the location of the hatchery has since changed. An initial project scoping period closed in December 2014. For information, go to [www.bpa.gov/goto/midcolumbiacoho](http://www.bpa.gov/goto/midcolumbiacoho).

### **Crystal Springs Hatchery Program [Bingham, Lemhi and Custer counties, Idaho]**

BPA is proposing to fund the Shoshone-Bannock Tribes of the Fort Hall Reservation's Crystal Springs Hatchery Program. The program would involve the construction of a hatchery in Bingham County, Idaho, to rear Snake River spring/summer chinook salmon and Yellowstone cutthroat trout as well as the construction of two fish-trapping (weir) facilities in Custer and Lemhi counties. BPA, in cooperation with the U.S. Forest Service, National Marine Fisheries Service and the tribes, plans to release a draft environmental impact statement evaluating the potential impacts of the proposed Crystal Springs Hatchery Program this fall. The public comment period will be open for 45 days. For information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Crystal-Springs.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Crystal-Springs.aspx).

### **Bird Track Springs Fish Habitat Enhancement Project [Wallowa County, Oregon]**

BPA is proposing to fund the Bird Track Springs Enhancement Project, located in the Wallowa-Whitman National Forest and adjacent private lands in Oregon's upper Grande Ronde River. The project is a partnership between BPA, the Confederated Tribes of the Umatilla Indian Reservation, U.S. Forest Service and the Bureau of Reclamation. The project goals are to benefit ESA-listed Pacific salmonids and their habitat through excavating channel meanders, removing artificial constraints, increasing off-channel connections and in-stream complexity through placement of large wood structures. Initial project scoping concluded in Feb. 2016 and the initial draft of the EA is currently underway. For information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/BirdTrackSprings.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/BirdTrackSprings.aspx).

### **Upper Columbia Spring Chinook and Steelhead Acclimation Project [Chelan and Okanogan counties, Washington]**

BPA plans to release a draft environmental assessment for the Upper Columbia Spring Chinook and Steelhead Acclimation Project this fall. This project would be funded by BPA and implemented by the Confederated Tribes and Bands of the Yakama Nation to improve acclimation of hatchery-bred juvenile steelhead and chinook salmon released into the Methow and Wenatchee river basins in Okanogan and Chelan counties, Washington. The initial scoping period closed May 4, 2015. For information, go to [www.bpa.gov/goto/ChinookSteelheadAcclimation](http://www.bpa.gov/goto/ChinookSteelheadAcclimation).

### **Kootenai River Lower Meander Project [Boundary County, Idaho]**

BPA is preparing an environmental assessment for a river restoration project proposed by the Kootenai Tribe of Idaho along the Kootenai River one-half mile upstream of Bonner's Ferry, Idaho. The project is designed to enhance islands and side channels and to restore streambanks. The work would include pool excavation, island construction, bank grading, revegetation and large wood structure installation along banks and in channels. The initial scoping began on Sept. 7 and will close Oct. 11, 2016. For information, go to [www.bpa.gov/goto/KootenaiMeander](http://www.bpa.gov/goto/KootenaiMeander).

# Public Involvement continued [updates & Notices]

## CLOSE OF COMMENT

- **Nov. 11**, Draft BPA Energy Efficiency Action Plan. For more information: [www.bpa.gov/EE/Policy/EEPlan/Pages/default.aspx](http://www.bpa.gov/EE/Policy/EEPlan/Pages/default.aspx)
- **Nov. 14**, Kootenai River Lower Meander Project. For more information: [www.bpa.gov/goto/KootenaiMeander](http://www.bpa.gov/goto/KootenaiMeander)

## CALENDAR OF EVENTS

For current meeting information, go to [www.bpa.gov/goto/calendar](http://www.bpa.gov/goto/calendar).

### Columbia River System Operation EIS Scoping

- **Nov. 1**, 4 to 7 p.m.,  
Red Lion Hotel Kalispell,  
20 North Main St.,  
Kalispell, Montana
- **Nov. 2**, 4 to 7 p.m.,  
City of Libby City Hall, Ponderosa Room,  
952 E. Spruce St.,  
Libby, Montana
- **Nov. 3**, 4 to 7 p.m.,  
Hilton Garden Inn Missoula,  
3720 N. Reserve St.,  
Missoula, Montana
- **Nov. 14**, 4 to 7 p.m.,  
The Historic Davenport Hotel,  
10 South Post St.,  
Spokane, Washington
- **Nov. 16**, 4 to 7 p.m.,  
Red Lion Lewiston, Seaport Room,  
621 21st St.,  
Lewiston, Idaho
- **Nov. 17**, 4 to 7 p.m.,  
Courtyard Walla Walla, The Blues Room,  
550 West Rose Street,  
Walla Walla, Washington
- **Nov. 29**, 4 to 7 p.m.,  
The Grove Hotel,  
245 S. Capitol Blvd.,  
Boise, Idaho
- **Dec. 1**, 4 to 7 p.m.,  
Town Hall, Great Room,  
1119 8th Ave.,  
Seattle, Washington
- **Dec. 6**, 4 to 7 p.m.,  
The Columbia Gorge Discovery Center, River Gallery Room,  
5000 Discovery Drive,  
The Dalles, Oregon
- **Dec. 7**, 4 p.m. to 7 p.m.,  
Oregon Convention Center,  
777 NE Martin Luther King Jr. Blvd.,  
Portland, Oregon

- **Dec. 8**, 2016, 4 to 7 p.m.,  
The Loft at the Red Building,  
20 Basin St., Astoria, Oregon

### CRSO Webinars

- **Dec. 13**, 10 to 11:30 a.m. PST.
- **Dec. 13**, 3 to 4:30 p.m. PST.

Additional meeting locations and information is available online.

### Quarterly Business Review

- **Nov. 1**, 9 a.m. to noon,  
BPA Rates Hearing Room,  
1201 N.E. Lloyd Blvd., Suite 200,  
Portland, Oregon

### Monthly Momentum Savings Call

- **Nov. 2**, 9 to 10 a.m.,  
1-650-479-3208 Call-in toll number (US/Canada)

Join WEbEx meeting at:

<https://usdoe.webex.com/usdoe/j.php?MTID=ma13625357f7c7d6b6a56afe51b05c3fc>

Meeting number: 997 267 924

Meeting password: W39bBqr5

### Attachement K Planning Meeting

- **Nov. 9**, 1 to 2:30 p.m.,  
One Park Place,  
7600 N.E. 41st Street,  
Conference Room 352,  
Vancouver, Washington 98662

### Marys Peak Communication Site public scoping

- **Nov. 9**, 4:30 to 7 p.m.,  
Philomath High School Community Room  
2054 Applegate Street,  
Philomath, Oregon

### Commercial Business Process Improvement Customer Conference Call

- **Nov. 16**, 10:30 to 11:30 a.m.  
Please dial 1-650-479-3208.  
Access code 991 797 502#

## FOR MORE INFORMATION

Information on other projects under environmental review is available at [www.bpa.gov/goto/NEPA](http://www.bpa.gov/goto/NEPA).

For information about the National Environmental Policy Act in general, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/References.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/References.aspx).

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](mailto:comment@bpa.gov). BPA home page: [www.bpa.gov](http://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](http://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.

