

# JOURNAL

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*Cape Mears, Oregon*

*photo by R. T. Balla*

## **Judi Johansen leaves BPA**

BPA Administrator Judi Johansen left BPA on Nov. 17 to be executive vice president for government affairs and regulation at PacifiCorp. Secretary of Energy Bill Richardson named Steve Wright, BPA's deputy administrator, acting administrator.

Although Johansen's administration at BPA was relatively brief, it was eventful. In June 1998, Johansen laid out a vision for BPA. She said she wanted to stabilize BPA economically so the agency would have a solid foundation for proceeding into the new century. That goal was substantially realized with signing of the new power subscription contracts with BPA customers. Most of those contracts are for 10 years. This stability lays a foundation for another of Johansen's goals: preserving the federal hydro benefits of the region for the Northwest. Under her stewardship, BPA managed the volatility of current power markets, ending the current fiscal year with financial reserves that will provide stability in face of both unpredictable weather and an unpredictable market.

She set a goal to move BPA and the region toward a regional transmission organization that would ultimately provide greater reliability for the grid, better congestion management, efficiencies that can be achieved only through coordination and a system that truly supports an open competitive market. At her urging, BPA voluntarily joined with the region's investor-owned utilities to form RTO West, a regional transmission organization that is awaiting approval from the Federal Energy Regulatory Commission.

She called for a unified fish and wildlife strategy. She has worked vigorously with other regional entities to bring about a regional approach to fish and wildlife protection and mitigation. Nine federal agencies, under the banner of the Federal Caucus, combined to work closely to produce a recovery strategy that for the first time addresses fish species throughout the region across all habitats. The National Marine Fisheries Service plans to unveil the final plan this December.





She set about to build stronger ties with an important group in the region — Northwest tribes. She endorsed BPA grants to the Affiliated Tribes of Northwest Indians to help better involve tribal governments in BPA decision making. Acknowledging the importance of a government-to-government role with the tribes, Johansen made more visits to tribes than any other administrator in BPA's history.

Her vision also included, in her words, "leaving as light a footprint on the environment as possible." Under her leadership, BPA took great strides toward moving renewable power and conservation along. Last July, the National Renewable Energy Laboratory recognized BPA as tops in the country in new renewable resource capacity developed as a result of green marketing. She also was instrumental in seeing that a conservation/renewables discount became part of the new customer power sales contracts.

### **Wright named acting administrator**

Steve Wright is the acting administrator following the departure of Judi Johansen. Wright, who was named deputy administrator earlier this year, spent a substantial amount of his time as head of BPA's Washington, D.C., office where he was liaison to the Department of Energy, Congress and various public interest groups. In making the announcement, Secretary of Energy Bill Richardson said he believes Wright and Steve Hickok, BPA's chief operating officer, will provide strong leadership at BPA. It will be months before a permanent administrator will be selected because many appointments (including a new Secretary of Energy) must be made under a new administration.

Wright and BPA's executive management team will focus attention on concluding the current Power Business Line rate case, completing augmentation of the Federal Columbia River Power System (FCRPS) supplies to meet the agency's contractual obligations in the upcoming rate period, concluding the biological opinions over operation of the FCRPS and the all-H implementation strategy, completing the regional transmission organization filing, resolving issues surrounding the survival of the direct service industries, putting a winter readiness plan in place and preparing for federal legislation to restructure the power industry.

### **BPA adjusts power rates to cover costs**

Customer demand under new 10-year wholesale power contracts with BPA is so strong that the agency must purchase power on the market to augment its supply. To recover the cost of these purchases, the agency proposes revisions to the agency's Cost Recovery Adjustment Clause (CRAC) as part of the 2002-2006 wholesale power rates.

Even with an additional charge, BPA's wholesale rates are still well below wholesale market prices currently forecast for the next five years on the West Coast. BPA signed new wholesale contracts with more than 145 Northwest utilities and industries, most of them for 10 years. Those agreements totaled more than 9,000 megawatts and pushed the agency's total firm energy load — the amount of energy BPA must supply — up to 11,000 MW. That's more than earlier agency predictions and nearly 3,000 MW more firm energy than the Federal Columbia River Power System can generate.

Costs in the deregulated wholesale power market have become very volatile. Recent steep increases and an apparent upward trend in market prices have prompted utilities formerly purchasing power in the market to bring their business back to BPA.

To meet this greater demand, BPA will have to augment its supply in that same market. The proposed changes are due solely to higher costs of purchased power. Other utilities in the Northwest have announced rate hikes recently for the same reason. BPA's proposed changes envision a three-stage adjustment with each stage designed to deal with a different aspect of the financial problem faced by BPA. The first stage of this adjustment would result in a slightly more than 15 percent charge added to customers' wholesale power rates. For a description of this proposal, see the enclosed *Keeping Current*.

Earlier this year, BPA filed proposed power rates with the Federal Energy Regulatory Commission for the October 2001 to October 2006 period. The rate for public agency customers and the residential and farm customers of investor-owned utilities was set at about 2.2 cents a kilowatt-hour, almost unchanged from rates in effect since 1996. The proposed 15 percent wholesale increase will affect each customer's retail rates differently, depending on that entity's other costs.



BPA needs these adjustments to ensure timely repayment of obligations to the U.S. Treasury for investment in the Federal Columbia River Power System. This is essential to maintain the region's low cost-based rates. BPA's proposal includes the ability to invoke additional cost recovery increases later in the five-year period if needed to maintain financial stability and meet all of its obligations.

The proposal will be reviewed in a proceeding before an administrative law judge before being submitted in the spring to FERC for approval. Visit the Web site at <http://www.bpa.gov/Power/PSP/rates/RateCase> for more information.

## **Region prepares to avoid energy shortfalls this winter**

Northwest energy providers and state governments recently created a new Winter 2000-01 Energy Emergency Plan to prevent electricity shortages this winter. The plan is designed to provide early warnings of extreme weather conditions or other situations that may affect the power system and to give the region time to take steps to avoid problems. The plan includes an emergency response team to coordinate actions and share information among utilities. The chance of an energy shortage this winter is small, but higher than previous years — about a 6 to 14 percent probability. A strong economy has increased demand for electricity while, at the same time, there has been little increase in energy supplies. The plan does not address the issue of high energy prices, only the potential of shortages if energy is not available at any price. The plan:

1. Institutes a three-level warning system that will give energy operations personnel notice of impending problems and provide lead time to take steps toward averting an emergency.
2. Ensures actions are consistent with Federal Energy Regulatory Commission standards of conduct and North American Electric Reliability Council criteria.
3. Sets up an Emergency Response Team to evaluate the status of the system and determine if a warning should be issued or terminated and to facilitate a coordinated regional approach to a potential emergency.

4. Sets up a communications system to keep system operations personnel, policymakers and the public fully informed.

5. Establishes objective criteria for determining what constitutes an approaching emergency based on an analysis of loads and resources.

6. Reinforces — by providing different levels of warning — that certain steps such as relaxing air quality standards or fish mitigation measures are taken only after other actions have been exhausted.

7. Provides a safe and confidential repository that allows utilities to pool market-sensitive information without fear that information about individual needs or resources would be compromised. This will give a fuller and more accurate picture of the region's overall loads and resources.

The Pacific Northwest Utilities Conference Committee and the Northwest Power Pool led the efforts to develop the plan. Other participants include representatives of the region's state governments, federal Columbia River hydro system operating agencies (BPA, U.S. Army Corps of Engineers and Bureau of Reclamation), investor-owned and public utilities, energy and utility associations and direct service industries.

## **BPA proposes new transmission line**

BPA proposes to build a new transmission line just east of Salem, Ore., in Marion and Linn counties. The new 230-kilovolt line will run from BPA's Santiam Substation, which is about six miles southeast of Stayton, to a Portland General Electric line about 17 miles to the west. The PGE line runs to the company's Bethel Substation. Because of economic development and increased loads in this area in recent years, this project is proposed to relieve overloads that can occur during extreme cold winter weather on the existing Santiam-Chemawa line. BPA's reliability criteria require that the agency address possible overloads on this line now. The new line will probably look like the existing lines in the area, with aluminum wire suspended from steel lattice towers. BPA is holding a public meeting in December and is soliciting comments from nearby residents and interested parties as the agency considers route options and works to minimize environmental impacts. The line is scheduled to be constructed in 2003 or 2004. See back page for more information.

# PUBLIC INVOLVEMENT

## STATUS REPORTS

**Big Eddy-Ostrander Vegetation Management.** 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.

**Coeur d'Alene Tribe (CDA) Trout Production Facility Project.** Idaho — To fund the design, construction, operations and maintenance of the facility to help meet the need for off-site mitigation for losses on the mainstem Columbia River. A final EA is being prepared. Call to be added to the mail list.

**Condon Wind Project.** Ore. — To acquire about 24.5 megawatts of electricity from the proposed Condon Wind Project. An EIS is being prepared on the wind project and its associated transmission. Call to be added to the mail list.

**Fish and Wildlife Implementation Plan.** Regionwide — To examine the impacts that may arise from implementing one of the fish and wildlife policy directions being considered in the ongoing regional processes. An EIS is being prepared. Call to be added to the mail list.

**Fourmile Hill Geothermal Development Project (Calpine).** N. Calif. — BPA has decided to execute Transmission Services Agreements and Power Purchase Agreements with Calpine Siskiyou Geothermal Partners L.P. to acquire output from the project. A ROD is available. Call to receive a copy.

**NEW! Grande Ronde and Imnaha Spring Chinook Project.** Ore. — To build new egg incubation and juvenile rearing facilities next to the Lostine and Imnaha rivers and to modify the Gumboot adult collection facility and the Lookingglass Hatchery in partnership with the Nez Perce Tribe, Oregon Department of Fish and Wildlife and the Confederated Tribes of the Umatilla Indian Reservation. An EA is being prepared. See Close of Comment. Call to be added to the mail list.

**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.

**Kangley-Echo Lake Transmission Line Project.** Wash. — To build a 500-kV transmission line in central King County that would connect an existing transmission line near the community of Kangley into the Echo Lake Substation. An EIS 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 are available. Call to receive a copy.

**NEW! Santiam – Bethel Transmission Line Project.** Ore. — To build a new 230-kV transmission line next to an existing line from the Santiam Substation to the Portland General Electric

line that goes to PGE's Bethel Substation, a distance of 17 miles. An EA is being prepared. See Calendar of Events and Close of Comment.

**NEW! Schultz – Hanford Area Transmission Line Project.** Wash. — To build a new 500-kV line to reduce constraints on several electrical lines across the state, to provide more interstate energy export capacity and to help meet obligations to endangered salmon. An EIS is being prepared. See Calendar of Events and Close of Comment. Call to be added to the mail list.

**Shelton-Kitsap Transmission Rebuild.** Wash. — To rebuild a 31-mile 115-kV transmission line between Shelton and Kitsap substations as a double-circuit 230-kV line within the existing right-of-way. A final EA (#3329) is being prepared. Call to be added to the mail list.

**Stateline Wind Project.** Wash. and Ore. — To acquire up to 300 megawatts of electricity from the proposed Stateline Wind Project. An EIS is being prepared on the wind project and its associated transmission. Call to be added to the mail list.

**White Sturgeon Mitigation and Restoration in the Columbia and Snake Rivers Upstream From Bonneville Dam.** Ore., Wash. and Idaho. — To restore and mitigate for documented lost white sturgeon productivity caused by development and operation of the hydropower system using intensive fisheries management and modified hydrosystem operation. An EA is being prepared. Call to be added to mail list.

## CALENDAR OF EVENTS

Santiam – Bethel Transmission Line Project public meeting, **Dec. 11**, 4 to 8 p.m., Sublimity Fire Department, 115 Northwest Parker St., Sublimity, Ore.

Schultz – Hanford Area Transmission Line Project public meetings: **Jan. 9**, 4 to 8 p.m., Sage Brush Senior Center, 442 Desert Aire Drive, Desert Aire, Wash.; **Jan. 10**, 4 to 8 p.m., Yakima County Courthouse, Room 420, Yakima, Wash.; **Jan. 11**, 4 to 8 p.m., Hal Holmes Community Center, 201 North Ruby St., Ellensburg, Wash.

## CLOSE OF COMMENT

D.C. Intertie, extended to **Dec. 15**

Grande Ronde and Imnaha Spring Chinook Project, **Dec. 15**

Santiam–Bethel Transmission Line Project, scoping, **Jan. 15**

Schultz–Hanford Area Transmisssion Line Project, scoping, **Jan. 25**

## SUPPLEMENT ANALYSES

Watershed Management Program EIS: Lower Wilson Creek Passage Restoration (SA-44)

Implement Fisheries Enhancement Opportunities: Coeur d'Alene Reservation (SA-45)

Yakima Fisheries Project EIS: Construction/modification upgrades to Prosser Hatchery and Marion Drain Hatchery facilities (SA-04)

EA: Environmental Assessment, EIS: Environmental Impact Statement, FONSI: Finding of No Significant Impact, ROD: Record of Decision

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, call: 800-622-4520 or (503) 230-7334 (Portland). For questions/comments or to be added to a mail list, call: (503) 230-3478 (Portland) or 800-622-4519. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. Public Involvement, Internet, E-mail address [comment@BPA.gov](mailto:comment@BPA.gov), BPA home page: <http://www.bpa.gov>