

# journal

July 2008

[www.bpa.gov/corporate/pubs/Journal](http://www.bpa.gov/corporate/pubs/Journal)

## Network Open Season results are in

BPA's first Network Open Season, which ran from mid-April to mid-June, exceeded expectations. Twenty-eight customers signed service agreements for transmission of over 6,410 megawatts of energy. BPA will now "cluster" the requests to determine how much available transfer capability can be offered and which new transmission facilities, if any, will be required to accommodate the requests.

Network Open Season is a new way to manage BPA's queue of parties seeking long-term firm capacity on BPA's network transmission system. Participants were asked to sign "precedent agreements," which committed them to take transmission service at a specified time and under specified terms.

Prior to the 2008 Network Open Season, transmission requests were taken on a first-come, first-served basis. It was difficult to determine which parties in the queue requesting network transmission were willing to commit immediately to purchase transmission and which were simply seeking transmission capacity for projects that may or may not be built. Speculative requests made it impossible to evaluate the region's priority transmission needs. In turn, it was difficult to determine what, if any, new transmission needed to be built and where.

## Energy experts kick off taskforce

The executive committee of the Northwest Energy Efficiency Taskforce, a consortium of stakeholders from around the region, met for the first time June 18. Senior-level representatives from businesses, governments and interest groups attended. Over the next several months, the taskforce will develop a roadmap to advance energy-efficiency achievements in the Northwest.

The Northwest has a proven history in energy-efficiency leadership, dating to the Northwest Power Act of 1980. Since then, the Northwest has reduced demand for electricity through efficiency improvements by 3,700 megawatts.

But the Northwest Power and Conservation Council estimates there are at least 3,100 more MW of conservation potential in the region. Achieving that potential, however, will require improved regional coordination, collaboration, commitment and customer involvement.

The taskforce will work through the summer and fall and plans to report its recommendations this coming January. A focus that emerged from the first meeting is on making energy efficiency more user friendly to end consumers. The effort may conclude with an energy-efficiency symposium, open to the public, to discuss and highlight the results and recommendations.

## Hydro performance belies conventional wisdom

With record snowfalls in the Northwest this winter, many people assumed there would be an abundance of hydropower generation in spring. But the January through July runoff volume forecast at The Dalles for the Federal Columbia River Power System this year is actually a little below average.

"Even though we had record snows in the Cascades this winter, the federal hydro system drains water from the Columbia Basin, a much larger area," said Rick Pendergrass, manager in BPA's Power Operations Planning. "We had near average snow in the basin, but we had a very cold winter and early spring with lower runoff."

In fact, streamflows in the Columbia this April were at 52 percent of average, the fourth lowest measurement on record. The shape of the runoff is nearly as important as the amount. Because there is limited storage in the Columbia Basin, hydro operators prefer to see the runoff move at a gradual, steady pace over four or five months, rather than in a few rapid events compressed within two or three months.

It remains to be seen how the summer will play out in terms of hydro output. "We could see cooler temperatures, which would help the remaining snow come down in a more gradual manner. Or we could see periods of heat that cause more rapid runoff events," Pendergrass said.

## Wind team tackles costs, controls

Over the next two to three years, the new BPA Wind Integration Team will identify and implement tools to better manage the large amounts of wind power now entering the Northwest grid. At a June 9 workshop, wind advocates and utility interests from the Northwest, California, Alberta and British Columbia offered input.



"We're on a steep learning curve as we add more and more wind into our power system," said Eric King, WIT lead. "We've already learned that wind generation within each hour may be very different from the amount scheduled – higher, lower, rising, falling or just not there."

This poses a challenge for BPA. Grid operators have to match generation with load. When they don't match, BPA has to stand ready with back-up reserves to cover the potential differences. These back-up arrangements can get expensive.

"We need better within-hour wind forecasts and new reserve products," King said. "We expect the WIT will produce better within-hour wind forecasts, new arrangements among utilities to supply regulating reserves, and identify needed controls for wind turbine output."

WIT was established in the 2009 Wind Integration Settlement. The team will contribute to a 2010-2011

transmission rate methodology, but its work will continue at least through the 2012 rate case.

## **BPA cosponsors international wind workshop**

BPA and the California Independent System Operator are sponsoring a technical workshop to identify the leading international wind forecasting approaches, methodologies and research in the United States and Europe. The event is for utilities and balancing authorities who are responsible for the integration of large-scale wind and the wind forecasting vendors who support them.

The workshop will be held July 24 to 25 in Portland, Ore. For more information, go to [www.bpa.gov/corporate/business/innovation/docs/2008/International\\_Wind\\_Forecast\\_Summary.pdf](http://www.bpa.gov/corporate/business/innovation/docs/2008/International_Wind_Forecast_Summary.pdf). To register, go to [www.regonline.com/USAEuropeanWindWorkshop](http://www.regonline.com/USAEuropeanWindWorkshop).

# publicinvolvement

## updates and notices

### **NEW PROJECTS**

#### **New Large Single Load Adjustments for FY 2002-2008 – Regionwide**

BPA is accepting comments on New Large Single Load (NLSL) determinations and adjustments to its FY 2002-2008 Average System Cost (ASC) estimates to be used in BPA's WP-07 Supplemental Proceeding. Because BPA and exchanging utilities have implemented Residential Exchange Program (REP) settlements since 1996, utilities did not file NLSL information with BPA during that period. BPA has analyzed the data provided by utilities intending to participate in the REP beginning Oct. 1, 2008, and has made NLSL estimates used in calculating the utilities' respective FY 2002-2008 ASCs. The analysis shows the identified NLSLs, the resource costs associated with serving such loads, and the resulting ASC adjustments. BPA is requesting comments on the NLSL estimates and ASC adjustments until 5 p.m., July 2. For more information, go to [www.bpa.gov/corporate/finance/ascm/letters.cfm](http://www.bpa.gov/corporate/finance/ascm/letters.cfm).

### **AGENCY – PROJECTS UNDER REVIEW**

#### **BPA Financial Plan – Regionwide**

BPA released its draft Financial Plan for public review and comment. It focuses on issues around four key financial areas: financial risk metrics, access to capital, good year/bad year financial planning and cost recovery. Comments will be accepted through July 8. BPA expects to publish a final draft by the end of the month. You can print a copy from BPA's Web site or request a copy by calling (800) 622-4519. For more information, go to [www.bpa.gov/corporate/Finance/financial\\_plan/](http://www.bpa.gov/corporate/Finance/financial_plan/).

#### **Integrated Program Review – Regionwide**

In May, BPA began the Integrated Program Review portion of a new process to ensure its customers and stakeholders have regular access to clear and transparent financial information as well as frequent opportunities for meaningful input into BPA's cost and program decisions. Workshops will be held into July. Administrator Steve Wright will be available for the July 2 General Managers meeting to hear comments on 2010-2011

proposed spending levels. BPA is now accepting public comment on cost forecasts for the 2010-2011 rate period. BPA will consider the input received as it establishes program costs for the Power and Transmission 2010-2011 rate cases, which will begin this fall. For more information, go to [www.bpa.gov/corporate/Finance/ibr/](http://www.bpa.gov/corporate/Finance/ibr/).

#### **WI-09 Wind Integration Rate Case – Regionwide**

BPA is proposing a new transmission rate to recover the costs of balancing the variable output of wind farms in its control area within each hour. The rate would be in effect for one year from October 2008 to September 2009, and would be charged to wind power producers in BPA's control area. BPA and a significant number of rate case parties have signed a settlement agreement under which BPA is proposing a monthly rate of 68 cents per kilowatt of installed wind capacity. BPA accepted comments through April 15. BPA plans to issue a ROD this summer and submit the proposed rate to FERC for approval for the rate to become effective Oct. 1. For more information, go to [www.transmission.bpa.gov/Business/Rates\\_and\\_Tariff/2009WindIntegRateCase.cfm](http://www.transmission.bpa.gov/Business/Rates_and_Tariff/2009WindIntegRateCase.cfm)

### **FISH AND WILDLIFE – PROJECTS UNDER REVIEW**

#### **Chief Joseph Hatchery Program – Okanogan County, Wash.**

The Northwest Power and Conservation Council recommended that BPA study a program sponsored by the Confederated Tribes of the Colville Reservation to assist in conservation and recovery of summer/fall chinook salmon in the Okanogan subbasin and the Columbia River below Chief Joseph Dam. This program would include a new hatchery near the base of Chief Joseph Dam and acclimation ponds throughout the Okanogan River subbasin. The use of the proposed facilities to reintroduce spring chinook salmon in the Okanogan subbasin is also being considered. The program would augment the ceremonial and subsistence harvest of salmon for the Colville Tribes. This program would be designed to

have no effect on Chief Joseph Dam operations. Public meetings on the draft EIS were held and comments were accepted through June 18, 2007. A final EIS and ROD are expected by late summer 2008. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Chief\\_Joseph/](http://www.efw.bpa.gov/environmental_services/Document_Library/Chief_Joseph/).

#### **Lyle Falls Fish Passage Project – Klickitat County, Wash.**

BPA issued the Lyle Falls Fish Passage draft EIS for public review on March 19. BPA prepared the analysis along with cooperating agencies: the Yakama Nation, Washington Department of Fish and Wildlife and the U.S. Forest Service. The draft EIS addresses the proposed modification and upgrade to the existing fishway to improve fish access to upper reaches of the Klickitat River, meet state and federal fish passage standards and assist biologists in collecting valuable biological (fisheries) information. Comments on the draft EIS were accepted until May 12. A public meeting was held April 16. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Lyle\\_Falls/](http://www.efw.bpa.gov/environmental_services/Document_Library/Lyle_Falls/).

#### **Northeast Oregon Hatchery Program, Grande Ronde-Imnaha Spring Chinook Hatchery Project – Walla Walla County, Ore.**

BPA has conducted value engineering, land acquisition and final design according to the initial ROD signed March 11, 2005. A ROD authorizing construction is planned for late summer 2008. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Grand\\_Ronde/](http://www.efw.bpa.gov/environmental_services/Document_Library/Grand_Ronde/).

## **POWER – PROJECTS UNDER REVIEW**

#### **Average System Cost Methodology – Regionwide**

BPA has completed the first of several milestones required to respond to the court and create some clarity for future Residential Exchange Program (REP) benefits and offering of Regional Dialogue contracts in August 2008. BPA completed its Average System Cost Methodology (ASCM) ROD after reviewing comments received on a draft ROD. The ROD responds to comments received during the ASCM consultation process, and presents the administrator's decisions on all issues raised. The ASCM presented in the ROD redefines the types of capital and expense items includable in ASCs and will be used to determine the ASC of resources for regional electric utilities that participate in the REP authorized by section 5(c) of the Northwest Power and Conservation Act. BPA will file the final ASCM and ROD with FERC in early July 2008, offer Residential Purchase and Sale Agreements in early August 2008, and implement the REP beginning Oct. 1, 2008. For more information, go to [www.bpa.gov/corporate/Finance/ascm](http://www.bpa.gov/corporate/Finance/ascm).

#### **Bridge Net Requirement Block Agreements – Regionwide**

BPA will issue a final ROD in late July regarding its plan to establish a new net requirements (NR) contract to replace the previous contract. BPA is authorized by the Northwest Power Act to sell power via contract to investor-owned utilities to meet their net requirements. This contract, called Bridge Net Requirement Agreements, will be in effect from Oct. 1, 2008, through Sept. 30, 2011. BPA accepted public comment on the draft contract through June 16. The draft contract was based on the original subscription contract provisions and provided investor-owned utilities access to federal power at the NR Block rate. All comments received will be reflected in the ROD when it is released. BPA plans to offer the bridge contract in August 2008. For more information, go to [www.bpa.gov/corporate/finance/ascm/letters.cfm](http://www.bpa.gov/corporate/finance/ascm/letters.cfm).

#### **FCRPS Draft Systemwide Cultural Resources Programmatic Agreement – Regionwide**

The Federal Columbia River Power System Draft Systemwide Cultural Resources Programmatic Agreement covers the

management of historic properties affected by the multi-purpose operations of 14 FCRPS hydro projects. It provides the systemwide principles and commitments for the Lead Federal Agencies' compliance with Section 106 of the National Historic Preservation Act. Comments on the draft PA were accepted through May 11. For more information, go to [www.efw.bpa.gov/environmental\\_services/culturalresources.aspx](http://www.efw.bpa.gov/environmental_services/culturalresources.aspx).

#### **Residential Purchase and Sale Agreements – Regionwide**

BPA will issue a final ROD late this month regarding its offering of Residential Purchase and Sale Agreements (RPSA) to utilities wishing to participate in the Residential Exchange Program starting in FY 2009. BPA plans to offer the RPSAs in August 2008. Public comment was accepted on the two draft RPSAs through June 16. The Bridge RPSA will implement the REP between Oct. 1, 2008, through the time the Regional Dialogue Long-Term RPSA takes effect, currently scheduled to be Oct. 1, 2011. The Regional Dialogue Long-Term RPSA will be offered in conjunction with the rest of the Regional Dialogue Long-Term Contracts this August. For more information, go to [www.bpa.gov/corporate/finance/ascm/letters.cfm](http://www.bpa.gov/corporate/finance/ascm/letters.cfm).

#### **Tiered Rate Methodology – Regionwide**

BPA submitted an initial proposal for its Tiered Rate Methodology (TRM) for publication in the Federal Register May 6. Comments on the initial proposal will be accepted through July 31. A prehearing conference was held May 9. BPA and parties agreed to waive the rules of ex parte and enter into a series of settlement discussions in June and set a second pre-hearing conference for July 9. BPA expects to conclude the process in late September 2008 when the final ROD will be issued. Under the July 2007 Long-Term Regional Dialogue Final Policy, BPA will offer 20-year Regional Dialogue Contracts to its public utility and federal agency customers that provide for tiered rates under the Priority Firm (PF) power rate schedule. The TRM establishes a rate design that creates a predictable and durable means by which to tier BPA's PF rate. Actual rate levels will be set in Northwest Power Act section 7(i) rate proceedings for two-year rate periods beginning in FY 2012, consistent with the TRM. For more information, go to [www.bpa.gov/corporate/ratecase/2008/2008\\_TRM/](http://www.bpa.gov/corporate/ratecase/2008/2008_TRM/).

#### **WP-07 Supplemental Wholesale Power Rate Case – Regionwide**

BPA is holding its 2009 Supplemental Wholesale Power Rate Adjustment Proceeding (WP-07 Supplemental Proceeding) to respond to court rulings regarding the 2000 Residential Exchange Program Settlement Agreements and the allocation of their costs to power rates paid by consumer-owned utilities. This proceeding will result in revised power rates for FY 2009 and will be the foundation for the future implementation of the REP under the NW Power Act. The supplemental proposal is the start of the formal legal process. BPA accepted comments through May 2. For more information, go to [www.bpa.gov/corporate/ratecase/](http://www.bpa.gov/corporate/ratecase/).

## **TRANSMISSION – PROJECTS UNDER REVIEW**

#### **Albeni Falls-Sand Creek Transmission Line Project – Bonner County, Idaho**

BPA will replace poles on a section of the Albeni Falls-Sand Creek transmission line in northern Idaho and perform other upgrades to improve the reliability of the line. This project will replace approximately 340 wood poles along 25 miles of the transmission line and 17 miles of conductor will be replaced with larger conductor. BPA employees or contractors will be in the area through the summer performing various activities in support of the project, such as surveying for cultural resources and noxious weeds as well as reviewing the area for danger trees. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Caribou-Lower Valley Project (includes Hooper Springs Substation) – Caribou County, Idaho**

BPA is proposing to build, own, operate and maintain the new Hooper Springs 138/115-kV substation near a proposed PacifiCorp substation near Soda Springs, Idaho. BPA would connect to PacifiCorp's new substation (Three-Mile Knoll) to improve service to Lower Valley Energy. Lower Valley Energy would construct, own and operate a new 20-mile double-circuit 115-kV transmission line from BPA's new substation to a tap on the Lower Valley Energy transmission system between Lanes Creek and Valley substations. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Caribou/](http://www.efw.bpa.gov/environmental_services/Document_Library/Caribou/).

### **Cascade Wind Interconnection Project – Wasco County, Ore.**

BPA has been asked by UPC Oregon Wind, LLC to interconnect up to 50 MW of electricity generated from UPC's proposed Cascade Wind Project. UPC would independently build, own and operate the wind project and its associated facilities. If UPC's project is approved by the Oregon Energy Facility Siting Council, BPA proposes to construct a new switchyard and tap beneath BPA's existing Hood River-The Dalles 115-kV transmission line. For more information, go to [www.transmission.bpa.gov/PlanProj/Wind/default.cfm?page=cascade](http://www.transmission.bpa.gov/PlanProj/Wind/default.cfm?page=cascade).

### **Golden Hills Wind Farm Interconnection Project – Sherman County, Ore.**

BP Alternative Energy requested interconnection of 200 MW of power generated from the proposed Golden Hills Wind Project that would be located in Sherman County, Ore. BPA proposed to interconnect 200 MW by installing equipment and expanding PGE's existing Biglow Substation. BPA would also purchase a portion of the substation and the control house. Comments on this project were accepted through June 30. BPA will analyze project impacts in a tiered ROD under the Business Plan EIS. The ROD is scheduled to be completed this year. For more information, go to [www.transmission.bpa.gov/PlanProj/Wind/](http://www.transmission.bpa.gov/PlanProj/Wind/).

### **Libby (Flathead Electric Cooperative)-to-Troy Section of the Libby-to-Bonniers Ferry 115-kV Transmission Line Rebuild – Lincoln County, Mont.**

BPA is proposing to rebuild a 17-mile section of the Libby-to-Bonniers Ferry 115-kV transmission line provide stable and reliable transmission service. BPA released a final EIS in May 2008. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Palisades-Goshen Transmission Line Reconstruction – Bonneville and Bingham Counties, Idaho**

BPA completed a revision sheet to the preliminary EA, a Mitigation Action Plan, and a FONSI in May and signed the FONSI May 30. BPA has decided to rebuild the Palisades Goshen line due to its age and deteriorated condition to ensure safe and reliable transmission service. Access-road construction and line construction began in June. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

### **Port Angeles-Juan de Fuca Transmission Project – Clallam County, Wash.**

A ROD was signed in May 2008. BPA decided to offer contract terms to Sea Breeze Olympic Converter LP for interconnection of the project into the Federal Columbia River Transmission

System. The project involves construction of a 550-MW underwater transmission cable from Vancouver Island, B.C., across the Strait of Juan de Fuca to Port Angeles, Wash. For more information, go to [www.transmission.bpa.gov/PlanProj/Transmission\\_Projects/](http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/).

## **TRANSMISSION – PROJECTS UNDER CONSTRUCTION**

### **Olympic Peninsula Transmission Line Reinforcement Project – Thurston and Mason Counties, Wash.**

BPA completed the EA and FONSI and made a decision to proceed with the project. Activities include removing most of its existing Olympia Shelton No. 1 115-kV transmission line (structures and conductor) from Olympia Substation to Shelton Substation and replace the last 14.5 miles of this line into Shelton Substation with a double-circuit 230-kV line on lattice steel towers. This will improve voltage stability during winter-peak load conditions on the Olympic Peninsula. For more information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Olympic/](http://www.efw.bpa.gov/environmental_services/Document_Library/Olympic/).

## **SUPPLEMENT ANALYSES**

**SA-374** – St. Johns-Keeler No. 2, Multnomah and Washington Counties, Ore.

**SA-375** – Hungry Horse-Conkelley No. 1 and Hungry Horse-Columbia Falls No. 1, Flathead County, Mont.

**SA-376** – Tanner to Snoqualmie-Lake Tradition, King County, Wash.

**SA-377** – Olympia-Grand Coulee No. 1, King and Pierce Counties, Wash.

**SA-378** – Schultz-Raver No. 1, King and Kittitas Counties, Wash.

## **CALENDAR OF EVENTS**

To view BPA's public involvement calendar, visit: [www.bpa.gov/corporate/public\\_affairs/Calendar/](http://www.bpa.gov/corporate/public_affairs/Calendar/).

**Integrated Program Review workshops** – BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.:

- **July 2**, 8:30 to 9:30 a.m. – Close-out meeting on FY 2009 power costs

- **July 2**, 9:30 to 11:30 a.m. – General manager meeting on 2010-2011 costs

**Tiered Rate Methodology pre-hearing conference** – BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.:

- **July 9**, 9 a.m. to 4 p.m.

## **CLOSE OF COMMENT**

**July 2, 2008** – New Large Single Load Adjustments for FY 2002-2008

**July 8, 2008** – BPA Financial Plan

**July 31, 2008** – Tiered Rate Methodology Initial Proposal

**Aug. 18, 2008** – Cost forecasts for 2010-2011 rate period – Integrated Program Review

**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. E-mail 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.

