

# JOURNAL

March 2000

A MONTHLY PUBLICATION OF THE BONNEVILLE POWER ADMINISTRATION



*North Head Lighthouse (1898) near Ilwaco, Wash.*

*Photo by Tony Morrell*

## **Transmission rate case delayed**

The Transmission Business Line rate case has been delayed one week. The initial rates proposal will be released and will appear in the Federal Register on March 15. The pre-hearing conference will be held March 29 from 9 a.m. to 4:30 p.m. in the Rates Hearing Room at BPA headquarters in Portland. The expectation is that the draft record of decision will be issued on Sept. 29 with the final ROD due out on Nov. 3.


## **BPA plans to include conservation as part of its augmentation portfolio**

In BPA's initial power rate case proposal, the agency is forecasting that the amount of power needed to meet firm load requirements in subscription contracts in the 2002-2006 rate period will exceed the amount of power available from the federal system. BPA is proposing to

meet this expected increase in load by "augmenting" its power supplies. In addition to proposing to purchase power from the West Coast wholesale power market for the five year period, BPA plans to reserve approximately 150 average megawatts of the augmentation portfolio for conservation investments.

BPA plans to value conservation resources up to 110 percent of what the agency is paying for power from conventional generation resources. Conservation resources that are flexible and well matched to BPA system requirements will be given most favorable consideration. To meet the agency's augmentation objectives, conservation resources must result in a reduction in BPA's regional firm load obligations. These conservation resources must be located in the service area of the customer placing load on BPA. The agency





plans to initiate a public process in March to help shape the conservation portions of the augmentation effort. The first meeting will be held at BPA in Portland on March 22. (See Calendar of Events on back page.) BPA expects to have the initial phase of the conservation augmentation efforts ready to implement by Oct. 1, 2000.

### **Planning council makes recommendations on BPA's conservation efforts**

At a meeting on Feb. 23, the Northwest Power Planning Council approved staff recommendations on BPA's conservation efforts. The council recommended that BPA set a target of 166 average megawatts for conservation from 2002-2006. That amount includes 86 average megawatts from conservation as part of the augmentation program and 80 average megawatts from a combination of the conservation and renewable discount, the Northwest Energy Efficiency Alliance and low income weatherization. The council is developing an additional target for the direct-service industries as part of the augmentation program. The targets are based on current estimates of BPA's subscription loads and may be revised at the end of the subscription process.

The council also recommended that what BPA pays for conservation savings be based on the market value of the savings that are produced. Another recommendation was that BPA be willing to acquire conservation that would produce savings beyond the 2002-2006 period.

### **Conservation as part of augmentation is not the same as C & RD**

The conservation component of BPA's augmentation plan is separate and distinct from the conservation and renewables discount (C&RD) proposed in BPA's initial power rate case. The C&RD is a proposal to provide a market incentive for BPA's power customers to invest in the regional development of incremental conservation


and new renewable resources. BPA customers would receive a proposed 0.5 mills discount off their base power rate for expenditures on qualifying measures. (This will result in approximately \$30 million of discount funds being invested in conservation and renewables). A public meeting will be held on March 22 at BPA in Portland. (See Calendar of Events on back page.) For more information on the C&RD, visit BPA's Web site at [www.bpa.gov/Energy/N/c&r.htm](http://www.bpa.gov/Energy/N/c&r.htm)

### **Ninth Circuit Court dismisses lawsuits against BPA**

The U.S. Court of Appeals for the Ninth Circuit dismissed all pending lawsuits on BPA's subscription strategy. Public and private utilities, utility commissions and industrial customers had filed nine suits, later consolidated into three, to change or defend their rights. They variously challenged BPA's Subscription Record of Decision and the "Compromise Approach" proposal for serving the direct service industries. The Ninth Circuit dismissed two suits for "lack of jurisdiction." Of the third, an appeal of an earlier federal district court dismissal on the Compromise Approach, it said, "The issues raised in this appeal are so insubstantial as not to need further review." Dismissal of all the active lawsuits related to subscription will make it easier for BPA and its customers to focus on finishing power rates and subscription contracts for 2002 and beyond.

### **NW delegation examines transmission issues**

Members of the Northwest congressional delegation want BPA Administrator Judi Johansen to report to them by April 30 on regional plans for the future structure of BPA's electric transmission system. The members asked Johansen to "accelerate the ongoing collaborative work with Pacific Northwest public and private transmission owners, transmission users, and other stakeholders," and "make recommendations on any legislation necessary to implement any agreements reached within



the region.” They outlined three goals, saying any changes to the region’s transmission system should:

- 1) Promote competitive power markets in a manner that benefits the wide range of the region’s electricity consumers.
- 2) Enhance the reliability of the region’s transmission system in the most cost-effective manner.
- 3) Consider how BPA’s transmission assets and skilled workforce could be included in a single or more than one RTO in the Northwest and the effects of such inclusion on BPA’s public policy, environmental and financial responsibilities.

In a Feb. 15 letter, lawmakers cited a need for speed to meet the Federal Energy Regulatory Commission’s October filing deadline for utilities’ plans to join RTOs. “Given the importance of electric power to the economy and environment of the Pacific Northwest, we believe it is important for the region to define its own destiny,” they said. “We write to ask your help in developing a Northwest position on...the rapid growth of regional transmission organizations and their implications for the Pacific Northwest.”

### **BPA is marketing power from Elwha and Glines Canyon dams**

As of March 1, BPA is marketing the power from the Elwha and Glines Canyon dams on the Olympic Peninsula in Washington and supplying the Daishowa paper mill in Port Angeles with about 20 average megawatts of power through the City of Port Angeles. The dams are being sold from the Fort James Corporation to the National Park Service, preparatory to removing one or both to restore local salmon runs. U.S. Secretary of the Interior Bruce Babbitt, members of Washington’s congressional delegation and the Elwha tribe attended a ceremony at Glines Canyon Dam in February to celebrate the transfer. The mayor of Port Angeles read a letter from Sen. Slade Gorton (R-Wash.) that mainly asked that Port Angeles’ concerns about its water system be addressed before dam removal begins.

Last year, Congress appropriated \$30 million to buy the Elwha and Glines Canyon dams. Congress has not

yet appropriated the money to remove the dams. The Park Service and the City of Port Angeles will develop a plan for their removal. The Bureau of Reclamation will operate the dams in the interim. Fort James used the dams to provide power to the Daishowa paper mill. The legislation that authorized removal of the dams stipulated that BPA would replace the power the two dams had supplied Daishowa.

### **Tribes and federal agencies meet in Spokane**

BPA hosted the 3rd Annual Federal Columbia River Power System Cultural Resource Conference in Spokane, Wash., on Feb. 22-24. Approximately 100 participants from the 13 Columbia Basin tribes, Bureau of Reclamation, U.S. Army Corps of Engineers, and BPA cultural resource management programs attended the conference. The focus of this year’s meeting was to thank the tribal elders for their contribution in making this program successful. Many of the elders spoke on the importance of protecting natural and cultural resources for future generations and working together to accomplish common goals. BPA Administrator Judi Johansen, Commander of North Pacific Division of Corps of Engineers Brigadier General Carl Strock and Regional Director of the Bureau of Reclamation Bill MacDonald each spoke about their commitment to this program and how they look forward to working with the tribes as partners.

One of the main concerns identified at the conference was enforcing the Native American Graves Repatriation Act and stopping the looting and vandalism of burial sites. The next annual conference is scheduled for February 2001 in Spokane.

### **Editor’s note:**

The BPA Journal is available on the Internet at <http://www.bpa.gov/Corporate/KCC/jl/jl2x.htm>

# 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.

### **NEW! 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. An EA is being prepared. 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. Scoping is underway. See Calendar of Events and Close of Comment. Call to be added to mail list.

### **Fourmile Hill Geothermal Development Project (Calpine).**

No. Calif. — A geothermal power plant and new transmission line have been proposed on U.S. Forest Service land in the Klamath and Modoc forests. BLM has the lead. BPA is a cooperating agency. A final EIS and summary are available. Call to receive a copy.

### **IDFG Snake River Chinook Captive Rearing.**

Idaho — To fund Idaho Department of Fish and Game's captive rearing project for Endangered Species Act-listed Snake River spring/summer chinook salmon. The EA is being finalized. A FONSI is anticipated.

### **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.

### **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! 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. An EA is being prepared. Call to be added to the mail list.

### **Tanner Electric Transmission Line.**

Wash. — To build a 4.5 mile transmission line that would tie a new substation, proposed by Tanner Electric Cooperative, into an existing transmission line (owned by Puget Sound Energy). An EA is being prepared. Call to be added to the mail list.

### **Telephone Flats Geothermal Project (CalEnergy).**

No. Calif. — A geothermal power plant and new transmission line have been proposed on U.S. Forest Service land in the Modoc Forest. BLM has the lead. BPA is a cooperating agency. The final EIS (#0298) and summary are available. Call to receive a copy.

### **Tucannon River Spring Chinook Captive Broodstock Program.**

Wash. — To rear and spawn broodstock, raise their progeny and release smolts into the Tucannon River to quickly rebuild the run. An EA is being prepared. See Close of Comment. Call to be added to the mail list.

### **Vegetation Management Program.**

Regionwide — To develop a vegetation management program while maintaining a safe and reliable transmission system. The final EIS is being prepared. Call to be added to the mail list.

## CALENDAR OF EVENTS

Fish and Wildlife Implementation Plan scoping meeting — **March 14**, 1 to 4 p.m., BPA, 905 NE 11th Ave., Portland, Ore.

Conservation and Renewables Discount meeting — **March 22**, 9 a.m. to noon, Room 122, BPA, 905 NE 11th Ave., Portland, Ore.

Conservation as part of augmentation meeting — **March 22**, 1 to 4 p.m., Room 122, BPA, 905 NE 11th Ave., Portland, Ore.

## CLOSE OF COMMENT

Fish and Wildlife Implementation Plan scoping period — **March 31**

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) 230-3478 (Portland). For questions/comments 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>