

# Journal

July 2012

## BPA Administrator Steve Wright announces January 2013 retirement

Bonneville Power Administration Administrator and CEO Steve Wright announced on June 19 that he will retire at the end of January 2013. Wright has led the agency since November 2000 and is the second longest serving BPA administrator. He was the acting administrator, guiding the agency through the West Coast power crisis, before being selected as the permanent administrator in February 2002. Wright originally joined BPA as an analyst in the conservation office in 1981.

“It has been a great honor to serve in an agency that has such a tremendous impact on the quality of life in the Pacific Northwest,” Wright said. “It has been my goal since graduating from college to make a positive and meaningful difference in the world. In no place could I have had more of an opportunity to do so than at BPA.”

Wright has been planning this decision based on his eligibility date for retirement and made this announcement ahead of retirement in order to allow for an orderly transition to a new agency leader. This will allow time for a thorough selection process and a brief overlap before he departs the agency.

“I have tremendous affection for BPA and its enormous set of responsibilities,” Wright said. “I am announcing my decision now in order to provide an opportunity for an appropriately deliberate selection and transition process given the magnitude of issues BPA is responsible for addressing.”

Energy Secretary Steven Chu said, “Steve Wright is the rare chief executive who worked his way up from an entry level job to the highest ranking professional at the Bonneville Power Administration, and this speaks to his outstanding skill set and abilities. I thank him for his work as a civil servant during his time at the Bonneville Power Administration and congratulate him for his leadership achievements.”



BPA Administrator Steve Wright

The Department of Energy will conduct a competitive process under federal civil service rules to select the next administrator.

“Steve Wright has provided strong and intelligent leadership in his decades of service at the Bonneville Power Administration, and it has been a pleasure working with him during my time at the Department of Energy,” said Deputy Secretary of Energy Daniel Poneman, the selecting official in the upcoming hiring process. “I am grateful for his strategic vision, creative problem solving, professionalism and dedication. Wright retains my full confidence and support as he continues to serve as the administrator for BPA for his remaining tenure.”

## Work begins on Albany-Eugene transmission line

BPA began work June 11 to rebuild an aging power line that’s more than a decade beyond its expected service life. Rebuilding the 72-year-old Albany-Eugene 115-kilovolt line from Albany to Junction City, Ore., will create 30 to 60 construction-related jobs.



BPA has performed only routine maintenance on the line since it was built in 1940 to deliver electricity to the southern Willamette Valley from the 3-year-old Bonneville Dam.

The \$15.9 million overhaul is part of BPA's wood pole replacement program. With a service life of 55 to 60 years, many wood structures and associated components are physically worn and in need of replacement.

"This project ensures that BPA will be able to continue to safely deliver power to Eugene and the surrounding area," says Erich Orth, project manager. "This line has served the lower Willamette Valley for many years, and these improvements will allow that to continue for many years to come."

Crews will work during the next two summers to rebuild a 32-mile section of the transmission line. About 6,300 trees that pose danger to the transmission line will be removed from August to March, with the work scheduled to minimize impacts to agriculture and migratory birds. New trees will be planted to restore habitat for the birds.

Wetlands also exist along much of the project. However, impacts to wetlands will be relatively minor because access will be temporary and replacements will be the same kind of poles in the same places.

Crews will use the existing alignment to reduce right-of-way acquisition costs. Most of the transmission line is on an easement on a railroad right-of-way that runs through agricultural areas. There are few permanent access roads, and access is currently through farm fields. Temporary access roads would be used for construction and maintenance of the project.

For more details, see the Albany-Eugene Transmission Line Rebuild Project's Web page.

## **Low natural gas prices may drive up BPA's 2014-15 power rates**

It may seem surprising, but the price of natural gas is likely to be the most significant driver of BPA's power rates for the 2014-2015 rate period.

Since BPA concluded the last rate case, natural gas prices have fallen significantly. Futures have moved steadily downward to levels thought inconceivable just a year or two ago. The changed outlook for the price of natural gas has significant implications for future electricity prices and, therefore, BPA's net secondary revenue and power rates.

Natural gas prices drive wholesale electricity prices several months of the year, and the price of electricity

largely determines the amount of net secondary revenue the agency receives. Net secondary revenue, in turn, augments the agency's overall revenues and, thus, affects power rates. As net secondary revenues increase, power rates can go down. However, if this significant source of revenue diminishes, then revenue from preference customers through rates needs to make up the difference.

At this point, BPA's forecast of natural gas prices for the fiscal year 2014-2015 rate period suggests that net secondary revenue will decline by \$114 million a year relative to what was assumed when the agency set fiscal year 2012-13 power rates. This decline could increase to \$196 million annually if gas prices stay at their currently depressed level. A \$114 million reduction would result in a roughly 8 percent rate increase for public utility customers. The reduction of \$195 million would translate into a 14 percent increase, all other things being equal.

Other factors that will arise in the rate case will also affect the final rates, but net secondary revenues alone are likely to have far and away the most impact on BPA's power rates for fiscal years 2014 and 2015.

## **Columbia River sockeye return at record pace**

Adult sockeye salmon returns at the Bonneville Dam fish ladder are on pace to be the largest since the dam was completed in 1938. On June 21, more than 22,000 sockeye swam past Bonneville Dam. Tribal commercial sales of Columbia River sockeye, summer chinook and steelhead opened at various locations along the Columbia River and in the Portland metro area.

The majority of returning sockeye are heading for the Okanogan River and the upper Columbia. Many of the fish will end their journey at Lake Osoyoos in British Columbia with a smaller number returning to Lake Wenatchee in central Washington.

Endangered Snake River sockeye continue to benefit from passage improvements to the Snake River hydro system and researchers expect increases to the sockeye population in that area. Snake River sockeye are a very small part of the tribal harvest.

# Public Involvement [Updates & Notices]

## AGENCY PROJECTS

BPA kicked off its 2012 Integrated Program Review on June 5, providing the region an opportunity to engage in a rigorous review of BPA's programs, their values, goals and costs. In response to requests for specific discussion topics, a number of meetings have been scheduled for the week of July 17 and Aug. 2. For more information on the IPR process, go to <http://www.bpa.gov/corporate/Finance/IBR/IPR/index.cfm>. For a list of the meetings, [SEE CALENDAR].

## POWER – PROJECTS UNDER REVIEW

### DSI-Alcoa

BPA and Alcoa signed a deal in late June to extend the parties' existing 320-aMW power supply contract through July 31. In the meantime, the parties continue to work on the terms of a new power sales agreement for up to 10 years at 300 aMW. The terms of the long-term agreement will be released for public review and comment before the contract is executed. If the terms cannot be agreed on before July 31, another short-term extension is possible.

### Rates High Water Mark

BPA and customers will continue drafting Rate Period High Water Mark (RHWM) loads at a customer workshop July 24. BPA will provide revised results to all parties on Aug. 15, 2012, which will signal the start of the formal public comment process outlined in the Tiered Rate Methodology. Final numbers will be made available on Sept. 30, 2012, for use in the BP-14 rate case.

The RHWM process will scale customer Contract High Water Marks that were finalized in spring 2011 to an updated Tier 1 System Firm Critical Output, resulting in customers' RHWM and above-RHWM loads for the fiscal year 2014-2015 rate period.

## FISH AND WILDLIFE – PROJECTS UNDER REVIEW

### Lolo Creek permanent weir fish trapping facility [Clearwater County, Idaho]

BPA is considering comments on a proposal to fund the replacement of a 10-year-old seasonal fish weir. The draft EA is expected in fall 2012. For information, go to [www.bpa.gov/go/lolocreekweir](http://www.bpa.gov/go/lolocreekweir).

### Kootenai River Native Fish Aquaculture Program [Boundary County, Idaho]

BPA expects to release a preliminary EA in summer 2012. For information, go to [www.bpa.gov/go/kootenaiaquaculture](http://www.bpa.gov/go/kootenaiaquaculture).

### Klickitat Hatchery Complex Program [Klickitat and Yakima counties, Wash.]

BPA is incorporating comments into the final EIS expected in fall 2012. For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Klickitat\\_Hatchery\\_Program/](http://www.efw.bpa.gov/environmental_services/Document_Library/Klickitat_Hatchery_Program/).

### Kalispel memorandum of agreement [Pend Oreille County, Wash.]

The Kalispel Tribe and the three federal action agencies are proposing to enter a 10-year memorandum of agreement for fish and wildlife mitigation projects. For information, go to [www.efw.bpa.gov/environmental\\_services/Document\\_Library/Kalispel\\_MOA/](http://www.efw.bpa.gov/environmental_services/Document_Library/Kalispel_MOA/).

### Yakama Nation Mid-Columbia Coho Restoration Program [Chelan and Okanogan counties, Wash.]

The final EIS was published in the Federal Register on March 9, 2012. For information, go to [www.bpa.gov/go/midcolumbiacoho](http://www.bpa.gov/go/midcolumbiacoho).

### Springfield Sockeye Hatchery Project [Bingham County, Idaho]

BPA published a final EA in May 2012. For information, go to [http://efw.bpa.gov/environmental\\_services/Document\\_Library/Springfield\\_Sockeye\\_Hatchery/](http://efw.bpa.gov/environmental_services/Document_Library/Springfield_Sockeye_Hatchery/).

## TRANSMISSION – PROJECTS UNDER REVIEW

### Montana-to-Washington transmission system upgrade

BPA initiated scoping for the Montana-to-Washington EIS in April 2012 and held public meetings in June. The comment period closes on July 2, 2012. For more information about the project, visit [www.bpa.gov/go/M2W](http://www.bpa.gov/go/M2W).

### Alvey-Fairview line rebuild [Lane, Douglas and Coos counties, Ore.]

BPA accepted comments and held public meetings in December 2011 on a proposal to rebuild the Alvey-Fairview No.1 transmission line. BPA expects to publish a preliminary EA in fall 2012. For information, go to [http://efw.bpa.gov/environmental\\_services/Document\\_Library/Alvey-Fairview/](http://efw.bpa.gov/environmental_services/Document_Library/Alvey-Fairview/).

### Precedent Transmission Service Agreement reform [Regionwide]

BPA briefed customers at public meetings June 21 and continues working individually with customer proposals for withdrawing or modifying PTSAs. BPA's goal is to complete negotiations and post proposed agreements for public comment by August. For information, go to [http://transmission.bpa.gov/customer\\_forums/open\\_season\\_2011/](http://transmission.bpa.gov/customer_forums/open_season_2011/). [SEE CALENDAR].

### Network Open Season and Generation Interconnection reform [Regionwide]

The NOS reform team briefed customers and stakeholders during a half-day workshop June 21. BPA anticipates more workshops for participants to give input and share feedback with dates to be determined. For more information, go to [http://www.bpa.gov/corporate/public\\_affairs/calendar/](http://www.bpa.gov/corporate/public_affairs/calendar/).

### I-5 Corridor Reinforcement Project [Oregon and Washington]

BPA is evaluating potential routes for a proposed 500-kilovolt transmission line to reinforce the power grid in southwest Washington. The draft EIS is now scheduled for late 2012. Current information is available online at [www.bpa.gov/go/i5](http://www.bpa.gov/go/i5).

### Celilo direct current terminal upgrade project [Wasco County, Ore.]

BPA expects to host a public meeting later this summer to explore the commercial aspects of its proposed project to upgrade the Pacific Direct Current Intertie. This work would modernize and simplify equipment at the Celilo terminal and reinforce towers at selected

locations on the northern part of the DC line. Construction is proposed to begin in early 2015 and would last about one year.

### **Midway-Benton No. 1 Replacement Project [Benton County, Wash.]**

BPA accepted comments on a proposal to rebuild the 115-kV Midway-Benton No. 1 and Benton-Othello No. 1 transmission lines. A preliminary EA is expected in summer 2012. For information, go to [http://efw.bpa.gov/environmental\\_services/Document\\_Library/MidwayBentonRebuild/](http://efw.bpa.gov/environmental_services/Document_Library/MidwayBentonRebuild/).

### **Lund Hill Wind Interconnection Project [Klickitat County, Wash.]**

BPA is deciding whether to interconnect up to 60 megawatts from the proposed Lund Hill Wind Project and expects to complete a ROD in late 2012. For information, go to [www.bpa.gov/go/lundhillwind](http://www.bpa.gov/go/lundhillwind).

### **Whistling Ridge Energy Project [Skamania County, Wash.]**

The final EIS was issued in September 2011. As of publication, BPA has not made a decision whether to move forward. For information, go to [http://efw.bpa.gov/environmental\\_services/Document\\_Library/Whistling\\_Ridge/](http://efw.bpa.gov/environmental_services/Document_Library/Whistling_Ridge/).

### **Hooper Springs Project [Caribou County, Idaho]**

BPA is in the process of developing a draft EIS, which should be available in fall 2012. For more information, go to [http://efw.bpa.gov/environmental\\_services/Document\\_Library/HooperSprings/](http://efw.bpa.gov/environmental_services/Document_Library/HooperSprings/).

## **TRANSMISSION – PROJECTS UNDER CONSTRUCTION**

### **Albany-Eugene Transmission Line Rebuild Project [Linn and Lane counties, Ore.]**

BPA issued a final EIS in March 2012. The BPA administrator issued a ROD in June 2012 to proceed with the project. Construction began soon afterward. For more information, go to [http://efw.bpa.gov/environmental\\_services/Document\\_Library/Albany-Eugene\\_Rebuild/](http://efw.bpa.gov/environmental_services/Document_Library/Albany-Eugene_Rebuild/).

### **Creston-Bell Rebuild Project [Lincoln and Spokane counties, Wash.]**

BPA accepted comments on the preliminary EA through April 25, 2012, and published a FONSI in May. For more information, go to [http://efw.bpa.gov/environmental\\_services/Document\\_Library/Creston\\_Bell/](http://efw.bpa.gov/environmental_services/Document_Library/Creston_Bell/).

## **CALENDAR OF EVENTS**

To view BPA's public involvement calendar, go to [www.bpa.gov/go/calendar](http://www.bpa.gov/go/calendar). For Americans with Disabilities Act accommodations, please call toll free 800-622-4519.

### **Corps of Engineers and Bureau of Reclamation IPR discussion meeting**

- **July 17, 2012**, 9 a.m. to noon, BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **Energy Efficiency IPR discussion meeting**

- **July 17, 2012**, 1 p.m. to 3 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **Fish and Wildlife IPR discussion meeting**

- **July 17, 2012**, 3 p.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **Columbia Generating Station IPR discussion meeting**

- **July 18, 2012**, 9 a.m. to 11 a.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **IPR discussion meetings, topics TBD**

- **July 18, 2012**, 11 a.m. to 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **IPR discussion meetings, topics TBD**

- **July 19, 2012**, 9 a.m. to 3 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **Access to Capital workshop**

- **July 26, 2012**, 1 p.m. to 5 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

### **IPR discussion meeting**

- **Aug. 2, 2012**, 4:30 p.m. to 7:30 p.m., Seattle Public Library, 1000 4th Ave., Seattle, WA 98104

## **CLOSE OF COMMENT**

Submit comments to [www.bpa.gov/comment](http://www.bpa.gov/comment).

- **July 2** – Montana-to-Washington transmission upgrade



This year marks BPA's 75th anniversary. On Aug. 20, 1937, President Franklin Delano Roosevelt signed the Bonneville Project Act to deliver the massive benefits of Columbia River hydropower — clean, inexpensive electricity — to citizens of the Pacific Northwest. BPA was built on the idea of providing power for the greater good, and we continue to serve with that spirit today.

To learn more about BPA's rich history, visit [www.bpa.gov](http://www.bpa.gov) and check our Facebook page.

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).

