

Journal

May 2012

BPA files reciprocity tariff

After a year-long collaborative public process with customers and stakeholders, BPA filed its proposed tariff for granting open and nondiscriminatory access to its transmission system with the Federal Energy Regulatory Commission.

FERC issued an order in July 2009 approving most provisions of BPA's previously filed tariff but required modifications to other parts of BPA's proposed tariff. FERC denied BPA what is known as reciprocity status until the agency made an appropriate compliance filing. Reciprocity status means BPA grants open access to its transmission system under FERC approval, which entitles BPA to receive open access transmission service from other transmission providers.

For more information, read the full story at www.bpa.gov/go/ReciprocityTariff

DOE releases audit on BPA's IT program

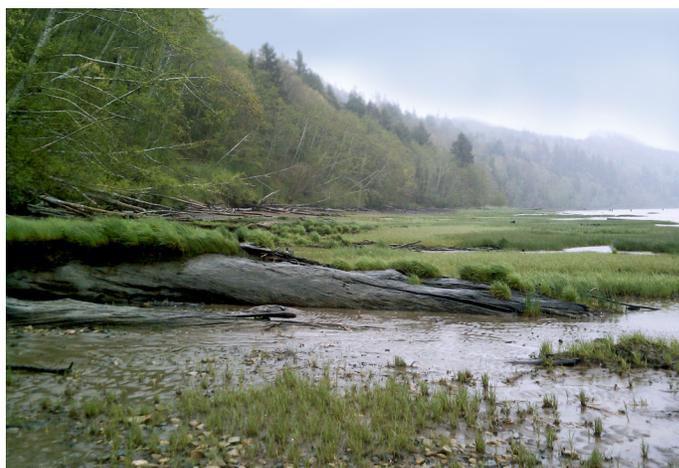
The Department of Energy's Office of the Inspector General issued its final audit report March 26 on the management of BPA's Information Technology Program.

Auditors found that BPA had addressed cybersecurity concerns raised by a DOE audit in 2008. But this latest review raised new concerns in the areas of cybersecurity, project management and procurement of IT resources.

"BPA takes our responsibility to protect our IT infrastructure seriously, and we are committed to continually improve our program," says BPA Chief Operating Officer Anita Decker. "We believe certain conclusions made in the report taken out of context may be misleading about the effectiveness of our Information Technology Program."

"One distinction that's important to make is that the IT systems covered in the audit report are separate from those BPA uses for real-time operations of the grid. Any vulnerabilities identified cannot result in blackouts or other transmission system disruptions," Decker adds.

In its final report, the OIG makes several recommendations and calls for BPA to establish its plan for addressing them within six months. This work is already well under way. It includes improving BPA's overall cybersecurity posture; implementing policies and procedures to address



Almost 400 acres along the north side of the Columbia River at Knappton Cove were acquired with funding from BPA and its ratepayers to be preserved for the benefit young salmon and steelhead.

weaknesses related to cybersecurity, project management and IT procurement; and improving effective resource planning and allocation to meet IT program needs. For more details, see documents posted on BPA's website.

New estuary purchases benefit salmon

The Columbia Land Trust and BPA announced the purchase of 560 acres near the mouth of the Columbia River to permanently protect riverside habitat for Northwest fish and wildlife, including threatened and endangered salmon and steelhead.

The acquisitions will benefit young salmon and steelhead from Oregon, Washington and Idaho that gain essential strength in the estuary during their migration to the ocean. Protecting habitat in the estuary helps offset the impacts of federal hydroelectric dams on the Columbia and Snake river systems and is a central element of a federal biological opinion governing operation of the dams.

The three newly protected properties include:

- 117 acres of rich fish habitat at the mouth of the Wallicut River just outside of Ilwaco, Wash.
- 378 acres at Knappton Cove on the north side of the Columbia River roughly opposite Astoria, Ore.



- 65 acres of tidelands, floodplain and uplands at the mouth of the Deep River where it empties into Grays Bay on the Washington side of the Columbia River.

Columbia Land Trust purchased the properties with funding from the Bonneville Power Administration and its electric ratepayers. Additional funds were provided by the U.S. Fish and Wildlife Service and the Washington Recreation and Conservation Office's Salmon Recovery Funding Board. BPA will receive a conservation easement for each property to ensure that their habitat will be protected in perpetuity.

Management plans for the properties will be developed with public input. Potential restoration will also support the local economy and jobs.

Spring operations begin to aid juvenile fish migration

Every spring, millions of wild and hatchery-raised juvenile salmon and steelhead migrate from tributaries throughout the Columbia Basin, through the Snake and Columbia rivers and on to the ocean. Each year starting in April, the federal agencies responsible for managing the Federal Columbia River Power System begin operations to help juvenile fish get safely past the lower Snake and Columbia river dams.

The action agencies – BPA, the U.S. Army Corps of Engineers and the Bureau of Reclamation – release (or spill) water through spillway openings and surface passage routes at the dams. Spill is one of the safest routes for migrating juvenile fish to use as they pass the dams.

Spill began at lower Snake River dams (Lower Granite, Little Goose, Lower Monumental and Ice Harbor) April 3 and at lower Columbia River dams (McNary, John Day, The Dalles and Bonneville) April 10 and will continue through the end of August

This year, the Corps plans to do scientifically designed tests at six of the dams to assess their performance in safely passing juvenile fish. The biological opinion calls for 96 percent average dam survival for spring migrating fish and 93 percent for summer migrants. Tests performed to date estimate that several of the dams are meeting or exceeding those standards for spring chinook and steelhead.

Additional measures to aid migration include flow augmentation (releasing water from upstream reservoirs to reduce water temperatures and increase flow to speed fish downstream) and barging or trucking juvenile fish around the dams. For more information on the federal salmon and steelhead recovery efforts in the region, visit the newly revamped website, www.salmonrecovery.gov.

BPA, electric co-op and irrigation district testing aquifer recharge

BPA, United Electric Co-op and the Southwest Irrigation District will test a small-scale aquifer recharge procedure that could provide operational savings for the co-op and district, and determine if the technology could provide future relief for springtime oversupply of electricity.

The pilot project will assess whether aquifer recharge projects can be dispatched to either increase pumping in the early morning or other hours of light electricity use or decrease pumping during the daytime or other hours of heavier electricity use.

The incremental pumping during periods of lighter electricity use benefits the irrigation district by reducing operational costs. Such practices are incentivized in BPA's new tiered rate structure passed through to the irrigation district by the electric co-op. BPA benefits by learning if expanding the practice of modifying irrigation pumping load is operationally feasible and can be done at a reasonable cost to provide relief during future incidents of springtime electricity oversupply.

The pilot allows SWID to pump water from the Snake River for a longer period in the shoulder months of March and November. SWID typically recharges the aquifer between mid-April and mid-October each year. Additional recharge during periods of lighter electricity use should reduce SWID's operational costs for deep well pumping. "This important test could provide benefits to utilities and irrigation districts across the Northwest," said Lee Hall, BPA Smart Grid Program manager.

The demonstration project, located in Cassia County, Idaho, is assessing the feasibility and suitability of adjusting irrigation pumping loads in response to regional needs. If the pilot is successful, BPA estimates there could be 50 to 100 megawatts or more of pumping load in the region that could help with multiple regional needs, including relieving future electricity oversupply events and balancing variable renewable energy generation.

The pilot is relatively small-scale, a 1.8 megawatt proof-of-concept field test. It will help determine if the technology, communications and commercial arrangements with the utility will work. This project may prove the potential of using this kind of electricity demand to help integrate wind in the Pacific Northwest. If so, much larger loads could be captured and dispatched.



To learn more about BPA's rich history, visit <http://www.bpa.gov/go/75th> and check our Facebook page.

AGENCY PROJECTS

The Integrated Program Review Kickoff [Regionwide]

will be June 5 in the Rates Hearing Room.

Capital Investment Review [Regionwide]

BPA will accept comments through May 4 on its draft asset strategies and potential investments in federal Columbia River power and transmission assets, as well as other significant investment obligations. The strategies are posted on BPA's Capital Investment Review webpage at www.bpa.gov/corporate/Finance/IBR/CIR/index.cfm.

The Quarterly Business Review

will be held May 1. For information, go to www.bpa.gov/corporate/finance/ibr/qbr. **SEE CALENDAR.**

POWER – PROJECTS UNDER REVIEW

Non-Treaty Storage

BPA and BC Hydro signed a new long-term agreement April 10 to use additional reservoir flow shaping capability on the upper Columbia River in Canada to provide safer flows for protected fish and support power generation. The term of the new Non-Treaty Storage Agreement will extend to September 2024. The NTSA agreement is posted on BPA's external web page at www.bpa.gov/corporate/ntsa/proposed.cfm.

This new long-term NTSA fulfills an objective called for in NOAA's 2008/2010 biological opinion on the Federal Columbia River Power System to support mainstem Columbia River flows for benefits to ESA-listed fish. The agreement allows for coordinated use of non-Treaty storage in Canada to shape flows within the year for fisheries benefits and provides up to an additional 500,000 acre-feet of water to benefit fish in the lowest water conditions. The agreement also provides greater flexibility to shape flows to provide additional power benefits to BPA and its customers.

The new agreement replaces the previous long-term pact that fully expired in January 2011 along with the current non-Treaty storage "bridge" agreement in place from September 2011 to March 30, 2012. As with previous pacts, use of non-Treaty storage under the new NTSA will be conducted in a manner that does not reduce flood control and power benefits under the Columbia River Treaty, a requirement for any non-Treaty storage use. Without an agreement with BC Hydro, BPA does not have access to BC Hydro's non-Treaty storage.

Rates High Water Mark

BPA will kick off the Rate Period High Water Mark (RHWM) process this spring in advance of the BP-14 Rate Case and in accordance with section 4.2.2 and 4.3 of the Tiered Rate Methodology.

A customer workshop is scheduled for May 8, 2012, to discuss the updated Tier 1 System Firm Critical Output. An initial posting of draft RHWMs and Above-RHWM loads is scheduled for early June 2012,

with customer workshops to be held on June 12 and July 24. All workshops will be in the Rates Hearing Room in Portland. We 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' RHWMs 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.

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.

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

BPA is incorporating comments into the final EIS expected in summer 2012. For information, go to 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/.

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

The final EIS was published in the Federal Register March 9, 2012. For information, go to www.bpa.gov/go/midcolumbiacoho.

Springfield Sockeye Hatchery Project [Bingham County, Idaho]

BPA released a preliminary EA for public review in December 2011, accepted comments through Jan. 16, 2012, and expects to publish a final EA in April 2012. For information, go to http://efw.bpa.gov/environmental_services/Document_Library/Springfield_Sockeye_Hatchery/.

TRANSMISSION – PROJECTS UNDER REVIEW

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/.

Network Open Season and Generation Interconnection Reform [Regionwide]

BPA is working individually with customer proposals for withdrawing or modifying Precedent Transmission Service Agreements. The agency is evaluating proposals and account executives are sharing feedback with customers. BPA expects to update customers and stakeholders at a public meeting late in June 2012. For information, go to http://transmission.bpa.gov/customer_forums/open_season_2011/. **SEE 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. A draft EIS is scheduled for spring 2012 to be followed by a formal comment period. For information, go to www.bpa.gov/go/i5.

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

BPA plans to host at least one public meeting during summer 2012 to explore the commercial aspects of its proposed major upgrade of the Pacific Direct Current Intertie. The project would modernize and simplify equipment at the Celilo terminal and include reinforced towers at selected locations on the northern part of the DC line. Construction is proposed to begin in early 2015 and would last about a 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/.

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.

Whistling Ridge Energy Project [Skamania County, Wash.]

The final EIS was issued in Sept. 2012. 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/.

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

BPA issued a final EIS in March 2012. The BPA administrator will issue a ROD in May deciding whether to construct the project. For more information, go to 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 expects to publish a FONSI in May. For more information, go to http://efw.bpa.gov/environmental_services/Document_Library/Creston_Bell/.

Hooper Springs Project [Caribou County, Idaho]

BPA is in the process of developing a draft EIS, which should be available in summer 2012. For more information, go to http://efw.bpa.gov/environmental_services/Document_Library/HooperSprings/.

CALENDAR OF EVENTS

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

Quarterly Business Review

- May 1, 9 a.m. – 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Rate Period High Water Mark workshop

- May 8, 9 a.m. – 12 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Power rate case workshop

- May 8, 1 – 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Transmission rate case workshop

- May 9, 9 a.m. – 12 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Generation inputs workshop

- May 9, 1 – 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Transmission rate case workshop

- May 23, 9 a.m. – 12 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Generation inputs workshop

- May 23, 1 – 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Transmission operations and maintenance agreement workshop

- May 31, 9 a.m. – 12 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Transmission reliability program workshop

- May 31, 1 – 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Integrated Program Review kickoff meeting

- June 6, 1 – 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

Transmission Customer Forum

- June 20, 9 a.m. – 4 p.m., BPA Rates Hearing Room, 911 N.E. 11th Ave., Portland, Ore.

CLOSE OF COMMENT

Submit comments to www.bpa.gov/comment.

- May 11 – Capital Investment Review

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. BPA home page: 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.

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. BPA home page: 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. 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.

