



# Journal

June 2016



## Dan James appointed new deputy administrator for BPA

BPA Administrator Elliot Mainzer announced the appointment of Dan James, formerly of the regional utility cooperative PNGC Power, to the position of deputy administrator for the Northwest power marketing agency.

“Dan is a terrific addition to the leadership team at Bonneville — his character and experience get right at the heart of what we are about: focusing on safety and staying connected to the region through customers, tribes, constituents and others,” said Mainzer. “Dan’s positive demeanor is infectious, and he’s dedicated to operational excellence and achieving tangible results.”

As deputy administrator, James will be responsible for leadership, strategic planning, financial management, and regulatory affairs as well as intergovernmental and public affairs oversight. He will oversee and provide direction and guidance for program execution and administration to executive vice presidents, vice presidents and managers of Corporate Strategy, Finance, Communications, Intergovernmental Affairs, the Ombudsman, and Compliance, Audit and Risk.

“I am delighted to have Dan’s long-time expertise in the energy field joining Bonneville,” said U.S. Sen. Ron Wyden of Oregon. “His relationship with the congressional delegation spans decades, and he brings an important knowledge of the Northwest’s energy needs.”

James comes to BPA from PNGC Power, where he has served as vice president of public affairs and marketing since 2007.

Prior to his PNGC experience, James worked as a federal affairs representative at Pacific Northwest Waterways Association in Vancouver, Wash., and as a senior government relations specialist at Ball Janik LLP in Portland, Ore., and Washington, D.C.

“Dan is a great choice for the deputy position,” said Scott Corwin, executive director of the Public Power Council, which represents the interests of publicly owned utilities in the Northwest. “Having worked in various sectors involving the river system, he is one of the foremost experts on issues impacting BPA and the Columbia Basin. Dan has a sterling reputation for integrity and sincere collaboration and will be a great asset to Bonneville and to the citizens of the region in this role.”

“Dan understands the unique role that BPA plays in the lives of the people it serves, and the opportunities and challenges facing the agency,” said Beth Looney, president and CEO of PNGC Power. “I look forward to working with him in the years ahead.”

James is also a member of the National Preference Customer Committee of the National Electric Cooperative Association and is a senior fellow of the Oregon chapter of the American Leadership Forum.

“The region is very lucky to have Dan named deputy administrator at BPA. His broad knowledge base and vast experience, both in the region and in Washington, D.C., will benefit all customers of BPA,” said Mark Johnson, general manager of Flathead Electric Cooperative of Kalispell, Mont., and chairman of the executive committee for the Public Power Council. “As a Montanan, it is always nice to see another Montanan, especially one from the Flathead Valley, achieve such an important and influential position. All of us in public power will miss Dan in his current role, but we know he will represent us well, and I look forward to working with him as the deputy administrator.”

James grew up in western Montana near Flathead Lake. He earned a bachelor’s degree in political science at Pacific University in Forest Grove, Ore., in 1987 and remains a faithful follower of the university’s football team to this day. He also earned a utility management certificate from Willamette University in Portland in 2015. He has served on boards for such community organizations as United Way of Columbia-Willamette, Pacific University, Oregon Wave Energy Trust and the Pacific Youth Choir. He lives in Northeast Portland with his spouse and two teenage daughters.



“I have been fortunate to live in the Northwest most of my life and work for the people of our rural areas most of my career,” said James. “I am excited to join Elliot’s team at a time when the agency faces unique opportunities and challenges.”

## **Celilo Converter Station upgrade adds muscle, flexibility to West Coast grid**

A crowd of more than 100 fans of transmission reliability and low-carbon public power joined staff and elected officials April 21 in The Dalles, Ore., to celebrate the modernization of a one-of-a-kind piece of infrastructure, the Celilo Converter Station.

“I’ve been so impressed with the commitment and spirit of the team of BPA employees and contractors who worked so hard on this project, enabling us to hit this major milestone so safely and successfully,” said Elliot Mainzer, BPA’s administrator and CEO. “Their work will leave a lasting impact on the western electricity grid.”

The unique converter station, owned by BPA, tames and transforms high volumes of electricity flowing through the northern end of the Pacific Direct Current Intertie. The 846-mile electron super-highway, the longest commercial transmission line of its kind in the nation, connects the Northwest with the Southwest in Sylmar, Calif.

The intertie provides affordable energy, reliability and cost benefits to customers at either end, and the electricity that flows from north to south is virtually carbon-free, a product of the Federal Columbia River Power System.

The modernization of the converter station — including seven massive new transformers, built by ABB in Sweden and each weighing more than a Boeing 747 airliner — anchors a \$498 million package of BPA-funded grid upgrades to the northern leg of the intertie. Celilo, which began operation in 1970, recently returned to full commercial operation after more than a year of complex construction and rigorous testing.

“Celilo is one of the most technically challenging capital infrastructure projects we’ve done in many, many years,” said BPA project manager Karl Mitsch. “It’s with an enormous amount of pride that I can stand up here and

represent the Celilo upgrade project team in announcing that the project has been a resounding success.”

One of the most notable aspects of the accomplishment between BPA and contractor ABB was the shared safety record since work began in the fall of 2014. “By my reckoning, we were in the neighborhood of 400,000 man-hours without a lost-time accident — not one,” Mitsch said. “That is a milestone of major significance right there.”

BPA is also upgrading the 265-mile portion of intertie that it owns from the Columbia River to the Nevada-Oregon border, a project expected to be finished later this year. The investment by BPA, Mainzer said, “sets the stage for the next 30, 50, 75 years.”

When the transmission-line upgrades are completed this fall, the capacity of the intertie will grow from 3,100 to 3,220 megawatts, enough electricity to power 2.4 million homes.

The Pacific Direct Current Intertie, a high-voltage direct current system, was a marvel and a model when it was energized in 1970. Direct-current systems can move large amounts of electricity over long distances more efficiently than alternating current lines of a similar length.

But after more than four decades of vigorous service, the intricate, vintage equipment at the converter station had far surpassed its operational life span and was due for a transformation of its own. “It was an unbelievable feat to keep this terminal running at the level of reliability we have maintained over the past few years,” Mitsch said.

The new equipment not only supports the grid with greater security, reliability, capacity and flexibility, it’s able to work harder. Keeping the old equipment in safe operating condition required shutting down the intertie for several weeks of maintenance each year. The next-generation equipment, much of it digital, needs far less upkeep, reducing outages and costs while improving performance for customers.

“Celilo is a massive station, and as we’ve done the upgrades it’s shrunk the footprint,” said Mike Miller, BPA vice president of Engineering and Technical Services. “The new equipment is more complex inside, but it’s smaller in size and easier to maintain, and that’s important.”

## **Public Involvement [Updates & Notices]**

### **BPA PROJECTS**

#### **Integrated Program Review and Capital Investment Review [Regionwide]**

BPA will kickoff the Integrated Program Review and Capital Investment Review on June 16. The IPR/CIR process allows interested parties to see

all relevant FCRPS expense and capital spending level estimates in the same forum. IPR/CIR occurs every two years, prior to each rate case, and provides participants with an opportunity to review and comment on BPA’s program level estimates, draft asset strategies and capital spending levels prior to inclusion in the rate case. BPA will hold a series of workshops on June 20–24. For information, go to [www.bpa.gov/goto/ijpr](http://www.bpa.gov/goto/ijpr).

## Financial reserves policy [Regionwide]

BPA is developing a financial reserves policy. It will address the target level of reserves, how the Treasury note is used for rate-making purposes, and what actions, if any, should be taken when reserves are above or below target levels. The first workshops were held on March 29 and May 10, with a final workshop scheduled for June 15. For information, go to [www.bpa.gov/Finance/FinancialPublicProcesses/Pages/Access-to-Capital.aspx](http://www.bpa.gov/Finance/FinancialPublicProcesses/Pages/Access-to-Capital.aspx).

## Rate Period High Water Mark public process [Regionwide]

BPA began the process for establishing Rate Period High Water Marks that will be used to set power rates for fiscal years 2018 and 2019. The RHWM is the amount of energy a customer is eligible to purchase at BPA's lowest-cost Tier 1 rates in the upcoming rate period. BPA shared preliminary RHWM calculations and gathered input from customers in a comment period through May 26. Initial RHWMs will be published in August. For information, go to [www.bpa.gov/Finance/RateCases/BP-18/Pages/Rate-Period-High-Water-Mark-Process.aspx](http://www.bpa.gov/Finance/RateCases/BP-18/Pages/Rate-Period-High-Water-Mark-Process.aspx).

## BP-18 Rate Case workshops [Regionwide]

BPA will hold a series of workshops over the summer in preparation for the BP-18 rate proceeding to set power, transmission and ancillary services rates for fiscal years 2018–2019. For information, go to [www.bpa.gov/goto/ratecase](http://www.bpa.gov/goto/ratecase).

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## POWER

### Cost verification for fiscal year 2015 Slice true-up adjustment charge [Regionwide]

BPA posted a summary of agreed upon procedures to be completed by an external auditor. The work commenced in March. The fiscal year 2015 composite cost pool savings, when compared to the rate case forecast, is \$144.7 million. As a result, the fiscal year 2015 Slice true-up adjustment that is applicable to Slice customers is a credit of \$40.4 million. For more information, go to [www.bpa.gov/goto/costverification](http://www.bpa.gov/goto/costverification).

### Proposed momentum savings baseline alignment library [Regionwide]

BPA is seeking feedback on its proposal to create a baseline alignment library. Without alignment on baselines, BPA cannot accurately report “momentum” savings to utilities. Baseline alignment also affects Northwest Energy Efficiency Alliance and program savings. BPA sought feedback on the proposal and approach through Jan. 27, 2016. Comments will be considered as BPA makes a final decision, and the agency will respond to them in a letter to the region. For more information, go to [www.bpa.gov/goto/BaselineLibrary](http://www.bpa.gov/goto/BaselineLibrary).

### Energy efficiency proposed commercial sector program design [Regionwide]

Utilities and stakeholders are invited (per the Post-2011 New Program Development Process) to provide feedback on the proposed commercial sector program design through June 22. Utilities are asked to communicate if they believe the program design will address the needs and wants that they identified at the time of utility assessment in spring 2015. BPA will consider all comments as part of the final program design. If a majority of utility comments inform BPA that the proposed design is not satisfactory and requires modifications, the commercial program sector lead will hold an additional brown bag to address the public comments and explain how the program design will be changed to better meet utility needs. For more information, go to [www.bpa.gov/EE/Sectors/Commercial/Pages/New-Commercial-Program-Development.aspx](http://www.bpa.gov/EE/Sectors/Commercial/Pages/New-Commercial-Program-Development.aspx).

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## TRANSMISSION

### Midway-Moxee rebuild and Midway-Grandview Upgrade Transmission Line Project [Benton and Yakima counties, Wash.]

BPA released a final environmental assessment in March and decided to rebuild the two transmission lines and upgrade the Midway-Grandview transmission line. The final environmental assessment addresses comments received on the draft environmental assessment. Construction is expected to begin in September. The Bureau of Land Management is a cooperating agency with BPA for the environmental assessment. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Midway-Moxee.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Midway-Moxee.aspx).

### Hills Creek-Lookout Point Transmission Line Rebuild Project [Lane County, Ore.]

BPA proposes to rebuild the 26-mile Hills Creek-Lookout Point 115-kV wood-pole transmission line between the cities of Oakridge and Lowell, Ore. Improvements would involve replacing all wood-pole structures (including poles and other hardware), replacing conductors and ground wires, realigning the line to avoid a rock fall and landslide, and improving access roads. BPA expects to publish the draft environmental assessment for comment in 2016. The U.S. Forest Service is a cooperating agency with BPA for the EA. If BPA decides to proceed with the project, construction would begin in the summer of 2018. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Hills-Creek-Lookout-Point.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Hills-Creek-Lookout-Point.aspx).

### Lane-Wendson Transmission Line Rebuild Project [Lane County, Ore.]

BPA proposes to rebuild the 41-mile Lane-Wendson No. 1 115-kV wood-pole transmission line between Eugene and Florence, Ore. The project is necessary due to the age and condition of the line. BPA's intent is to rebuild the line using the same general structure locations and pole heights, except where changes may be needed to conform to safety standards. Improvements would involve replacing all wood-pole structures (including poles, cross arms, cross braces, guys, anchors and insulator assemblies); replacing conductors and ground wires; replacing five disconnect switches; and improving access roads. BPA is preparing a final environmental assessment and a finding of no significant impact, to be released in 2016. If BPA decides to proceed with the project, construction would begin this summer. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Lane-Wendson.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Lane-Wendson.aspx).

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## ENVIRONMENT, FISH AND WILDLIFE

### Columbia Estuary Ecosystem Restoration Program [Oregon and Washington]

BPA, along with the Portland District, U.S. Army Corps of Engineers, is planning to issue a draft programmatic environmental assessment evaluating the Columbia Estuary Ecosystem Restoration Program. The program was jointly instituted by BPA and the Corps to undertake the activities necessary to evaluate, protect, monitor and restore fish and wildlife habitat in the lower Columbia River and estuary. The draft was released in April. BPA and the Corps sought comments through May 16. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/EstuaryRestorationProgram.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/EstuaryRestorationProgram.aspx).

### Kerry Island Restoration Project [Columbia County, Ore.]

BPA is proposing to fund the Kerry Island Restoration Project, proposed by the Columbia Land Trust and located along Westport Slough about 1 mile east of the town of Westport, Ore. The project

# Public Involvement continued [Updates & Notices]

would benefit Endangered Species Act-listed Pacific salmonids and their habitat by removing a levee surrounding the island, restoring a tidal channel network and restoring tidal wetlands and floodplain connectivity. A public comment period closed on April 4. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/KerryIslandEstuaryRestoration.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/KerryIslandEstuaryRestoration.aspx).

## Lower Elochoman Restoration Project [Wahkiakum County, Wash.]

BPA is proposing to fund the Lower Elochoman Restoration Project, recommended by the Columbia Land Trust. The project, located along the Lower Elochoman River about 2 miles north of the town of Cathlamet, Wash., would benefit Endangered Species Act-listed Pacific salmonids and their habitat by removing a levee along the Lower Elochoman River and restoring wetlands and floodplain connectivity. An initial scoping comment period closed April 4. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/LowerElochomanEstuary.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/LowerElochomanEstuary.aspx).

## Wallacut River Confluence Restoration Project [Pacific County, Wash.]

BPA is proposing to fund the Wallacut River Confluence Restoration Project, recommended by the Columbia Land Trust, along the Wallacut River at its confluence with the Columbia River about 1.5 miles northeast of the town of Ilwaco, Wash. The project would benefit Endangered Species Act-listed Pacific salmonids and their habitat by removing a levee along the Wallacut River, restoring a tidal channel network, restoring tidal wetlands and floodplain connectivity. An initial project scoping comment period closed on April 4. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/WallacutRiverConfluenceEstuary.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/WallacutRiverConfluenceEstuary.aspx).

## Middle Entiat River Restoration Project [Chelan County, Wash.]

BPA is proposing to provide funding for the Middle Entiat River Habitat Restoration Project along a 4-mile section of the Entiat River, in Chelan County, Wash. The goal of the proposed project is to re-establish natural riverine processes and a properly functioning and self-sustaining riverine floodplain ecosystem that would provide critical spawning, rearing and off-channel refuge habitat for native fish and floodplain-associated wildlife in the Entiat River Basin. Target species would be steelhead, bull trout and other resident fish. Scoping was initiated on Feb. 1, 2016, and comments were accepted through Mar. 1, 2016. For more information, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/MiddleEntiatRiverHabitat.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/MiddleEntiatRiverHabitat.aspx).

## Eightmile Ranch Coho Acclimation Site [Okanogan County, Wash.]

BPA and the U.S. Forest Service released the final environmental assessment for the Eightmile Ranch Coho Acclimation Site in March. BPA plans to release its finding of no significant impact, or FONSI, if warranted, in 2016. For more information, go to [www.bpa.gov/goto/Eightmile](http://www.bpa.gov/goto/Eightmile).

## CLOSE OF COMMENT

- **June 22**, Energy efficiency proposed commercial sector program design
- **July 8**, Financial reserves policy
- **Aug. 12**, Integrated Program Review and Capital Investment Review

## CALENDAR OF EVENTS

For current meeting information, go to [www.bpa.gov/PublicInvolvement/Cal](http://www.bpa.gov/PublicInvolvement/Cal).

### BP-18 Transmission Rates Workshop

- **June 8**, 9 a.m. to noon, BPA Rates Hearing Room, 1201 Lloyd Blvd., Suite 200, Portland, Ore.

### IPR/CIR Kickoff Workshop and First Workshop

- **June 16**, 9 a.m. to 4 p.m., BPA Rates Hearing Room, 1201 Lloyd Blvd., Suite 200, Portland, Ore.

### Financial Reserves Policy

- **June 15**, 9 a.m. to noon, BPA Rates Hearing Room, 1201 Lloyd Blvd., Suite 200, Portland, Ore.

### IPR/CIR Workshops

- Monday–Friday, **June 20–24**, 9 a.m. to 4 p.m., BPA Rates Hearing Room, 1201 Lloyd Blvd., Suite 200, Portland, Ore.

## FOR MORE INFORMATION

Information on other projects under environmental review is available at [www.bpa.gov/goto/NEPA](http://www.bpa.gov/goto/NEPA).

For information about the National Environmental Policy Act in general, go to [www.bpa.gov/efw/Analysis/NEPADocuments/Pages/References.aspx](http://www.bpa.gov/efw/Analysis/NEPADocuments/Pages/References.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. Email 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.

