



Initial proposals for BPA spending levels in 2018–19 are released

BPA has presented its proposed spending levels for fiscal years 2018 and 2019 as part of the Integrated Program Review and Capital Investment Review, in which the agency sets the cost levels that influence power and transmission rates for

the next rate period. This process, which takes place every two years, gives the Northwest a chance to engage with BPA and provide input on proposed near-term expense levels and long-term capital forecasts.

Areas of consideration and discussion range from investments in the 31 federal hydro-electric dams and across BPA's transmission system to energy efficiency, IT, fish and wildlife budgets and more.

This year, BPA consolidated the IPR and CIR into a single process, providing the benefit of centralized decision-making for capital and expense spending levels. This combined approach will help achieve BPA's long-term objectives of maintaining financial strength and cost competitiveness, which were at the heart of the agency's recent Focus 2028 discussions.

"We believe the proposed spending levels strike the right balance between meeting our customers' and stakeholders' near-term needs while keeping an eye toward long-term competitiveness and affordability," said BPA Administrator Elliot Mainzer. "We look forward to hearing our customers' perspectives on our proposed spending levels and helping set the stage for fiscal year 2018 and 2019 rate development."

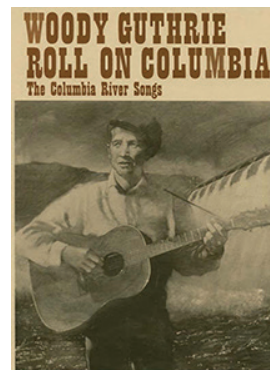
The IPR was created in 2008 to give interested parties a chance to examine and comment on BPA's proposed program expenses. The review is "integrated" because it combines programs for both the Transmission and Power business lines, which were once reviewed separately. The program costs are used to develop BPA's initial rate proposal for its formal rate case, expected to start in November.

The CIR provides a similar opportunity to weigh in on BPA's capital spending plans. Here, the focus is on BPA's draft asset strategies and 10-year capital spending forecasts. Capital refers to the portion of BPA's budget for projects that have multi-year benefits and are repaid over the useful life of the project, such as new transmission lines. The asset strategies cover a longer planning horizon and put a priority and focus on replacing and maintaining aging transmission, electricity generation, facilities and information technology assets.

In the 2016 CIR, BPA established capital levels by evaluating several capital investment scenarios that were developed for the long-term finance and rates model in 2015. The CIR covers spending in transmission, federal hydro, facilities, information technology, fish and wildlife, security and fleet.

A kickoff meeting and workshops were held in June. Customers and other interested parties are encouraged to participate in the public comment process this summer.

BPA celebrates 75th anniversary of Woody Guthrie's Columbia River songs



The 26 songs Guthrie wrote for BPA are known today as "The Columbia River Songs."

Seventy-five years ago, legendary folk singer and songwriter Woody Guthrie wrote 26 songs for BPA. During his month of employment in the spring of 1941, Guthrie traveled across Oregon and Washington, visiting towns, farms, Native American communities and the construction site of Grand Coulee Dam in northeast Washington. Inspired by the people he met and his own experiences, Guthrie wrote a collection of songs about the Columbia River and the benefits that the new federal hydroelectric dams would bring to the people of the Northwest.

"He plucked tunes about the people, the mighty Columbia River, the beautiful Northwest landscape and the promise of prosperity from new hydroelectric dams," said Libby Burke, archivist in BPA's library. "The construction of the Grand Coulee and Bonneville dams brought electricity, irrigation



for crops and jobs at a time when many folks were desperate for work following the Great Depression.”

The songs Guthrie wrote in his employment at BPA are known collectively as “The Columbia River Songs.” The titles include “Roll On, Columbia,” “Grand Coulee Dam,” “Pastures of Plenty” and “The Biggest Thing that Man has Ever Done,” and some later became part of Northwest and American musical tradition.

BPA is hosting an anniversary celebration of the Columbia River songs on Woody Guthrie’s 104th birthday, July 14, from 2 to 3:30 p.m. at its headquarters in Portland. The event, which is open to the public, will feature a presentation about Guthrie’s songwriting for BPA, a screening of film clips, an interview with author Greg Vandy and BPA researcher Libby Burke, as well as a book signing by Vandy. Half of the sales of his recent book, “26 Songs in 30 Days,” will benefit the Northwest Federal Employees Association scholarship fund.

A high-energy event devoted to saving energy



Two generations of industry leaders joined in a thoughtful, wide-ranging discussion of the best ways to tackle today’s challenges to energy efficiency.

Electrons may be invisible, but the region’s enthusiasm for using them effectively was easy to see at the Efficiency Exchange, co-hosted by the Northwest Energy Efficiency Exchange and BPA in Coeur d’Alene, Idaho.

More than 425 professionals gathered to mingle and listen intently to an array of reports on the latest ideas, innovations and efforts to save energy at the Northwest’s largest industry gathering of its kind April 26–27. Utility staffers, contractors and policymakers from across the Northwest — and as far as California, the Midwest and East Coast — were joined for the first time by representatives of gas-only utilities.

“This year’s Efficiency Exchange may have been the best yet, and that is saying quite a bit,” said Richard Génécé, BPA vice president of Energy Efficiency. “The opportunity for collaboration during this event is just unparalleled, and the insight into the technologies and trends that will shape our future was truly inspiring.”

The takeaway in 2016? Practices, policies, power prices — and even valuable personnel — may change, but the benefits of energy efficiency are enduring. (And new approaches to data and measurement will continue to prove it.)

The conference kicked off with a general session on the Council’s Seventh Power Plan. Adopted in February, the plan concludes that energy efficiency is the key to meeting the region’s future demand for electricity.

Among the 27 seminar topics at the Coeur d’Alene Conference Center were efficient lighting, electric vehicle infrastructure, demand response, product testing, and new trends in data collection and measurement.

Amid the backdrop of historically low power prices, growing distributed generation and their associated challenges to utilities, a secondary theme emerged at the event — recognizing, enhancing and measuring the benefits of energy efficiency that reach beyond traditional cost-savings metrics.

On that topic, speakers and attendees explored how EE and demand response may contribute to such diverse goals as human health, environmental protection and transmission grid reliability. They discussed methods of evaluating and validating the measurable benefits of energy efficiency in addition to financial savings.

Another timely and vibrant session delved into energy efficiency’s potential as a capacity resource to both meet spikes in power system demand and defer costly investments in transmission infrastructure.

“One thing that is a constant in our industry is change,” Génécé said. “This is a very different world than we have faced before. ... Events like this one are the best example of how we can come together and find the best paths forward for the region as a whole to continue our legacy of success.”

Next year’s conference will be held in Portland. All 2016 Efficiency Exchange sessions are available for viewing online.

Public Involvement [Updates & Notices]

BPA PROJECTS

Integrated Program Review and Capital Investment Review [Regionwide]

BPA kicked off 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 one forum. The IPR/CIR is conducted every two years, before 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 their inclusion in the rate case. The comment period, now open, runs through Aug. 12. For information, go to www.bpa.gov/goto/ipr.

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. Three workshops were held earlier this year and a comment period is now open through July 8. For information, go to 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. Initial RHWMs will be published in August; the first meeting is Aug. 9. For information, go to 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.

POWER

2016 draft energy efficiency implementation manual [Regionwide]

BPA has published a draft of the October 2016 implementation manual for public comment. Interested parties are invited to provide comments through July 7. Please note the document as presented is not in its final format and many of the linked documents may be inaccurate. These will be updated at the time of final publication. For information, go to www.bpa.gov/EE/Policy/Manual/Pages/default.aspx.

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

BPA completed the cost verification process for the fiscal year 2015 Slice true-up adjustment charge June 17. A final adjustment notice is available for review. For information, go to 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.

Energy efficiency proposed commercial sector program design [Regionwide]

Utilities and stakeholders were invited to provide feedback on the proposed commercial sector program design through July 5. 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 information, go to www.bpa.gov/EE/Sectors/Commercial/Pages/New-Commercial-Program-Development.aspx.

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 information, go to 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 this year. 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 information, go to 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 this year. If BPA decides to proceed with the project, construction would begin this summer. For information, go to www.bpa.gov/efw/Analysis/NEPADocuments/Pages/Lane-Wendson.aspx.

Public Involvement continued [updates & Notices]

ENVIRONMENT, FISH AND WILDLIFE

Columbia Estuary Ecosystem Restoration Program [Oregon and Washington]

BPA, along with the Portland District of the 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 information, go to 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 Westport, Ore. The project 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 information, go to 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 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 information, go to 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 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 information, go to 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 information, go to 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 information, go to www.bpa.gov/goto/Eightmile.

CLOSE OF COMMENT

- **July 5**, Energy efficiency proposed commercial sector program design
- **July 7**, Energy efficiency draft implementation manual for 2016
- **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

BP-18 Transmission Rates Workshop

- **July 13**, 9 a.m. to noon, BPA Rates Hearing Room
1201 N.E. Lloyd Blvd., Suite 200, Portland, Ore.

BP-18 Rate Case Workshop

- **July 27**, 9 a.m. to 4 p.m., BPA Rates Hearing Room
1201 N.E. Lloyd Blvd., Suite 200, Portland, Ore.

Quarterly Business Review

- **Aug. 2**, 10 a.m. to noon, BPA Rates Hearing Room
1201 N.E. Lloyd Blvd., Suite 200, Portland, Ore.

RHWM Process Workshop

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

BP-18 Power Rates Workshop

- **Aug. 9**, 1 to 4 p.m., BPA Rates Hearing Room
1201 N.E. Lloyd Blvd., Suite 200, Portland, Ore.

BP-18 Rate Case Workshop

- **Aug. 10**, 9 a.m. to 4 p.m., Transmission rates a.m.; Risk p.m.
BPA Rates Hearing Room
1201 N.E. Lloyd Blvd., Suite 200, Portland, Ore.

FOR MORE INFORMATION

Information on other projects under environmental review is available at 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.

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. 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.

