

COLUMBIA RIVER REGIONAL FORUM

TECHNICAL MANAGEMENT TEAM

CONFERENCE CALL

July 24, 2006 - Call @ 12 p.m.

FACILITATOR'S SUMMARY NOTES ON FUTURE ACTIONS

Facilitator: Robin Harkless

Notes: Erin Halton

The following notes are a summary of issues that are intended to point out future actions or issues that may need further discussion at upcoming meetings. These notes are not intended to be the “record” of the meeting, only a reminder for TMT members.

Power Situation - California and NW Utilities

Steve Oliver, BPA, clarified that the purpose of this TMT call was to update TMT that California had experienced a “system peak” of 49 kW on Friday, July 21 – and as of 10 a.m. Monday July 24th was operating under a Stage 1 emergency level. Oliver noted that the expectation was to reach 52 kW / stage 2 level by 1 p.m., and that flexibility would be needed to help California as well as NW utilities to meet the needs of their regions. Steve also noted that no actions had been taken that impacted fish operations, but that Lower Columbia resources may be needed if the system went to a Stage 3 level.

A Stage 3 level would translate into rolling blackouts as well as concerns for public health and safety; to avoid this, a letter to BPA would be required stating that all possible curtailments had been put into effect and that support was needed to help prevent a stage 3. Emergency procedures state that if a stage 3 level was reached, TMT would be contacted and an email notice would be sent to the COE and plaintiffs. Robin McKay, BPA, reported on actions already taken: a 2' draft at Grand Coulee, changes in spill (to 40% at McNary), a change in Bonneville tailwater, and filling Banks Lake. McKay added that all “Group 1” actions had already been implemented, and that using Lower Snake reserves might worsen the situation, due to cut plain restrictions. Libby operations were not expected to change other than bringing the project down to 15k by evening of Tuesday, July 25th as previously recommended through TMT. Oliver added that temperatures were expected to go back down to one degree above normal by Thursday July 27th.

Steve Hickock, Deputy Administrator for BPA, commented that actions taken thus far have supported generation – but the main concerns were transfer issues across the cut plain. Only if transfers were maxed out would there be a need to use Lower Columbia projects. If a Stage 3 situation does occur, Hickock will send an email to the COE and the TMT will be promptly notified. It was noted too that any changes to the planned operations at Libby / Hungry Horse (i.e. an increase in outflow) would require written notification of emergency status.

Technical Management Team Unscheduled Conference Call

July 24, 2006

1. Greetings and Introductions.

The July 24 TMT unscheduled conference call was chaired by Cathy Hlebechuk and facilitated by Robin Harkless. The following is a summary (not a verbatim transcript) of the topics discussed and decisions made at this meeting.

2. California Power System Emergency.

Steve Oliver of BPA generation supply said this is an unscheduled call, not an emergency call. The purpose is to update you on the current power system situation, he said. Our system is set up very well today – we have moved water into the lower system, and filled Banks Lake, to give us the flexibility to meet peak loads. There are some other issues occurring in the Pacific Northwest, and some serious issues in California, he said.

We have been in regular contact with Cal ISO since last Friday, Oliver continued; they are setting system peak demand records of up to 52,000 MW, which was their six-year expectation in terms of peaks. They declared a stage 1 emergency on Saturday because they were eating into their reserves, Oliver said. They declared another stage 1 emergency at 10 am today and will declare a stage 2 emergency at 1 pm. They are concerned about whether they can meet anticipated demand, Oliver said. We are doing whatever we can do to support California through this extraordinary situation, Oliver said, as I anticipate other parties are doing.

Basically, California is in dire straits for this afternoon, in terms of peaks, Oliver said. There is also a Colstrip unit outage that is ongoing in the Northwest, a potentially serious problem. Again, we have set up the system to meet a variety of needs, including our own, without impacting fish operations. There are a number of power plants here that are above the cutplanes, and there are concerns that constraints across those cutplanes could impact the transmission system. We could see curtailments or redispatch occur in the upper part of the cutplanes, which means generation would have to pick up in the lower river.

If California goes to stage 3 – rolling blackouts – that becomes a human health and safety issue, Oliver said. We have told Cal ISO that they will have to provide us a letter saying that, without support from BPA, that they will have to implement rolling blackouts, a human health and safety issue, and that they have exhausted all other sources of available power. At that point, we would need to implement the emergency protocols in the 2006 Water Management Plan, Oliver said. We're hoping there is no need to touch any fish operations, he said; we're hoping that if that does become necessary, it will affect only one or two of the lowest-priority items on the list for a matter of a few hours. The bottom line is that we don't want to take anyone by surprise, Oliver said; we wanted to make sure everyone is fully up to speed on what is occurring at this point in time.

In response to a question, a BPA legal representative said that, if the letter from California is received, BPA will notify the court and the plaintiffs in the lawsuit by email that an emergency has occurred.

Have any group 1 actions been taken? Dave Statler asked. We have talked to Reclamation about a 2-foot draft at Grand Coulee, MacKay replied; we have notified the tribes that we will be holding the Bonneville tailwater at its current level; we have filled Banks Lake, we have postponed some planned outages, and as we discussed at TMT today, we've switched our 60% spill days at McNary to later in the week. In short, the system is set up to meet load, and now it's all up to the factors that are beyond our control, such as the weather and California loads, Oliver said. We will also be using all available transmission system flexibility to ensure that no problems occur, he added.

In response to another question, Oliver said BPA's priority will be to meet Northwest emergencies first, before the California emergency, if a Northwest emergency occurs. We have a responsibility to protect public health and safety, he said; again, we would attempt to address any Northwest emergencies first, and any California emergency second. We would then move into the group 3 list as necessary to remedy the situation. Basically, I wanted you to know we could be in a position of having to declare an emergency later this afternoon or this evening, Oliver said.

In response to another question, Oliver said Alberta is also maxed out, currently. However, there is every incentive out there for power marketers to supply California to the greatest extent possible during this period, said Oliver.

In response to another question, MacKay said all of the group 1 actions that can be implemented have been implemented, with the possible exception of the crane work at McNary – we haven't been able to track that one down yet, she said. I have a call into the project but have not yet heard back from them, Jim Adams replied.

MacKay went briefly through the full list of group 1 actions, then moved on to group 2 – going outside 1 percent, restricting intertie capacity, exceeding the draft limit at Grand Coulee, buying energy and restricting exports. We're encouraging California to buy whatever they can, from wherever they can, Oliver said. MacKay noted that the current plan at Libby is not to reduce outflow to three units until late tomorrow night. In response to another question, MacKay said that, if cutplane issues occur, additional generation from the projects above McNary will not help the situation.

In response to a question, a Bonneville engineer explained that cutplane issues are a limit to the amount of power that can flow over that portion of the system at any given time. If that limit is exceeded, generation has to be reduced in that part of the system, or a system reliability concern is created.

BPA's Steve Hickock reiterated that the system has been set up to allow for maximum generation and transmission system flexibility. We need to avoid the cutplane issues in the northern part of the system, he said; if they occur, we would have to reduce spill at the lower river projects if there was no other way to keep California from having to implement rolling blackouts, a major health and safety issue. We are also having to provide more support to the Northwest region due in part to some unusual actions that have been undertaken by some of the utilities here. California has now gone to a stage 2 emergency, Hickock said, which means they could be only an instant away from stage 3, rolling blackouts. Again, we're doing everything we can to help out during this California emergency without impacting operations for fish, Hickock said.

Is McNary above or below the cutplane? Wagner asked. It's below, MacKay replied. If California goes to stage 3, but we can sustain maximum intertie transfers, then we won't be taking any actions that affect fish operations, Hickock said. That's our hope at this point – we're hoping for the best but preparing for the worst, he said.

If a stage 3 emergency is declared in California, Hickock said he will notify the Corps, which will then notify the TMT via email. It was noted that any changes to the planned Libby and Hungry Horse operations will require written notification of the emergency status.

With that, today's conference call was adjourned. Meeting summary prepared by Jeff Kuechle, BPA contractor.