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**BONNEVILLE POWER ADMINISTRATION
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BPA outlines major transmission expansion for Pacific Northwest

Economic stimulus package provides capital to help BPA move forward with new transmission line, create jobs

Portland, Ore. - In part, thanks to new borrowing authority contained in the American Recovery and Reinvestment Act signed into law earlier this week by President Barack Obama, the Bonneville Power Administration has decided to build a major new transmission project - the McNary-John Day 500-kilovolt transmission line. The \$246 million project creates about 700 jobs at its peak. When energized in late 2012, the line will allow BPA to provide transmission service to more than 870 megawatts of energy, including service for more than 700 megawatts of new wind energy. Work will begin this spring.

The plans being announced today were energized by an additional \$3.25 billion in borrowing authority for BPA from the U.S. Treasury for capital projects in the newly signed law. The increased access to capital removed a major uncertainty for BPA, helping enable the decision to proceed with this project.

"This project creates jobs and enhances our nation's energy independence while expanding the Pacific Northwest's transmission system to meet its growing energy needs and thirst for renewable power," said Steve Wright, BPA administrator. "We appreciate that the recovery package allows expansion plans of this magnitude with the capital certainty created by the recent increase in BPA Treasury borrowing authority."

United States Senator Patty Murray (D-WA) and Congressman Peter DeFazio (D-OR), who worked to include the additional \$3.25 billion in borrowing authority for BPA, pointed to the McNary-John Day project as evidence that the recovery package will help get the Northwest working again.

"BPA is moving quickly to put people to work," said Senator Murray. "That's because this funding gives BPA the room to breathe in these tough economic times and the certainty to move forward with new projects. It will also help to bring alternative sources of energy online throughout the Northwest."

"I am proud that BPA has aggressively moved to put into place a long-term infrastructure investment that will benefit the Pacific Northwest and expand our

access to renewable energy sources. This project is a fine example of infrastructure spending that provides the most bang for the buck," said Congressman DeFazio.

The line will run from BPA's McNary Substation in Oregon, cross the Columbia River and run parallel to the Columbia River for 75 miles, mostly within existing rights-of-way, then cross the Columbia River back into Oregon and end at BPA's John Day Substation.

McNary-John Day has been under consideration as part of a larger process designed to meet load growth and facilitate renewable resource development needs. It is one of four high-voltage transmission lines BPA has proposed to meet the region's transmission needs. BPA recently completed its environmental review under the National Environmental Policy Act (NEPA) for the McNary-John Day project. The other three projects will begin their NEPA reviews in the near future. These NEPA reviews will include a robust public process and likely will take 18 months to three years for each of the proposed lines, depending on the project's complexity. BPA will look for ways to conduct these NEPA reviews as expeditiously as possible, consistent with the goals of the Recovery Act. Another smaller equipment upgrade project is also part of the set of projects. Because this smaller project requires no new facilities, BPA expects that only minimal NEPA work will be required.

The four transmission line projects would add more than 225 miles of lines to the Northwest transmission grid, improving reliability and, together with the smaller upgrade, allowing BPA to provide transmission service to about 3,700 megawatts of requests received in the Network Open Season, including service for 2,790 megawatts of additional green energy.

BPA is a not-for-profit federal electric utility that operates a high-voltage transmission grid comprising more than 15,000 miles of lines and associated substations in Washington, Oregon, Idaho and Montana. It also markets more than a third of the electricity consumed in the Pacific Northwest. The power is produced at 31 federal dams and one nuclear plant in the Northwest and is sold to more than 140 Northwest utilities. BPA purchases power from seven wind projects and has more than 1,800 megawatts of wind interconnected to its transmission system.

Additional comments regarding BPA's transmission expansion plans

"Bonneville's announcement shows that there really are turbine-ready, green energy projects that will put people to work here in the Northwest. Bonneville is moving at warp speed to take full advantage of the new authority in the economic recovery bill. Today's announcement, just days after the President signed recovery bill into law, is a perfect example of what we can do to invest in infrastructure and lay the groundwork for a new renewable energy economy."

~Senator Ron Wyden (D-OR)

"To bring job growth and long-term consumer benefits to the Pacific Northwest, one of the most significant provisions in the American Recovery and Reinvestment Act is a \$3.25 billion dollar increase in the Bonneville Power Administration's borrowing authority. This will spur investments into infrastructure and technologies to help up to 6,000 megawatts of wind to be integrated into the region's power grid. These low-interest loans will also deliver efficiency and conservation improvements to the Pacific Northwest region's hydroelectric system and put hundreds of people to work throughout the state."

~Congressman Jay Inslee (D-WA)

"For at least the last 5 years, BPA has been a leader in developing innovative approaches to bringing renewables online. This is another, and an impressive, act of leadership. The Pacific Northwest will reap significant benefits from the McNary-John Day transmission line, and BPA is to be commended."

~Suede Kelly, Commissioner, Federal Energy Regulatory Commission

"I have been a strong proponent of building important energy infrastructure across the nation. I commend Bonneville's leadership and decisive action on this project. Whenever needed transmission gets built, that is a good result for the nation, and in this case, a good result for the people of the Pacific Northwest."

~Philip Moeller, Commissioner, Federal Energy Regulatory Commission

"We are very pleased that the federal recovery plan and BPA's Open Season process combined to produce a meaningful and timely result for clean energy in the region."

~Rachel Shimshak, Director, Renewable Northwest Project

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