What we’ll cover today

• Project benefits
• Project history
• Project description
• What has changed since 2016
• Next steps

SEEKING A NOD OF CONCURRENCE

11/5/2018
Benefits

• Regional solution
• Reduces transmission congestion
• Accounts for new Grant and Douglas projects
• Provides greatest operational flexibility
• Provides capacity for future system growth
• Much less expensive than individual utility solutions
Project History

10/3/2016

- BPA identifies North Mid-C need
- ColumbiaGrid System Assessment
- Cost allocation set
- Board update and outreach
- Construction/O&M Agreements approved
- Finding Of No Significant Impact Preliminary Design Report, $17.8M
- Board update (Oct. 3)
- Detail Design Report, $23.9M, Oct ‘18

ColumbiaGrid Technical report
What has changed since 2016

• Design has progressed to 90% and the detailed design estimate is now complete.
• Magnitude of estimate provides an opportunity for an off-ramp.
• BPA has continued to negotiate with the Colville and Yakama tribes for cultural monitoring during construction
Project Description

- New 230kV Rapids to Columbia Switchyards,
  ~ 9 miles and new 230kV bay at Columbia
- $14 million estimate
- $23.9 million detailed design estimate
- Goal: Complete 2020
Construction Funding - Allocations

- “Single-Utility” planning solution & District avoided costs
- Best long-term solution
- Demonstrates the Northwest can collaborate on cost allocation issues (FERC Order 1000)
Construction

Construction and ownership responsibilities:

– Douglas will design, construct, own and operate:
  • 9-mile 230kV line
  • Switchyard terminal at Rapids

– BPA will design, construct, own and operate:
  • Switchyard terminal at Columbia
  • Lead the Environmental Assessment

– Chelan and Grant are funding partners

– Provides protections for cost overruns with off-ramps at 30% and 90% design
Where We Are

• $800k for environmental work funded
• Finding of No Significant Impact published March 2016
• $23.9 million detailed design estimate
  > 15% off-ramp; increases driven by:
    – $1.4M Cultural Monitoring
    – $1.6M Increase in steel prices
• Benefit review
Additional Benefits

- Project Cost: $23.9M less $3.3M sunk = $20.6M net costs to finish
- Chelan’s share is 23.85%, which is $5.7M & $4.9M net of sunk costs
  - Break even analysis at 7% IRR
  - Benefits include ½ aMW of transmission line loss savings plus 2.3 hours of avoided generation reduction at Rocky Reach to break even
  - 2016 analysis required 5.6 hours, which is more than the 2.3 hours shown in the current analysis and indicates the continued financial viability of the project.
Next Steps

• Seek concurrence to move past the off-ramp

• Align the project budget with the new estimate, $1.5M increase (2019 budget)
Questions