Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

ENVIRONMENT, FISH AND WILDLIFE

October 2, 2002

In reply refer to: KEW

Mr. Doug Marker
Fish and Wildlife Director
Northwest Power Planning Council
851 SW Sixth Avenue, Suite 1100
Portland, OR 97204-1348

Dear ~~Mr. Marker~~ Doug:

This is in response to your letter of August 26, 2002, describing the Northwest Power Planning Council's (Council) final recommendations for Bonneville Power Administration (Bonneville) funding of the Council's Fiscal Year 2002 "Innovative Projects" solicitation. As you are by now aware, in response to the existing revenue shortfall, Bonneville is currently considering least cost alternatives in its funding decisions, and must balance these alternatives while meeting the objectives of the Council's Fish and Wildlife Program (Program) and fulfilling our legal obligations, under the Endangered Species Act, to the National Marine Fisheries Service (NMFS) 2000 Biological Opinion (BiOp). With this balance in mind, Bonneville has made a decision to fund only the two top-ranked of the innovative proposals recommended by the Council. We readily acknowledge the great amount of work that has gone into the "Innovative Projects" proposal preparation and review processes by all parties. We feel this decision is the best we can make at this time considering the deterioration of our financial condition since the solicitation for these projects earlier this year. Again we focused our decision on only those projects that best met both the needs of the Program and the BiOp.

Bonneville would also propose to the Council that solicitations for new proposals in the Innovative projects category be deferred in Fiscal Year 2003 or until Bonneville's financial condition improves. However, we realize the importance of the types of projects that come from the Innovative category new ideas or methods that have not been attempted in the Program and hope to see funding for this category of projects available in the future.

Our intent is to begin contract negotiations to fund each proposal on a one-time basis up to a maximum of $200,000. Projects funded in Fiscal Year 2002 are not eligible to participate in the innovative proposals solicitation in future years. If additional Bonneville funds are sought, the proposals may compete with all other proposals in future provincial reviews. Since Innovative proposals were solicited as pilot projects rather than full-scale projects, their duration is limited to a maximum of 18 months.

Innovative proposal **no. 34008**, "Use a Multi-Watershed Approach to Increase the Rate of Learning from Columbia Basin Watershed Restoration Projects", ranked number one out of seventeen proposals evaluated by the Council's staff as well as by the Independent Scientific Review Panel (ISRP), will be implemented provided the objectives of this project and the overall Research, Monitoring, and Evaluation program needs, outlined in NMFS BiOp, can be aligned during the contracting process. Specifically, the contract work order and tasks must be structured to meet BiOp Reasonable and Prudent Alternative (RPA) no. 183 as per NMFS Fisheries guidance for this RPA. The sponsor must work closely with the Action Agencies' and the NMFS Fisheries' Research, Monitoring, and Evaluation (RME) workgroups to ensure the proposal will meet the objectives of RPA 180, 183, and the workgroup's RME framework.

A similar action has already been taken for innovative proposal **no. 34019**, "Evaluate the Effects of Hyporheic Discharge on Egg Pocket Water Temperature in Snake River Fall Chinook Salmon Spawning Areas", also ranked number one out of the seventeen ranked proposals. The sponsor had also favorably responded to ISRP, Council, and Columbia Basin Fish and Wildlife Authority comments on aligning the project to meet both Council Program and BiOp needs.

Enclosed is a spreadsheet identifying the proposal number, province/sub-basin, sponsor, and Bonneville comment for the FY 2002 Innovative projects selected for implementation. As in the past, where specific policy, legal or technical issues arise during the development of statements of work and contracts, we will work collaboratively with the Council, Council staff, and project sponsor to resolve them.

If there are additional questions, please call me directly at 503-230-4748.

Sincerely,

Robert J. Austin
Deputy Director for Fish and Wildlife

Enclosure
FY02 Innovative Project Proposal

cc:
Mr. Frank L. Cassidy - Northwest Power Planning Council
Mr. Rod Sando - Columbia Basin Fish and Wildlife Authority
Mr. Brian Brown – National Marine Fisheries Service
Mr. William Shake – U.S. Fish and Wildlife Service

Bonneville Power Administration FY2002 Innovative Project Proposal Decisions							
Proposal Number	**Province/ Subbasin**	**Proposal/Project Title**	**Sponsor**	**ISRP Rank**	**BPA Rank**	**RPA RPM**	**RPA Comment**
34008	System-wide	Use a Multi-Watershed Approach to Increase the Rate of Learning from Columbia Basin Watershed Restoration Projects	ESSA/Inc	1	C	183/180	If project is shaped to focus more on BiOp needs to advance RPA 183 requirements, funding is recommended.
34019	Blue Mountain	Evaluate the Effects of Hyporheic Discharge on Egg Pocket Water Temperature in Snake River Fall Chinook Salmon Spawning Areas	Battelle/ PNNL	1	A	155	Recommend. The proposal addresses source of problems for Snake River fall Chinook and focuses on a life history solution, thus it may provide the means to achieve more progress toward performance standards than current efforts. An agreement from Idaho Power to provide necessary hydro operations is pivotal if study is to continue beyond the start up innovative stage.