

United States Government

Department of Energy
Bonneville Power Administration

memorandum

DATE: June 29, 2006

REPLY TO:
ATTN OF: PGF-6

SUBJECT: Possible Mismanagement of Department of Energy Funds (File No. 106RS016)

TO: [REDACTED]
Office of Inspections and Special Inquiries – IG-42

Upon request of DOE's Office of Inspections and Special Inquiries, I have reviewed the subject question and the associated program management information. I offer the following findings based solely on my experience as BPA's Manager for Federal Hydro Projects.

On December 6, 1994, a Memorandum of Agreement was signed by the Bonneville Power Administration (BPA) and the U.S. Army Corps of Engineers (Corps) which established a direct funding agreement for capital investments. Also, in December 1997 BPA and the Corps signed the agreement to direct fund Operations and Maintenance costs. This agreement established the Joint Operating Committee as well as various subcommittees. In September 1999, a cross agency team was established to recommend ways to improve the operational efficiencies of the Federal Columbia River Power System (FCRPS). In February 2000, a Power Plant Efficiency Improvements Subagreement was signed and funded between BPA and the Corps. Subsequent amendments have been made to add specific projects. Under this Subagreement the Corps awarded a contract to ATECO to test and prove the concept of collecting and screening real-time operating data needed to update generating unit performance curves. Under the terms of this contract ATECO would reconfigure and modify an Index Test Box (ITB) concept that they had previously developed. The ITB was chosen for testing because of the convenience of testing these concepts on a generating unit at a minimal cost. The contract with ATECO included the development of software that would interface the ITB with the Corps' existing GDACS powerhouse data collection system. However, the interface software was developed for test purposes only, and at a much lower cost and standard than software suitable for permanent installation.

Now that the basic proof-of-concept testing has been successful, the cross agency team is considering how best to utilize the techniques and lessons learned from the proof-of-concept testing into the development of a prototype that could permanently interface to the existing GDACS. This cross agency team will be recommending how to proceed from this point. No decisions have been made. However, one alternative currently under consideration is an open and competitive solicitation for this next phase prototype system. As of this date, no project cost or schedules have been developed.

It appears from my review set forth above, that there was nothing improper in the development of the Power Plant Efficiency Improvements Subagreement signed and funded between BPA and the Corps. This review does not cover the contract awarded between the Corps and ATECo.



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cc:

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