

Categorical Exclusion Determination

Bonneville Power Administration
Department of Energy



Proposed Action: FY 2022-2023 Proposed Power, Transmission, and Ancillary and Control Area Service Rate Adjustments (BP-22)

Project Manager: Daniel Fisher, BPA Power Rates Manager-PSR- 6; Miranda McGraw, BPA Transmission Rates Manager-TSQR-TPP-2

Location: Multnomah County, Oregon

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B4.3 Electric power marketing rate changes.

Description of the Proposed Action: Bonneville Power Administration (BPA) proposes to adjust and implement its power, transmission, ancillary and control area service rates for fiscal years 2022 and 2023. In December 2020, BPA initiated a proceeding (referred to as BP-22) pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) for adjustments to its rates through publication of a notice for the proposed rate adjustments in the Federal Register, 85 Fed. Reg. 77189 (2020). Through this BP-22 proceeding, BPA has proposed to establish and implement power, transmission, and ancillary and control area service rates that would replace the existing rate schedules that are set to expire on September 30, 2021. The adjusted rates would apply for a two-year rate period during the 2022 and 2023 fiscal years.

These rates reflect updated costs arising from the Integrated Program Review addressed in the initial proceeding as well as the Integrated Program Review 2 that was completed on April 30th 2021. Provisions are also included in these rates to allocate charges and credits attributable to BPA's possible participation in the Western Energy imbalance (EIM), should the agency decide to join the EIM. Additionally, the rates reflect revenue financing to fund capital projects and to address the financial impacts arising from increasing amounts of outstanding debt.

Through its BP-22 settlement discussions, BPA also reached consensus with its power and transmission customers (parties) on rates, revenue financing amounts and other issues. These discussions also resulted in a BP-22 Settlement Agreement which settled the rates for power, transmission, ancillary and control area services for fiscal years 2022 and 2023. All revisions to costs and revenues from the BP-22 Settlement Agreement are also reflected in the final rates.

The proposed changes to existing rates are based on changing revenue requirements to recover costs for power and transmission products and services including the costs and revenues associated with joining the EIM should BPA decide to do so. The proposed rate adjustments largely continue the same construct, at adjusted rate levels that BPA has implemented in previous years. Further information on the proposed rate adjustments can be found in the BP-22 rate proceeding, Administrators Draft Record of Decision, June 2021, located on BP-22 rate proceeding website at <https://ratecase.bpa.gov/Documents.aspx?ID=30>.

Actions to be taken by BPA related to the proposed rate adjustments are primarily administrative, strategic and financial in nature. Furthermore, during the rate period, all generation projects would operate within normal operating limits and consistently with applicable environmental laws and regulations, including compliance with the National Marine Fisheries Services and US Fish and Wildlife Service 2020 Endangered Species Act consultation and Biological Opinions on the operations and maintenance of the Federal Columbia River Power System, as well as any related court orders.

Findings: In accordance with Section 1021.410(b) of the Department of Energy's (DOE) National Environmental Policy Act (NEPA) Regulations (57 FR 15144, Apr. 24, 1992, as amended at 61 FR 36221-36243, Jul. 9, 1996; 61 FR 64608, Dec. 6, 1996, 76 FR 63764, Nov. 14, 2011), BPA has determined that the proposed action:

- 1) fits within a class of actions listed in Appendix B of 10 CFR 1021, Subpart D (see attached Environmental Checklist);
- 2) does not present any extraordinary circumstances that may affect the significance of the environmental effects of the proposal; and
- 3) has not been segmented to meet the definition of a categorical exclusion.

Based on these determinations, BPA finds that the proposed action is categorically excluded from further NEPA review.

/s/ Usha Mohan

Usha Mohan

Environmental Protection Specialist

/s/ Katey C. Grange

Katey C. Grange

NEPA Compliance Officer

July 28, 2021

Date

Attachment(s): Environmental Checklist

Categorical Exclusion Environmental Checklist

This checklist documents environmental considerations for the proposed project and explains why the project would not have the potential to cause significant impacts on environmentally sensitive resources and would meet other integral elements of the applied categorical exclusion.

Proposed Action: FY 2022-2023 Proposed Power, Transmission and Ancillary and Control Area Service Rate Adjustments (BP 22)

Project Site Description

BPA markets wholesale electrical power from 31 hydroelectric power projects in the Northwest, one non-federal nuclear plant, and several small non-federal power plants. BPA also operates and maintains 15,000 circuit miles of transmission in its service territory that spans Oregon, Washington, Idaho, Western Montana, and small parts of eastern Montana, California, Nevada, Utah, and Wyoming.

Evaluation of Potential Impacts to Environmental Resources

1. Historic and Cultural Resources

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect historic and cultural resources.

2. Geology and Soils

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground disturbing activities or potential for erosion, landslides, or other related impacts. In addition all generation projects will continue to operate within normal operating limits during the rate period. For these reasons, rate adjustments would not affect geology and soils.

3. Plants (including Federal/state special-status species and habitats)

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground disturbing activities or vegetation removal or alteration. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect plants.

4. Wildlife (including Federal/state special-status species and habitats)

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would result not result in any ground-disturbing activities or potential to cause impacts to special-status species and habitats. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect wildlife.

5. Water Bodies, Floodplains, and Fish (including Federal/state special-status species, ESUs, and habitats)

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground-disturbing activities or potential to cause impacts to water bodies, floodplains, and fish, including federal/state special-status species and ESUs. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect water bodies, floodplains, fish, including federal/state special-status species and ESUs.

6. Wetlands

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground disturbing activities or potential to cause impacts to wetlands. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect wetlands

7. Groundwater and Aquifers

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground disturbing activities or potential to cause impacts to groundwater and aquifers. In addition, all generation products would continue to operate within normal operating limits during the rate period.

8. Land Use and Specially-Designated Areas

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground-disturbing activities or potential to cause impacts to land use and specially-designated areas. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect land use and specially-designated areas.

9. Visual Quality

Potential for Significance: No

Explanation: The proposed activities involve administrative, strategic and financial actions intended to recover BPA's cost for power and transmission products and services, and would not result in any ground-disturbing activities or potential to cause impacts to visual quality. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments will not affect visual quality.

10. Air Quality

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground disturbing activities or potential to cause impacts to air quality. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect air quality.

11. Noise

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and will not result in any ground disturbing activities or potential to cause impacts to noise. In addition, all generation projects would continue to operate within normal operating limits during the rate period.

12. Human Health and Safety

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services, and would not result in any ground-disturbing activities for potential to cause impacts to human health and safety. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect human health and safety.

Evaluation of Other Integral Elements

The proposed project would also meet conditions that are integral elements of the categorical exclusion. The project would not:

Threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders.

Explanation: N/A

Require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators) that are not otherwise categorically excluded.

Explanation: N/A

Disturb hazardous substances, pollutants, contaminants, or CERCLA excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases.

Explanation: N/A.

Involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements, such as those of the Department of Agriculture, the Environmental Protection Agency, and the National Institutes of Health.

Explanation: N/A

Landowner Notification, Involvement, or Coordination

Description: The proposed action does not involve activities directly or indirectly affecting any particular real property, therefore, notification and involvement of any specific land owner is not required. However, BPA conducted the BP-22 rate proceedings consistent with procedures under the Northwest Power Act, which included notifying the public through the *Federal Register* of the rate adjustment proposal, allowing public comments on the proposal, and involving potentially affected parties during the development of the final rates proposal.

Based on the foregoing, this proposed project does not have the potential to cause significant impacts to any environmentally sensitive resource.

Signed: /s/ Usha Mohan July 28, 2021
Usha Mohan, ECP-4 Date
Environmental Protection Specialist