

Record of Decision for the Electrical Interconnection of the Wanapa Energy Center

DECISION

The Bonneville Power Administration (Bonneville) has decided to implement the proposed action identified in the Wanapa Energy Center Final Environmental Impact Statement (FEIS) (DOE/EIS-0342, December 2004). Under the proposed action, Bonneville will offer contract terms for interconnection of the Wanapa Energy Center (Wanapa) with the Federal Columbia River Transmission System (FCRTS), as requested by Confederated Tribes of the Umatilla Indian Reservation (CTUIR) and proposed in the FEIS. The proposed project involves constructing and operating a 1,200-megawatt (MW) natural gas-fired, combined-cycle power generation facility at a 47-acre site on tribal trust land near the Cities of Hermiston and Umatilla in Umatilla County, Oregon. Wanapa may construct this project in phases. A new switchyard will be constructed at the Wanapa site and, at Wanapa expense, Bonneville will construct a new 500-kilovolt (kV) single-circuit transmission line from this switchyard 4.4 miles west to Bonneville's existing McNary Substation. Bonneville will expand McNary Substation by about 2.75 acres on the east side.

A Large Generation Interconnection Agreement (LGIA) with Diamond Wanapa I, L.P. (Diamond), in partnership with the CTUIR, will provide for interconnection of the Wanapa Energy Center with the FCRTS and electrical generation in the Bonneville Control Area. The agreement will also provide for construction of interconnection facilities and continued operations and maintenance of interconnection equipment at Diamond expense.

BACKGROUND

Bonneville is a Federal agency that owns and operates the majority of the high-voltage electric transmission system in the Pacific Northwest, the FCRTS. Bonneville has adopted an Open Access Transmission Tariff for the FCRTS, consistent with the Federal Energy Regulatory Commission's (FERC) *pro forma* open access tariff.¹ Under Bonneville's tariff, Bonneville offers generation interconnection to the FCRTS to all eligible customers on a first-come, first-served basis, subject to an environmental review under the National Environmental Policy Act (NEPA).

On February 15, 2001, the CTUIR submitted requests to Bonneville for interconnection of the proposed Project with the FCRTS and for related firm transmission services. In considering the requests, Bonneville participated as a cooperating agency in an EIS prepared by the Bureau of Indian Affairs (BIA) in their consideration of a lease for construction and operation of Wanapa. BIA published the final EIS in December 2004 (Notice of Availability published in the Federal Register December 17, 2004) evaluating the potential environmental effects of Wanapa,

¹ Although Bonneville is not subject to FERC's jurisdiction, Bonneville voluntarily follows an open access, non-discriminatory transmission policy as a matter of national policy. This course of action demonstrates Bonneville's commitment to non-discriminatory access to its transmission system and ensures that Bonneville will receive non-discriminatory access to the transmission systems of utilities that are subject to FERC's jurisdiction.

including the proposed interconnection and related transmission actions. Bonneville now must respond to the requests consistent with Bonneville's transmission tariff.

PROJECT DESCRIPTION

Diamond, as authorized by lease with the CTUIR, will construct the Wanapa Energy Center on approximately 47 acres of land held in trust by the United States for the CTUIR, the beneficial owners, near the Cities of Hermiston and Umatilla in Umatilla County, Oregon. Generating components of the project include two generating blocks, each producing a nominal capacity of 600 MW with two gas-fired combustion turbines, two heat recovery steam generators, and one steam turbine. Additional facilities include a new switchyard with a power circuit breaker and disconnect switch; a new 4.4-mile-long 500-kV transmission line; an additional power circuit breaker and disconnect switch at McNary Substation; a new 9.9-mile-long, 24-inch-diameter natural gas pipeline; a water retention pond and new 11.2-mile-long, 16-inch-diameter wastewater discharge pipeline; water supply pipelines; and various access roads, tanks, buildings, exhaust stacks, parking, and storage areas. Natural gas to fuel the combustion turbines will be supplied primarily through connection with an existing gas pipeline.

With both 600 MW blocks of generators operating, Wanapa Energy Center will use approximately 8 to 12 million gallons of water per day for steam production. This industrial water will come from the Port of Umatilla's raw water supply through a new pipeline to the Wanapa site. Wanapa will discharge used industrial water, at a quality consistent with Oregon's water quality standards for such discharges and under conditions established by the U. S. Bureau of Reclamation, through a new pipeline to a canal feeding into Cold Springs Reservoir.

Diamond will construct a switchyard at the west side of the project site. Bonneville will construct a single-circuit 500-kV transmission line from there to Bonneville's McNary Substation as proposed in the EIS, a total distance of about 4.4 miles. The transmission line route crosses Bonneville's Wanaket Wildlife Area managed by the CTUIR, and then parallels existing transmission lines to McNary Substation. Bonneville will also expand McNary Substation to install an additional power circuit breaker and disconnect switch.

ALTERNATIVES CONSIDERED

Two primary alternatives were evaluated in the EIS: (1) The No Action alternative and (2) the proposed action. The EIS also evaluated alternatives associated with various project components, *i.e.*, the transmission line, natural gas supply pipeline, and power plant discharge water disposal. Other alternatives were considered but rejected for various reasons, as explained in the EIS. The EIS evaluated the following alternatives for interconnection and transmission:

Proposed Action

The action proposed by Bonneville and evaluated in the EIS was to provide the generation requested interconnection by constructing, at Wanapa's expense, a new, 4.4-mile-long 500-kV transmission line with lattice steel structures along a southwesterly route across BPA-owned land (the Wanaket Wildlife Management Area), then parallel to existing Bonneville transmission lines west and north to McNary Substation. A reasonably foreseeable consequence of granting this interconnection is development of the proposed Wanapa Energy Center. Although Bonneville

has no jurisdiction, supervision over, ownership, or financial involvement in the proposed generation facility, Bonneville decision-makers have considered the potential environmental effects associated with this facility as evaluated in the EIS.

Alternative Transmission Line Routes

Alternative route 1, approximately 5.3 miles long, was to exit the Wanapa switchyard in a southerly direction, then parallel existing transmission lines west and north to McNary Substation. Alternative 1 would use lattice steel structures.

Alternative route 2, approximately 4.0 miles long, was to exit the switchyard in a westerly direction past the south side of Two Rivers Correctional Institution, turn north a short distance to near the Columbia River, then southwest to McNary Substation. Almost all of this route would be on new right-of-way. Either lattice or tubular steel structures could be used on this route.

Alternative route 3, approximately 3.7 miles long, was to exit the switchyard in a northerly direction a short distance to near the Columbia River, then follow the River westerly past the north side of Two Rivers Correctional Institution, then southwesterly to McNary Substation. Almost all of this route would be on new right-of-way. Either lattice or tubular steel structures could also be used on this route.

No Action Alternative

As an alternative to the interconnection, Bonneville considered not providing the services requested. Without the requested interconnection, Wanapa could not operate and would likely not be built. Because there would be no change in existing conditions, the No Action alternative is the environmentally preferred alternative.

RATIONALE FOR DECISION

I have decided it is in the best interest of Bonneville and the Pacific Northwest to offer LGIA terms for interconnection of the Wanapa Energy Center into the FCRTS. The selected alternative best satisfies relevant factors identified in the EIS:

- Provide an adequate, economical, efficient and reliable power supply to the Pacific Northwest, including FCRTS electrical stability and reliability;
- Consistency with Bonneville's environmental and social responsibilities; and
- Cost and administrative efficiency.

Wanapa will provide economic and reliable energy, helping to modernize the national energy supply as envisioned by the National Energy Policy. Offering a LGIA is in accordance with Bonneville's Open Access Transmission Tariff. The LGIA will include provisions as necessary to ensure the continuing safe, reliable operation of the FCRTS. While rejecting the requested interconnection would not threaten the FCRTS, it would be contrary to Bonneville's Open Access Transmission Tariff and would not enhance the power supply available to the Nation or to the Pacific Northwest.


The proposed route for the transmission line is superior to the alternative routes, both economically and environmentally. Because the proposed route is shorter than alternative route 1, it is also more economic. Alternative routes 2 and 3 are shorter, but would be more intrusive on the landscape because they are less parallel to existing transmission facilities. Constructing the transmission line along the proposed route is environmentally superior because it will result in less total disturbance of environmental resources and be less intrusive on the landscape than would construction along the alternative routes.

Bonneville expects Diamond to comply with terms and conditions of all permits issued by regulatory agencies. The LGIA will also include appropriate provisions for remediation of oil or other hazardous substances associated with construction and operation of related electrical facilities in a manner consistent with applicable Federal, State, and local laws. I find no unusual environmental circumstances or inconsistencies with Bonneville's environmental and social obligations to warrant rejection of the requested interconnection.

MITIGATION

All practicable means to avoid or minimize environmental harm from the alternative selected have been adopted. These mitigation measures are identified in the EIS. If and when the Wanapa Energy Center is constructed, it would be in accordance with permit conditions specified by appropriate regulatory agencies.

Issued in Portland, Oregon, on February 24, 2005.

 2/24/05

Steven G. Hickok Date
Deputy Administrator