

PMC-EF2a

(2.04.02)

**U.S. DEPARTMENT OF ENERGY
EERE PROJECT MANAGEMENT CENTER
NEPA DETERMINATION**



RECIPIENT: City of Tacoma, Department of Public Utilities, Light Division (DBA Tacoma Power) **STATE:** WA

PROJECT TITLE : Cushman North Fork Skokomish Powerhouse

Funding Opportunity Announcement Number	Procurement Instrument Number	NEPA Control Number	CID Number
DE-FOA-0000120	DE-EE0002669	GFO-10-269-001	0

Based on my review of the information concerning the proposed action, as NEPA Compliance Officer (authorized under DOE Order 451.1A), I have made the following determination:

CX, EA, EIS APPENDIX AND NUMBER:

Description:

- A9** Information gathering (including, but not limited to, literature surveys, inventories, audits), data analysis (including computer modeling), document preparation (such as conceptual design or feasibility studies, analytical energy supply and demand studies), and dissemination (including, but not limited to, document mailings, publication, and distribution; and classroom training and informational programs), but not including site characterization or environmental monitoring.
- C12** Siting, construction, and operation of energy system prototypes including, but not limited to, wind resource, hydropower, geothermal, fossil fuel, biomass, and solar energy pilot projects.

Rational for determination:

City of Tacoma, Department of Public Utilities, Light Division (DBA Tacoma Power) would add approximately 3.6 MW of generating capacity at an existing dam, Cushman No. 2, part of the Cushman Hydroelectric Project (FERC P-460) owned by Tacoma Power by constructing a new two-story 46 feet by 20 feet powerhouse. The new powerhouse would utilize flow that is currently being discharged from a valve at the base of the dam. Electricity from the new powerhouse would be transmitted to an existing overhead transmission line.

The proposed project is divided into five tasks.

1.0 Turbine/Generator Procurement and Installation

2.0 Powerhouse General Construction Contract

3.0 Transmission Design and Construction

4.0 Fish Facilities Design and Construction

5.0 Project Management and Reporting – Reports and other deliverables would be provided in accordance with the Federal Assistance Reporting Checklist following the instructions included therein.

A Final Environmental Impact Statement – Cushman Hydroelectric Project (FERC Project No. 460), Washington (FEIS) was completed December 2, 1996 by the Federal Energy Regulatory Commission (FERC) when considering whether to issue a new license for the Cushman Hydroelectric Project No. 460 on the North Fork Skokomish River in Washington State. On July 30, 1998 FERC completed its review of the re-licensing application and issued the City a forty-year major license for the Cushman Project. On May 21, 1999, FERC issued an Order granting the Tacoma Power motion to stay implementation of the new Cushman license pending litigation, including the instream flow provisions. At that time, FERC instituted an interim flow requirement of only 60 cubic feet per second ("cfs"), well under the 240 cfs established in the new license. After a court remand in 2006, Tacoma Power and the Skokomish Indian Tribe entered into negotiations that ultimately led to a settlement. On January 21, 2009, Tacoma Power, on behalf of itself, the Skokomish Indian Tribe, and six state and federal agencies (U.S. Forest Service, U.S. Department of Commerce's National Marine Fisheries Service, U.S. Department of the Interior's Fish and Wildlife and Bureau of Indian Affairs, Washington Department of Fish and Wildlife, and Washington Department of Ecology), filed a comprehensive settlement agreement and Joint Explanatory Statement for the Cushman Project. On July 15, 2010 FERC approved the settlement agreement from the document entitled "Order on Remand and on Offer of Settlement, Amending License, Authorizing New Powerhouse, and Lifting Stay", and issued a 50-year license for the Cushman Hydroelectric Project (2010 License Amendment). The 2010 License Amendment amended the license to include license articles consistent with the settlement, extend the license expiration date to June 30, 2048, authorize construction of the new powerhouse, and lift the stay.

Tasks identified in the Statement of Project Objectives (SOPO) submitted to the DOE were compared to what was analyzed in the 1996 FEIS and clarified in the 2010 License Amendment completed by FERC to determine if the tasks

were adequately addressed by those documents. Tasks identified in the SOPO were specifically analyzed in the 1996 FEIS. Potential economic and environmental impacts of Tasks 1.0 through 3.0 (powerhouse construction and power transmission) of the SOPO were analyzed as part of Alternate 3 of the 1996 FEIS and Task 4.0 (Fish facilities design and construction) was analyzed in Appendix C: Cushman Project Fish Passage Feasibility. The 2010 License Amendment, which approved the Cushman Dam re-licensing and associated settlement requirements, stated that a supplement would not be needed for the new powerhouse amendment, because the FEIS had already considered an alternative to add a similar powerhouse at the base of Cushman Dam No. 2.

This proposed project has the potential to impact surface resources and therefore a C12 (Siting/construction/operation of energy system prototypes) NEPA determination applies for all tasks/subtasks (except Task 5.0 – Project Management and Reporting, which is covered by CX A9). Impacts associated with the project must be analyzed according to the National Environmental Policy Act (NEPA).

Because an EIS has already been completed that analyzes impacts relevant to Tasks 1.0 through 4.0 of this project, DOE concurs with FERC's 2010 License Amendment that no further analysis is needed for the proposed project as submitted to the DOE for funding. The Council on Environmental Quality (CEQ) encourages adoption of another agency's EIS, or portions thereof, to reduce duplicative EIS's prepared by Federal agencies. Pursuant to 40 CFR 1506.3 (a)(b), DOE adopts the portions relevant to DOE's funding action of FERC's 1996 FEIS (Alternate 3 and Appendix C). DOE will recirculate the FEIS for a 30 day public review period and issue its own Record of Decision (Question 30, CEQ, Forty Most Asked Questions Concerning CEQ's NEPA Regulations, March 23, 1981).

NEPA PROVISION

DOE has made a final NEPA determination for this award

Insert the following language in the award:

Note to Specialist :

EF2a prepared by Casey Strickland and Larry Kimmel

SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.

NEPA Compliance Officer Signature:


NEPA Compliance Officer

Date:

8/25/10

FIELD OFFICE MANAGER DETERMINATION

Field Office Manager review required

NCO REQUESTS THE FIELD OFFICE MANAGER REVIEW FOR THE FOLLOWING REASON:

- Proposed action fits within a categorical exclusion but involves a high profile or controversial issue that warrants Field Office Manager's attention.
- Proposed action falls within an EA or EIS category and therefore requires Field Office Manager's review and determination.

BASED ON MY REVIEW I CONCUR WITH THE DETERMINATION OF THE NCO :

Field Office Manager's Signature:


Field Office Manager

Date:

8/25/10