

memorandum

DATE: March 23, 2012

REPLY TO
ATTN OF: KEC-4

SUBJECT: Environmental Clearance Memorandum

TO: Nita Burbank
Oversupply Project Manager – SR-7

Proposed Action: Oversupply Management Protocol

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B4.1 – Contracts, policies, and marketing and allocation plans for electric power; B4.4 – Power marketing services and activities

Proposed by: Bonneville Power Administration (BPA)

Description of the Proposed Action: BPA proposes to implement the Oversupply Management Protocol as an amendment to its Open Access Transmission Tariff (Tariff) filed with the Federal Energy Regulatory Commission (FERC). The protocol is designed to ensure BPA is taking all reasonable efforts to reconcile the standard of comparable transmission service with Clean Water Act (CWA) and Endangered Species Act (ESA) compliance, as well as BPA's obligations under its organic statutes, during specific hydro and load conditions, and after all practicable mitigation measures have been implemented.

BPA would incorporate the Oversupply Management Protocol as Section 38 and Attachment P of the Tariff and would also amend existing interconnection agreements to clarify that all generators are subject to the Oversupply Management Protocol. As part of the Tariff and interconnection agreements, BPA would have the authority to displace non-federal generation in BPA's balancing authority area and compensate displaced generators for certain costs specified in the Tariff. The proposal does not involve a transmission infrastructure component or physical changes in the transmission system.

The protocol would establish power management activities to balance generation and load during periods of oversupply conditions. Oversupply conditions generally occur during the spring when high runoff of water combines with wind generation in low-demand periods such as late at night. In implementing the protocol, BPA would first work with the U.S. Army Corps of Engineers and Bureau of Reclamation to manage federal hydroelectric generation and spill water up to total dissolved gas limits allowable under state water quality standards. BPA would then offer low-cost or free hydropower to replace output of non-federal thermal and other power plants. The thermal plant operators would likely reduce generation and use the low-cost or free hydropower, which is readily available during oversupply conditions, to meet their commitments. If oversupply conditions continue, BPA would then reduce generation output of remaining power generation in its system, including wind energy, in order of least cost to highest cost, and compensate affected generation for certain costs specified in the Tariff.

Findings: Predicted effects on environmental and cultural resources during implementation of the Oversupply Management Protocol would be consistent with those already occurring within existing Federal Columbia River Power System (FCRPS) operations. Because river operations would be maintained within existing operating constraints, implementation of the Oversupply Management Protocol would not affect compliance with the ESA. Federal generation sources would continue to be operated within current federal and state law requirements, in particular, the requirements described in

the 2008 National Oceanic and Atmospheric Administration Fisheries FCRPS Biological Opinion, the 2010 Supplemental Biological Opinion, and the BPA decision documents adopting them. Those documents indicate that to protect ESA-listed salmon and comply with the CWA, FCRPS operations need to continue meeting current water quality standards established by the states of Washington and Oregon.

The Oversupply Management Protocol would have no impacts to floodplains or wetlands; specially designated areas; human health and safety; prime or unique agricultural lands; special water sources; or pollution control at federal facilities and is consistent with state and local laws and regulations.

BPA has determined that the proposed action complies with Section 1021.410 and Appendix B of Subpart D 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, July 9, 1996; 61 FR 64608, Dec. 6, 1996, 76 FR 63764, Nov. 14, 2011). The proposed action does not present any extraordinary circumstances that may affect the significance of the environmental effects of the proposal. The proposal is not connected [40 C.F.R. 1508.25(a)(1)] to other actions with potentially significant impacts, has not been segmented to meet the definition of a categorical exclusion, is not related to other proposed actions with cumulatively significant impacts [40 C.F.R. 1508.25(a)(2)], and is not precluded by 40 C.F.R. 1506.1 or 10 C.F.R. 1021.211. Moreover, the proposed action would not (i) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, (ii) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities, (iii) disturb hazardous substances, pollutants, contaminants, or Comprehensive Environmental Response, Compensation and Liability Act-excluded petroleum and natural gas products that pre-exist in the environment such that there would be uncontrolled or unpermitted releases, (iv) have the potential to cause significant impacts on environmentally sensitive resources, or (v) 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.

The proposed action meets the requirements for the Categorical Exclusions referenced above. We therefore determine that the proposed action may be categorically excluded from further NEPA review and documentation.

/s/ Jeffrey J. Maslow

Jeffrey J. Maslow

Environmental Project Manager

Concur:

/s/ Katherine S. Pierce

Katherine S. Pierce

NEPA Compliance Officer

Date: March 23, 2012

Attachment:

Environmental Checklist for Categorical Exclusions

Environmental Checklist for Categorical Exclusions

Name of Proposed Project: Oversupply Management Protocol

Work Order #: 00003863

This project does not have the potential to cause significant impacts on the following environmentally sensitive resources. See 10 CFR 1021, Subpart D, Appendix B for complete descriptions of the resources. This checklist is to be used as a summary – further discussion may be included in the Categorical Exclusion Memorandum.

<u>Environmental Resources</u>	<u>No Potential for Significance</u>	<u>No Potential, with Conditions (describe)</u>
1. Historic Properties and Cultural Resources	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. T & E Species, or their habitat(s)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Floodplains or wetlands	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Areas of special designation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Health & safety	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Prime or unique farmlands	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Special sources of water	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Other (describe)	<input checked="" type="checkbox"/>	<input type="checkbox"/>

List supporting documentation attached (if needed):

Signed: /s/ Jeffrey J. Maslow

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