

# memorandum

DATE: December 4, 2012

REPLY TO  
ATTN OF: KEC-4

SUBJECT: Environmental Clearance Memorandum

TO: Mark Miller  
Account Executive, Long-term Sales and Purchases - PTL-5

**Proposed Action:** Alcoa Power Sales Contract

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

**Location:** Portland, OR and Ferndale, WA

**Proposed by:** Bonneville Power Administration (BPA)

**Description of the Proposed Action:** BPA proposes to enter into a new power sales contract with Alcoa that would allow BPA to continue to provide service for Alcoa's Intalco Works, an existing aluminum smelter in Ferndale, Washington. Under an existing contract with Alcoa, BPA provided 320 average megawatts (aMW) of firm power to Alcoa from December 22, 2009 until October 1, 2012, and is currently providing 300 aMW through December 31, 2012. The proposed new contract provides for the continued sale of firm power by BPA to Alcoa, at the applicable industrial firm power rate, during a period that would begin on January 1, 2013 and end on September 30, 2022. Under the new contract, BPA would continue to provide 300 aMW of firm power to Alcoa.

To serve Intalco under the new power sales contract, BPA would primarily provide power from the federal energy surplus that BPA has forecasted it will have during the term of the contract, as indicated in the draft equivalent benefits analysis determination that BPA has prepared for the proposed contract.<sup>1</sup> During certain times of the year while the contract is in place, however, BPA may have to make short-term purchases to balance BPA's total loads (which would include Alcoa's load at the Intalco smelter) and BPA's resources. These would be normal balancing purchases, most likely in the form of a simple market purchase, a purchase from a pre-existing generation resource, or some combination of both. Although not expected at this time, any future power acquisitions would be undertaken by BPA consistent with BPA's enabling statutes, and BPA would ensure compliance with the National Environmental Policy Act (NEPA) and other applicable laws and regulations.

**Findings:** Executing the power sales contract with Alcoa would involve providing continued service to a facility (the Intalco smelter) that is already in existence and currently operating.

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<sup>1</sup> The Administrator's draft equivalent benefits analysis determination for the proposed contract is available at [http://www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/2012/2012-10-10\\_DRAFT\\_EBT\\_ALCOA.pdf](http://www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/2012/2012-10-10_DRAFT_EBT_ALCOA.pdf)

This contract does not require BPA to take any action that would have a potential effect on the environment. BPA expects to provide power from existing generation sources that would continue to operate within their normal operating limits. This power would be supplied over existing transmission lines that connect Intalco to BPA's electrical transmission system and no physical changes to this system would occur. In addition, the proposed contract would not cause a change in Intalco's existing operations in such a way that environmental impacts would significantly differ from the currently existing situation. Further, BPA anticipates that Alcoa will comply with applicable statutory, regulatory, and permit requirements for environment, safety, and health.

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.

This proposed action meets the requirements for the Categorical Exclusion 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 –KEC-4

Concur:

/s/ Stacy Mason

Stacy Mason – KEC-4

NEPA Compliance Officer

Date: December 4, 2012

Attachment:

Environmental Checklist for Categorical Exclusions

# Environmental Checklist for Categorical Exclusions

Name of Proposed Project: Alcoa Power Sales Contract

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.

Environmental Resources	No Potential for Significance	No Potential, with Conditions (describe)
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 type="checkbox"/>	<input type="checkbox"/>

Signed: Jeffrey Maslow

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