

memorandum

DATE: April 1, 2014

REPLY TO
ATTN OF: KEC-4

SUBJECT: Environmental Clearance Memorandum

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

Proposed Action: Port Townsend Paper Corporation Power Sales Agreement Amendment

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 Port Townsend, WA

Proposed by: Bonneville Power Administration (BPA)

Description of the Proposed Action: BPA proposes to amend its existing firm power sales agreement with Port Townsend Paper Corporation (Port Townsend), by increasing the production load served to an existing mill by 3.5 megawatts (MW). Under the current agreement, the mill, which is located in Port Townsend, Washington, receives 12.25 MW of power from BPA. The increase to 15.75 MW would remain in effect until the power sales agreement with Port Townsend ends on September 30, 2022. Port Townsend has requested this increase to support equipment upgrades at their mill, which they expect to be operational by summer 2014.

To supply the additional 3.5 MW of firm power, BPA expects to use the federal energy surplus that BPA forecasts it will have during the remaining term of the contract. BPA identified this surplus in the draft equivalent benefits analysis determination prepared for the proposed contract amendment.¹ If certain water conditions occur during the contract term, however, BPA may have to make short-term purchases to balance BPA's total loads (including Port Townsend's load) and resources. These would be normal balancing purchases, most likely from the market, existing generation resources, or some combination of both. BPA does not anticipate the need to alter its purchasing strategy for the power sold to Port Townsend during the term of the amendment.

Findings: Amending the agreement with Port Townsend allows for an increase in the amount of firm power supplied by BPA to Port Townsend's currently operating mill. The amendment does not require BPA to take any action that would have a potential effect on the environment. BPA expects to provide the 3.5 MW of additional power under the amendment 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 Port Townsend's facility to BPA's electrical transmission system and would not involve physical changes to this system. In addition, the

¹ The Administrator's draft equivalent benefits analysis determination for the contract amendment offer to Port Townsend is available at:

http://www.bpa.gov/power/pl/regionaldialogue/implementation/Documents/2013/Port%20Townsend_Draft%20EBT%20Analysis_For%20Comment.pdf

provision of the additional power would not cause a change in Port Townsend's existing operations in such a manner that environmental impacts would significantly differ from the currently existing situation.

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 Protection Specialist

Concur:

/s/ Stacy Mason
Stacy Mason
NEPA Compliance Officer

Date: *April 1, 2014*

Attachment(s):
Environmental Checklist for Categorical Exclusions

Environmental Checklist for Categorical Exclusions

Name of Proposed Project: Port Townsend Paper Corporation Power Sales Agreement Amendment

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 J. Maslow

Date: April 1, 2014

Jeffrey J. Maslow/KEC-4