

Categorical Exclusion Determination

Western Area Power Administration
Department of Energy



Proposed Action: Participation in CAISO's Extended Day Ahead Market (EDAM)

Project No.: 100575441

Project Manager: Arun Sethi, vice President Power Marketing

Location: Sierra Nevada Region, California

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021):

B4.4 Power marketing services and management activities. This includes but is not limited to storage, load shaping and balancing, seasonal exchanges, and similar activities where operations of generating projects would remain within normal operating limits.

B4.1 Contracts, policies, and marketing and allocation plans for electric power. This applies to electric power acquisition that involve only the use of existing transmission system and generation resources operating within their normal operating limits.

Description of the Proposed Action:

Western Area Power Administration, Sierra Nevada Region (WAPA) proposes to participate in the California Independent System Operator's (CAISO) Extended Day Ahead Market (EDAM). The EDAM is a day ahead electricity market designed to align supply and forecasted demand across the EDAM footprint and identify economic transfers between participants. A diverse and broad supply pool also allows the market to better respond to changes in conditions and extreme weather events, effectively reducing operational risk and the frequency and magnitude of emergency conditions. Economic benefits include optimized least cost resources to meet the load of the EDAM footprint. Environmental benefits include responding to excess renewable production by meeting demand elsewhere thus avoiding renewable resource curtailment.

Joining CAISO's EDAM will allow WAPA to keep pace with industry changes and ensure the reliable delivery of hydropower while adjusting to a changing energy mix. EDAM builds on the existing CAISO's day ahead market and the Western Energy Imbalance Market (WEIM). EDAM will optimize the existing transmission and generation resources in an extended footprint beyond the CAISO's Balancing Authority Area in the day-ahead timeframe. Currently several other large power entities have informed CAISO of their intent to join EDAM.

Between September 2023, and August 2024, WAPA hosted six customer meetings to discuss key issues and respond to customer and stakeholder questions.

Actions taken by WAPA related to participating in EDAM are primarily administrative. This agreement would not involve new generation or physical changes to the transmission system. If at some point in the future during the course of implementing the agreement, WAPA identifies previously unforeseen physical changes to the transmission system that are necessary to implement the agreement, WAPA will conduct a National Environmental Policy Act (NEPA) review of these changes.

Findings:

In accordance with Section 1021.410(b) 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, Jul. 9, 1996; 61 FR 64608, Dec. 6, 1996, 76 FR 63764, Nov. 14, 2011), WAPA has determined that the proposed action:

- (1) fits within a class of actions listed in Appendix B of 10 CFR 1021, Subpart D (see attached Environmental Checklist);
- (2) does not present any extraordinary circumstances that may affect the significance of the environmental effects of the proposal; and
- (3) has not been segmented to meet the definition of a categorical exclusion.

Based on these determinations, WAPA finds that the proposed action is categorically excluded from further NEPA review.

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Attachment: Environmental Checklist

Categorical Exclusion Environmental Checklist

This checklist documents environmental considerations for the proposed project and explains why the project would not have the potential to cause significant impacts on environmentally sensitive resources and would meet other integral elements of the applied categorical exclusion.

Proposed Action: Participation in CAISO's Extended Day Ahead Market (EDAM)

Project Site Description

Project includes WAPA Sierra Nevada Region with energy entities in a Western U.S. footprint currently within California, Oregon, Idaho, Nevada, and others.

Evaluation of Potential Impacts to Environmental Resources

Environmental Resource Impacts	No Potential for Significance	No Potential for Significance, with Conditions
1. Historic and Cultural Resources <u>Explanation:</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in ground disturbing activities or changes to existing structures and landscapes. For these reasons, there is no impact to historic and cultural resources.

2. **Geology and Soils**



Explanation:

The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in ground disturbing activities or potential for erosion, landslides, or other related impacts. For these reasons, there is no impact to geology and soils.

3. **Plants** (including Federal/state special-status species and habitats)



Explanation:

The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in ground disturbing activities or vegetation removal or alteration. Generation would continue to operate within normal operating limits during the rate period. For these reasons, there is no impact to plants.

4. **Wildlife** (including Federal/state special-status species and habitats)



Explanation:

The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in potential to cause impacts to special-status species and habitats. For these reasons, there is no impact to wildlife.

5. **Water Bodies, Floodplains, and Fish** (including Federal/state special-status species, ESUs, and habitats)



Explanation:

The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in potential to cause impacts to water bodies, floodplains, and fish.

6. **Wetlands**
Explanation:



The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in ground disturbing activities or impacts to wetlands. No impacts would occur.

7. **Groundwater and Aquifers**
Explanation:



The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in ground disturbing activities or impacts to groundwater or aquifers. No impacts would occur.

8. **Land Use and Specially-Designated Areas**
Explanation:



The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in potential to cause impacts to land use. No impacts would occur.

9. **Visual Quality**
Explanation:



The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in impacts to visual resources. No impacts would occur.

10. **Air Quality**
Explanation:



The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in impacts to air quality. No impacts would occur. Benefits might occur through the use of more renewable energy sources.

11. Noise



Explanation:

The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in noise. No impacts would occur.

12. Human Health and Safety



Explanation:

The proposed action involves administrative, strategic and financial activities related to WAPA's services and would not result in impacts to human health or safety. No impacts would occur. Benefits could occur to communities from access to more reliable and economic sources of energy generation.

Evaluation of Other Integral Elements

The proposed project would also meet conditions that are integral elements of the categorical exclusion. The project would not:



Threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders.

Explanation, if necessary:



Require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators) that are not otherwise categorically excluded.

Explanation, if necessary:



Disturb hazardous substances, pollutants, contaminants, or CERCLA excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases.

Explanation, if necessary:



Have the potential to cause significant impacts on environmentally sensitive resources, including, but not limited to, those listed in paragraph B(4) of 10 CFR Part 1021, Subpart D, Appendix B.

Explanation, if necessary:



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, such as those of the Department of Agriculture, the Environmental Protection Agency, and the National Institutes of Health.

Explanation, if necessary:

Landowner Notification, Involvement, or Coordination

Description: Proposed action is under existing contracts with directly affected agencies.

Based on the foregoing, this proposed project does not have the potential to cause significant impacts to any environmentally sensitive resource.

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