

# Categorical Exclusion Determination

Bonneville Power Administration  
Department of Energy



**Proposed Action:** Proposal to Enter into an Energy Imbalance Market (EIM) Implementation Agreement with the California Independent System Operator (CAISO)

**Project Manager:** Agnes Lut - Public Utilities Specialist, B-3

**Location:** Portland, Oregon

**Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021):** A8- Awards of certain contracts; B4.4- Power marketing services and activities; and B4.8- Electricity transmission agreements.

**Description of the Proposed Action:** Bonneville Power Administration (Bonneville) is currently proposing to enter into an EIM implementation agreement with CAISO which would obligate Bonneville to begin spending on EIM-related system integration projects. The Western EIM has been operated by CAISO since 2014 and is a real-time power trading market with several active and pending utility participants throughout the region. EIM allows for intra-hour re-dispatch of power supply and demand to economically optimize the generation resources that have been voluntarily offered ahead of the operating hour to serve load and imbalance. By participating in EIM, Bonneville aims to utilize the flexible value of the Federal Columbia River Power System and to improve the management of its transmission system.

The EIM implementation agreement would be Bonneville's initial contract with CAISO to establish a detailed project plan and a funding schedule for CAISO to develop systems and processes to enable Bonneville to test and potentially go live on the EIM trade platform. Such development would include technical and administrative assistance in integration of Bonneville's network models, software, and computer interfaces with CAISO's EIM network. Additionally, CAISO would support testing and activating parallel operations, system deployment, training, and all filings necessary for BPA to operate in the EIM. Payments to CAISO would be made as each of the six specified milestones in the implementation agreement is achieved under the contract.

The EIM implementation agreement does not involve any new generation projects and there would be no physical changes in Bonneville's transmission system beyond the areas previously disturbed or developed. Furthermore, the operations of existing generation projects would remain within normal operating limits, and Federal Columbia River Power System (FCRPS) projects would continue to be operated consistently with applicable Biological Opinions and related requirements. Finally, signing the implementation agreement does not obligate Bonneville to join the EIM; a final decision on whether to join the EIM would be made by Bonneville in late 2021, depending on whether certain principles are met during implementation and remaining policy issues concerning EIM participation are resolved. Appropriate additional NEPA analysis and documentation would be conducted prior to making that final agency decision.

**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), BPA has determined that the proposed action:

- (1) fits within a class of actions listed in Appendices A and 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, BPA finds that the proposed action is categorically excluded from further NEPA review.

/s/ Usha Mohan

Usha Mohan

Environmental Protection Specialist

Concur:

/s/ Sarah T. Biegel

Sarah T. Biegel

NEPA Compliance Officer

Date: September 18, 2019

Attachment(s): 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.

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## Project Site Description

Bonneville markets wholesale electrical power from 31 hydroelectric power projects in the Northwest, one non-federal nuclear plant, and several small non-federal power plants. Bonneville also operates and maintains 15,000 circuit miles of transmission in its service territory that spans Oregon, Washington, Idaho, Western Montana, and small parts of eastern Montana, California, Nevada, Utah, and Wyoming.

## Evaluation of Potential Impacts to Environmental Resources

| Environmental Resource Impacts  | No Potential for Significance       | No Potential for Significance, with Conditions |
|---|-------------------------------------|--|
| 1. <b>Historic and Cultural Resources</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>                       |
| <p><u>Explanation:</u> Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM. All of these activities have no potential to cause effects on historic properties or cultural resources and therefore, the proposal to enter into EIM implementation agreement would not affect historic and cultural resources.</p>                           |                                     |  |
| 2. <b>Geology and Soils</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>                       |
| <p><u>Explanation:</u> Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM and would not result in any ground-disturbing activities or potential for erosion, landslides, or other related impacts. For these reasons, the proposal to enter into the EIM implementation agreement would not affect geology and soils.</p>                 |                                     |  |
| 3. <b>Plants</b> (including Federal/state special-status species and habitats)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>                       |
| <p><u>Explanation:</u> Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM and would not result in any ground-disturbing activities or vegetation removal or alteration. For these reasons, the proposal to enter into an EIM implementation agreement would not affect plants.</p>  |                                     |  |
| 4. <b>Wildlife</b> (including Federal/state special-status species and habitats)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>                       |
| <p><u>Explanation:</u> Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM and would not result in any ground-disturbing activities or potential to cause impacts to wildlife, including special-status species and habitats. For these reasons, the proposal to enter into an EIM implementation agreement would not affect wildlife.</p> |                                     |  |

5. **Water Bodies, Floodplains, and Fish**

(including Federal/state special-status species, ESUs and habitats)



Explanation: Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM and would not result in any ground-disturbing activities or cause impacts to water bodies, floodplains, and fish, including Federal/state special-status species and ESUs. For these reasons, the proposal to enter into an EIM implementation agreement would not affect water bodies, floodplains, and fish, including Federal/state special-status species and ESUs.

6. **Wetlands**



Explanation: Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM and would not result in any ground-disturbing activities or cause impacts to wetlands. For these reasons, the proposal to enter into an EIM implementation agreement would not affect wetlands.

7. **Groundwater and Aquifers**



Explanation: Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM and would not result in any ground-disturbing activities or cause impacts to groundwater and aquifers. For these reasons, the proposal to enter into an EIM implementation agreement would not affect groundwater and aquifers.

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



Explanation: Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM, and would not result in any ground-disturbing activities or cause impacts to land use and specially-designated areas. For these reasons, the proposal to enter into an EIM implementation agreement would not affect land use and specially-designated areas.

9. **Visual Quality**



Explanation: Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM, and would not result in any ground-disturbing activities or cause impacts to visual quality. For these reasons, the proposal to enter into an EIM implementation agreement would not affect visual quality.

10. **Air Quality**



Explanation: Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM, and would not result in any ground-disturbing activities or cause impacts to air quality. For these reasons, the proposal to enter into an EIM implementation agreement would not affect air quality.

11. **Noise**



Explanation: Entering into an EIM implementation agreement with CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM, and would not result in any ground-disturbing activities or cause impacts to noise. For these reasons, the proposal to enter into an EIM implementation agreement would not affect noise.

## 12. Human Health and Safety



Explanation: Entering into an EIM implementation agreement with the CAISO would largely involve software development, upgrades, testing, and completion of requirements to operate in the EIM, and would not result in any ground-disturbing activities or cause impacts to human health and safety. For these reasons, the proposal to enter into an EIM implementation agreement would not affect human health and safety.

### **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:

- 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:

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### **Landowner Notification, Involvement, or Coordination**

Description: Because the proposed action does not involve activities directly or indirectly affecting any particular real property, notification and involvement of any specific land owner is not required.

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

Signed: /s/ Usha Mohan  
Usha Mohan, ECP-4

Date: September 18, 2019