

Record of Decision for the Electrical Interconnection of TransAlta Centralia Generation LLC Big Hanaford Project

INTRODUCTION

The Bonneville Power Administration (BPA) has decided to offer contract terms for integrating power from the TransAlta Centralia Generation LLC Big Hanaford Project, a 248-megawatt (MW) gas-fired, combined-cycle combustion turbine (CCCT) power generation project (Project), into the Federal Columbia River Transmission System (FCRTS). The Project is located within an industrial area adjacent to TransAlta's existing Centralia Steam Plant in Lewis County, Washington.

The West Coast is experiencing a shortfall in electric energy supply, as well as a volatile wholesale power market in which prices have reached record highs. The Project is one of many proposed generation projects currently being considered for integration into the FCRTS. Power generated at the Project will be available for purchase in the wholesale power market. The Project will help meet the immediate need for energy resources and serve as a resource to meet future demand.

The decision to offer terms to integrate this Project is consistent with BPA's Business Plan (BP), the Business Plan Environmental Impact Statement (BP EIS; Department of Energy EIS 0183, June 1995), and the Business Plan Record of Decision (BP ROD; August 15, 1995). Mitigation for the Project will be taken in accordance with the requirements of the State Environmental Policy Act (SEPA) Mitigated Determination of Non-Significance (MDNS) issued by the Lewis County Department of Community Development (March 26, 2001), and in accordance with permit conditions specified by regulating agencies.

RELATIONSHIP TO BUSINESS PLAN EIS

In response to the need for a sound policy to guide its business direction under changing market conditions, BPA explored six alternative plans of action in its BP EIS. The six alternatives were: Status Quo (No Action), BPA Influence, Market Driven, Maximize Financial Returns, Minimal BPA, and Short-Term Marketing. The BP EIS examined each of these six alternatives as they relate to meeting the regional electric energy need in the dynamic West Coast energy market. The analysis focused on the relationships among BPA, the utility market, and the affected environment. The evaluation, which included transmission as well as generation, compared BPA actions and those of other energy suppliers in the region in meeting that need (BP EIS, section 1.7).

In the BP ROD, the BPA Administrator selected the Market-Driven alternative. Although the Status Quo and the BPA Influence alternatives were the environmentally preferred alternatives, the differences among alternatives in total environmental impacts

were relatively small. Other business aspect, including loads and rates, showed greater evaluation among the alternatives. BPA's ability to meet its public and financial responsibilities would be weakened under the environmentally preferred alternatives. The Market-Driven alternative strikes a balance between marketing and environmental concerns, including those for transmission-related actions. It also helps BPA to ensure the financial strength necessary to maintain a high level of support for public service benefits, such as energy conservation and fish and wildlife mitigation and recovery activities.

The BP EIS was intended to support a number of decisions (BP EIS, section 1.4.2), including contract terms BPA offers for transmission services. The BP EIS and ROD documented a strategy for making these subsequent decisions (BP EIS, Figure 1.4-1 and BP ROD, Figure 3, page 15). BPA's decision to offer terms for integrating the Project is one of these subsequent decisions and the subject of this tiered ROD. BPA reviewed the BP EIS to ensure that offering contract terms for transmission services was adequately covered within its scope and that it was appropriate to issue a tiered ROD (BP EIS, section 1.4.1 and BP ROD, page 1). This tiered ROD, which summarizes and incorporates information from the BP EIS, demonstrates that this decision is within the scope of the BP EIS and ROD. This ROD describes the specific information applicable to this decision to offer contract terms, and provides a summary of the environmental impacts associated with the decision with reference to appropriate sections of the BP EIS and BP ROD. This tiered ROD also references information that was incorporated by reference into the BP EIS from BPA's Resource Programs (RP) EIS (DOE/EIS-0162, February 1993). The RP EIS contains an analysis of environmental effects and mitigation for combustion turbines, gas pipelines, and associated transmission. Lastly, this ROD summarizes and references Project information from the State of Washington's SEPA process to clarify where and how the site specific environmental consequences described in the BP EIS will occur, including mitigation measures to be taken.

BACKGROUND

The West Coast has immediate supply needs for electricity, as well as a long-term need for electrical energy resources. Recent long-term planning estimated by BPA and the Pacific Northwest Electric Power and Conservation Planning Council show the region will need an additional 5,000 to 6,000 MW of electricity over the next five years; estimates for the next ten years run as high as 8,000 MW. The 248-MW Project will help reduce the Northwest energy deficit.

Responsible for operating about three-fourths of the Region's high-voltage transmission, BPA has adopted the Federal Energy Regulatory Commission's (FERC) *pro forma* open access tariff as incorporated into BPA's Open Access Transmission Tariff. BPA offers transmission services, including interconnection of generation, in accordance with this tariff to all eligible customers on a first-come, first-served basis. Although BPA is not

subject to FERC's jurisdiction, BPA follows its tariff as a matter of national policy. This course of action demonstrates BPA's commitment to non-discriminatory access to its transmission system and ensures that BPA will receive non-discriminatory access to the transmission systems of public utilities, which are subject to FERC's jurisdiction. Although BPA's interconnection of a generator is subject to NEPA review, BPA otherwise will not deny interconnection to any eligible customer that complies with BPA's financial and technical requirements.

BPA has prepared two contracts offering terms to TransAlta Centralia Generation for integration of the Project. The first, Contract No. 01TX-10635, is a Generation Interconnection Agreement that provides for interconnection of the Project with the FCRTS, the operation of the Project in the BPA Control Area (including control area services such as generation imbalance service), and the maintenance of reliability of the FCRTS and interconnected systems. The second contract, Contract No. 01TX-10636, is a Construction Agreement, providing for design and construction of 500-kilovolt (kV) facilities and other interconnection facilities necessary to interconnect the Project to the FCRTS. Commercial operation of the interconnection facilities is planned for January 1, 2002.

DESCRIPTION OF THE PROJECT

Generator – The 248-MW CCCT facility would be located on TransAlta property, adjacent to the existing Centralia Steam Plant south of Big Hanaford Road. The plant would burn natural gas in four combustion turbines driving electric generators. Each combustion turbine exhaust would flow to a waste heat boiler, generating high-pressure steam to drive a steam turbine electric generator. The general location of the power generation facility and related ancillary facilities are shown on the attached Regional Map (Attachment A). A Site Plan showing the Project design is also attached (Attachment B).

Gas Pipeline – The Project will require construction of a 2.6-mile-long natural-gas pipeline lateral. This gas pipeline lateral will connect the power facility to the Northwest Pipeline Company's Ignacio to Sumas main. The route for the pipeline lateral is shown on the attached Route Map (Attachment C). The lateral route crosses the TransAlta Centralia Mining coal mine.

Transmission Facilities – TransAlta would construct a new 1000-foot-long, 500-kV electric transmission line between the new CCCT facility and the Steam Plant Unit 1 transmission line, located north of the Project area. The proposed transmission line location is shown on the attached Site Plan (Attachment B). BPA would modify an existing terminal within the Paul Substation to accommodate the new generation facility interconnection.

PUBLIC PROCESS AND CONSIDERATION OF COMMENTS

Review processes for State and local permits generated site-specific environmental information about the Project and provided opportunities for public comment. Site-specific impacts that would result from the Project are of the type and magnitude reported in the BP EIS and the RP EIS. Public notice and participation opportunities included:

1. TransAlta published notices for the stormwater permit in *The Chronicle* (Centralia, Washington) on March 23 and March 30, 2001.
2. Lewis County's solicitation of public comment on the SEPA Expanded Environmental Checklist (SEPA Checklist) during the period March 26 through April 9, 2001;
3. TransAlta published a one-half-page advertisement informing the public of the Project in *The Chronicle* on April 5, 2001;
4. The Southwest Clean Air Agency published a notice for the Approval Order in *The Chronicle* on April 18, 2001; and
5. BPA invited public comment by direct mail and by posting on the BPA internet site September 13, 2001, through October 1, 2001.

Based on the SEPA Checklist, Lewis County issued a MDNS on March 26, 2001. No public or agency comments were submitted regarding the MDNS. Also, BPA received no comments in response to the September 13 invitation to comment.

ENVIRONMENTAL ANALYSIS

Consistent with the BP ROD, the BP EIS was reviewed to determine whether integrating the Project into the FCRTS is adequately covered within the EIS scope of review. The BP EIS alternatives analyzed a range of marketing actions and response strategies to maintain a market-driven approach. The BP EIS showed that environmental impacts are determined by the responses to BPA's marketing actions, rather than by the actions themselves. These market responses include resource development, resource operation, transmission development and operation, and consumer behavior. Integrating power from the Project into the FCRTS clearly falls within the scope of the BP EIS.

BPA's RP EIS describes generating resources types, their generic environmental effects on a per-average-MW (per-aMW) basis, and potential mitigation. The discussion for combustion turbines (including gas extraction, pipelines, and generation) is included in section 3.2.2.2. The RP EIS also describes the potential environmental effects and mitigation associated with the construction or upgrade of transmission facilities to integrate resources with the existing transmission system (section 3.5). The per-aMW impacts for combustion turbines (RP EIS, Table 3-26) were incorporated and updated in the BP EIS (Table 4.3-1). The BP EIS contains an analysis of generic environmental impacts, including resource development and operation (section 4.3.2). The types of

transmission lines construction and operation actions needed to interconnect the Project are typically actions that the United States Department of Energy has determined do not individually or cumulatively have significant effect on the human environment and are categorically excluded.

The Market-Driven alternative anticipated unbundling products and services, constructing transmission facilities for requests for non-Federal power transmission, and providing transmission access to wholesale power producers (section 2.2.3). The BP EIS also noted that, under the Market-Driven alternative, new transmission requests would depend more on customer requests than on new resource development by BPA (section 4.2.3.3). In addition, the BP EIS noted (section 4.4.1.4) that as new combustion turbines replace older, less efficient plants, the air quality impacts would tend to be reduced.

Cumulative Environmental Impacts

The BP EIS addressed the cumulative effects of the Market-Driven alternative and provided an illustrative numerical assessment of regional impacts (section 4.4). The assessment included air, land, and water effects based on the generic per-aMW impacts (Table 4.3-1) as well as related socioeconomic effects (section 4.3). For combustion turbines, potential air quality impacts are generally the key environmental concern (BP EIS, Figure 4.3-1).

With an increasing demand for electricity, several new generation projects are being proposed to meet the regional energy need. Project owners are asking BPA to integrate many of these resources into the FCRTS. Because the majority of these resources are combustion turbines, there is a regional concern about the potential impacts on air quality. BPA initiated a Regional Air Quality Modeling Study¹ (Air Study) to provide clarifying information to the BP EIS. The scope of the Phase I Air Study included proposed power plants in Washington, the northern half of Oregon, and the Idaho panhandle. The air quality impacts of more than 45 natural-gas-fired combustion turbines representing more than 24,000 MW in capacity were evaluated. The analysis assumed that all plants, including peaking plants, were operating at peak load with their primary fuel for the entire simulation period. The CALPUFF model was used to assess power plant sulfur dioxide (SO₂), nitrogen oxide (NO_x), and particulate matter nominally 10 microns and less (PM₁₀). Results were compared against established criteria for human health, *i.e.*, the National Ambient Air Quality Standards (NAAQS) and the Prevention of Significant Deterioration (PSD) Significant Impact Levels (SILs), and the environment (nitrogen and sulfur deposition as well as visibility in sensitive areas²).

The Phase I Air Study suggested that the proposed power projects (including TransAlta's Big Hanaford Project) would probably not significantly contribute to sulfur and nitrogen

¹ Regional Air Quality Modeling Study, Bonneville Power Administration, July 2001. The Air Study is found at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/air2>.

² Sensitive areas include NW class I areas, wilderness areas, and the Columbia River Gorge National Scenic Area.

deposition in Class I areas, the Class I PSD Increments, regional Class II PSD Increments or regional concentrations in excess of the NAAQS. The model simulations did suggest that the proliferation of proposed projects in the study area could potentially degrade visibility within Class I and Scenic Areas if all the projects become operational. Of all the parameters evaluated in the study³, visibility was the only criteria consistently exceeded.

When all of the projects proposed to be energized before 2004 (approximately 11,000 MW in total capacity) were modeled, regional haze from particulate and NOx emissions potentially affected the majority of Class I/Scenic/Wilderness Areas. Haze is not currently regulated, although some Federal Land Managers have issued guidelines for haze⁴. Because the projected regional need for resources is only about 5,000 MW to 6,000 MW over the next 5 years, and only 8,000 MW over the 10-year projection, it is doubtful that most of the proposed resources will be built. Moreover, some of this regional need will be met with renewable resources such as wind energy. In addition, there are transmission limitations for the number of resources that can be integrated. Therefore, actual impacts will not be as frequent or adverse as those predicted in the Phase I Air Study. BPA encourages power project developers to consider offsite mitigation to offset visibility impacts. Such mitigation includes but is not limited to funding of:

- Retrofits of inefficient boilers at older industrial and commercial facilities;
- Mobile source reductions, such as clean diesel technology upgrades and use of lower sulfur fuels; and
- Replacement of inefficient fireplaces and wood stoves.

Phase II of the Air Study, examining the Project's contribution to the overall regional haze impacts predicted for the larger group or proposed power projects, found that the Project would not significantly contribute to regional haze at any of the Class I areas within the BPA Service Area, the Columbia River Gorge National Scenic Area, or the Mt. Baker Wilderness when the facilities considered in the analysis are fired by natural gas. However, the Project could significantly contribute to regional haze in Mt. Rainier National Park when the nearby Chehalis Generation Facility is using fuel oil which occurs infrequently. The Phase II analysis did not consider whether meteorological conditions causing the greatest impacts actually coincide with good "natural" background visibility. Background aerosol concentrations will likely be higher and fog, low clouds, precipitation and other obscuring weather phenomena may reduce visual ranges so in some instances the impacts of the projects considered in the analysis would not be perceptible.

³ Other study criteria include: National Ambient Air Quality Standards, New Source Review/Prevention of Significant Deterioration (NSR/PSD) increment consumption, NSR/PSD Significant Impact Levels, and nitrogen and sulfur deposition.

⁴ Federal Land Managers' Air Quality Related Values Workgroup (FLAG) Phase I Report, December 2000. U.S. Forest Service, National Park Service, U.S. Fish and Wildlife Service.

The Air Study reports are available on the BPA website at <http://www.bpa.gov/> (Phase I at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/air2>, and Phase II at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/TransAlta>).

Site Impacts

As discussed above, BPA's RP EIS and BP EIS provided general information about the environmental impacts of combustion turbines and their associated pipelines and transmission facilities. Clarifying information from the Washington SEPA process shows that the potential impacts of the TransAlta Project are within the parameters projected in those two EISs and are consistent with Federal, State, and local environmental regulations.

Air Impacts – As reported in the SEPA Checklist, temporary emissions would occur during construction of the Project. These emissions will include particulates (dust) and exhaust from construction vehicles and equipment. Similar emissions will result from gas pipeline and transmission line construction activities. These emissions would be of limited duration and minimized by use of Best Management Practices (BMPs).

Plant operating emissions would be controlled using the Best Available Control Technology (BACT). Emission controls will be applied to the combustion turbines and duct burners, the auxiliary boiler, and the black stop generator to control emissions of carbon monoxide, nitrogen oxides, sulfur dioxide, particulate matter, and toxic air pollutants. The SEPA Checklist indicates that the proposed emissions control technologies would result in emission rates that will not exceed NAAQS or Washington Department of Ecology (Ecology) Acceptable Source Impact Levels (ASILs) in the local air shed. In addition, the SEPA Checklist indicates that facility emissions will not adversely impact the nearest Class I area, Mt. Rainier National Park.

Trinity Consultants completed an extensive air quality analysis of the proposed facility for the PSD permit application and the SEPA Checklist. The installation of the CCCT facility will qualify as a major modification under the PSD rules for PM₁₀ and NO_x. Emissions of SO₂, CO, and volatile organic compounds (VOCs) will be less than PSD thresholds due to the use of control equipment, operational limitations, or permit limits. A separate application and permit addressing those pollutants was submitted to the Southwest Clean Air Agency (SWCAA).

An air quality analysis was required for NO_x and PM₁₀ for PSD review, and was performed using both the Industrial Source Complex Short Term, Version 3 (ISCST3), and Plume Rise Model Enhancements (ISC-PRIME) models. The modeling shows no substantial effect on ambient air quality. The analysis compares the predicted ambient air quality impact of emissions to "significant impact levels" defined in the United States Environmental Protection Agency's (EPA) PSD regulations and to the NAAQS and Washington Ambient Air Quality Standards. The predicted emissions are below the significant impact levels. Pre-construction ambient monitoring was not required.

A Class I area impact analysis was performed using the CALPUFF screening methodology in accordance with guidance and recommendations provided by the Federal Land Managers. The analysis shows no significant adverse impact to visibility, or acidic species deposition for any Class I areas within 100 kilometers of the Project, although a minor impact on visibility in Mt. Rainier National Park was predicted. Federal Land Managers for national parks and Federal Class I areas reviewed the results of the modeling and did not express concerns with visibility impacts.

On May 18, 2001, on behalf of the SWCCA, Ecology, and itself, EPA issued an Administrative Order on Consent authorizing construction of the Project prior to obtaining a PSD permit or new source approval order. In the Order, EPA, Ecology, and SWCAA state their belief that no air pollution standards will be exceeded. Even with an interconnection to the FCRTS, TransAlta is legally prohibited from operating the Project until receiving the PSD permit.

Water Impacts – The SEPA Checklist evaluates potential erosion impacts, and impacts to surface water features, to wetlands, to 100-year floodplains, to surface and ground water withdrawals and waste discharges, and to storm water runoff. Lewis County’s MDNS requires several mitigation measures to prevent potential impacts to surface water resources. Wastewater from the CCCT facility will be treated and discharged in accordance with TransAlta’s existing National Pollutant Discharge Elimination System (NPDES) permit. The plant, the gas pipeline, and the transmission line are not expected to cause significant adverse impacts to water resources.

Land-Use Impacts – Construction noise levels and measures to mitigate such noise are reported in the SEPA Checklist. Operational noise impacts from combustion turbines will comply with the Washington noise standard of 50 A-weighted decibels (dbA) at the nearest residence.

Existing and adjacent land uses near the plant site and the transmission line are reported. The Project will be located adjacent to the existing TransAlta Steam Plant. The property owned by TransAlta is classified “Mineral Resource Lands” in Lewis County’s Comprehensive Plan. Electrical power generation is consistent with this land-use designation. The CCCT facility would occupy approximately 9.3 acres. The gas pipeline crosses lands that are currently owned by TransAlta Centralia Mining LLC, and are part of the Centralia Coal Mine. The proposed 500-kV transmission line would connect to the existing Steam Plant Unit 1 transmission line. The 1000-foot transmission line crosses developed land and Big Hanaford Road.

The CCCT facility, gas pipeline, and transmission line sites are not in areas considered environmentally sensitive. No occupied structures or recreational uses would be displaced by the Project.

Visual impacts from the combustion turbine and the transmission line are not expected to significantly obstruct views. The four plant exhaust stacks would be 100 feet tall. The cooling towers would be 50 feet tall. Natural topography surrounding the Project area

would serve as a visual buffer. The transmission line is next to and would have an appearance similar to the existing transmission line that it follows.

Lighting design for the combustion turbine would be designed to ensure that there are no impacts to traffic using Big Hanaford Road.

Socio-Economic and Public Facility Impacts – Vehicular access to the site is by way of Big Hanaford Road. No new roads would be constructed for either the gas pipeline or the transmission line. Approximately 175 to 250 construction workers would be employed to build the CCCT facility, and 300 daily vehicle trips are expected during construction. Normal Project operation is expected to generate about 20 daily vehicle trips.

The Project is expected to generate ten permanent jobs. Given this small increase in employment, an increased need for public services such as fire protection, police protection, health care, and schools is not expected.

Raw water and wastewater treatment during construction and operation of the proposed Project would be provided by systems currently in-place for the existing Centralia Steam Plant. TransAlta owns water rights for a withdrawal structure in the Skookumchuck River that has sufficient capacity to provide the necessary water for operation of the proposed CCCT facility. The county's MDNS requires TransAlta to account for additional wastewater discharges associated with the proposed CCCT facility in its NPDES permit.

Fish, Wildlife, and Vegetation Impacts – The SEPA Checklist provides information on plants, fish, and wildlife that would be potentially impacted by the Project.

Approximately seven acres of grasses and small shrubs now occupying a portion of the plant site would be removed by site development. No threatened or endangered plant species are known to exist in the Project area. Following construction of the CCCT facility, TransAlta will revegetate disturbed areas with native plant species landscaped to blend with natural surroundings.

Project construction would not disturb any jurisdictional wetlands. Several small, localized jurisdictional wetlands are located adjacent to the construction area. These wetlands will be protected during facility construction and operation through the use of BMPs to control sediment runoff and by engineered stormwater control structures as specified in a Stormwater Pollution Prevention Plan filed with Lewis County.

Consultation with the National Marine Fisheries Service (NMFS) and the United States Fish and Wildlife Service (USFWS) identified several species known to occur in the Project area that are listed or proposed for listing as threatened or endangered. These species include the bald eagle, the bull trout, and the coastal cutthroat trout. While the bull trout has not been observed in Hanaford Creek or the Skookumchuck River, it is known to inhabit the lower Chehalis River Basin. The coastal cutthroat trout is known to be present in Hanaford Creek and the Skookumchuck River.

A Biological Assessment (BA) was prepared for the proposed Project. The BA arrived at the following determinations:

1. No effect on bald eagles because nearby nesting or high quality foraging areas are absent.
2. May affect but not likely to adversely affect bull trout because of the minimal periodic reductions in flow from water withdrawals and the distance of known bull trout habitat downstream of the Project.
3. May affect but not likely to adversely affect coastal cutthroat trout because of only minimal and periodic reductions in flow from water withdrawals and the stringent water quality requirements of the facilities' NPDES permit for wastewater discharges.

The BA also concluded that the Project would not have any significant adverse cumulative effects to fish or wildlife in the Project area.

BPA and EPA, as the consulting Federal agencies, expect NMFS and USFWS to concur with the BA. Contract terms for integrating the Project will require NMFS and USFWS concurrence prior to full implementation of the integration contract. Also, the construction agreement will specify that no BPA-controlled activities disturbing the ground will occur prior to NMFS and USFWS concurrence. If NMFS or USFWS do not concur, BPA will consult with the appropriate agency and TransAlta to develop any necessary mitigation measures and will amend this ROD if necessary.

Mitigation

The Council on Environmental Quality Regulations for Implementing NEPA (40 CFR 1505.2 C) requires a ROD to "state whether all practicable means to avoid or minimize environmental harm from the alternative selected have been adopted, and if not, why they were not."

Air – TransAlta Centralia Generation LLC has adopted as mitigation all applicable and economically feasible control technologies and is in compliance with all regulatory requirements for criteria pollutants and air toxics. The modeling results from the Air Study show that TransAlta's control technologies reduce emission of pollutants below levels causing or contributing to significant environmental impacts. The following BACT will be applied to control emissions:

- Selective catalytic reduction will be used on the combustion turbines and duct burners to reduce NO_x emissions.
- Catalytic oxidation will be used on the combustion turbines and duct burners to reduce CO emissions.
- The use of low sulfur, pipeline quality gas will control emissions of SO₂.
- Good combustion controls will be BACT for VOCs and particulates.

BPA has no statutory obligation to impose additional mitigation to offset visibility impacts, which are not regulated, and will not require it for this Project.

Water – Engineering controls and BMPs detailed in the Project’s Stormwater Pollution Prevention Plan will control surface water and runoff impacts during construction and operation of the Project. BMPs will also be implemented during construction of the gas pipeline and transmission line. During operation, wastewater will be treated through existing systems associated with the Centralia Steam Plant, and will be discharged in accordance with TransAlta’s NPDES permit. Compliance with the NPDES permit conditions will ensure that temperature and other water quality standards are not exceeded in the receiving waters.

PUBLIC AVAILABILITY

This ROD will be distributed to all interested parties and affected persons and agencies. Copies of the RP EIS, BP, BP EIS, BP ROD, and additional copies of this TransAlta Centralia Generation Project ROD are available from BPA’s Public Information Center, P.O. Box 12999, Portland, Oregon, 97212. Copies of these documents may also be obtained by using BPA’s nationwide toll-free document request line: 1-800-622-4520, or by accessing website www.efw.bpa.gov.

CONCLUSION

I have decided it is in the best interests of BPA and the Pacific Northwest to offer contract terms for integrating the TransAlta Centralia Generation LLC Big Hanaford Project into the FCRTS at BPA’s Paul Substation. As described above, BPA has considered both the economic and environmental consequences of taking action to integrate power from the Project into the FCRTS. This decision is:

- Within the scope of environmental consequences examined in the BP EIS,
- Consistent with the Market-Driven alternative selected in the BP ROD,
- In accordance with BPA’s transmission access tariff, and
- In accordance with BPA’s statutory authority to make available to all utilities any capacity in this system determined in excess to that required by the United States (16 U.S.C. 838d).

In so doing, BPA will take measures to ensure the continuing safe, reliable operation of the FCRTS and undertake all practicable means to avoid or minimize environmental harm that might be caused by the integration of the Project into the FCRTS.

The Project has or will soon fulfill all Federal, State, and local requirements for environmental concerns such as air emissions, water, wildlife species, and land use. Appropriate mitigation measures such as BACT for air emissions, BMPs for water quality, and revegetation for disturbed land areas are included.

BPA contracts providing for integration of power from the Project into the FCRTS shall include terms requiring that all pending permits be approved before the contract is implemented. TransAlta Centralia Generation LLC will comply with terms and conditions of all permits issued pertaining to the Project including the mitigation and conditions stated in its air quality permits and in Lewis County's Mitigated Determination of Non-Significance. BPA's contracts will also include appropriate provisions for remediation of oil or other hazardous substances associated with construction and operation of related electrical facilities in a manner consistent with applicable Federal, State, and local laws.

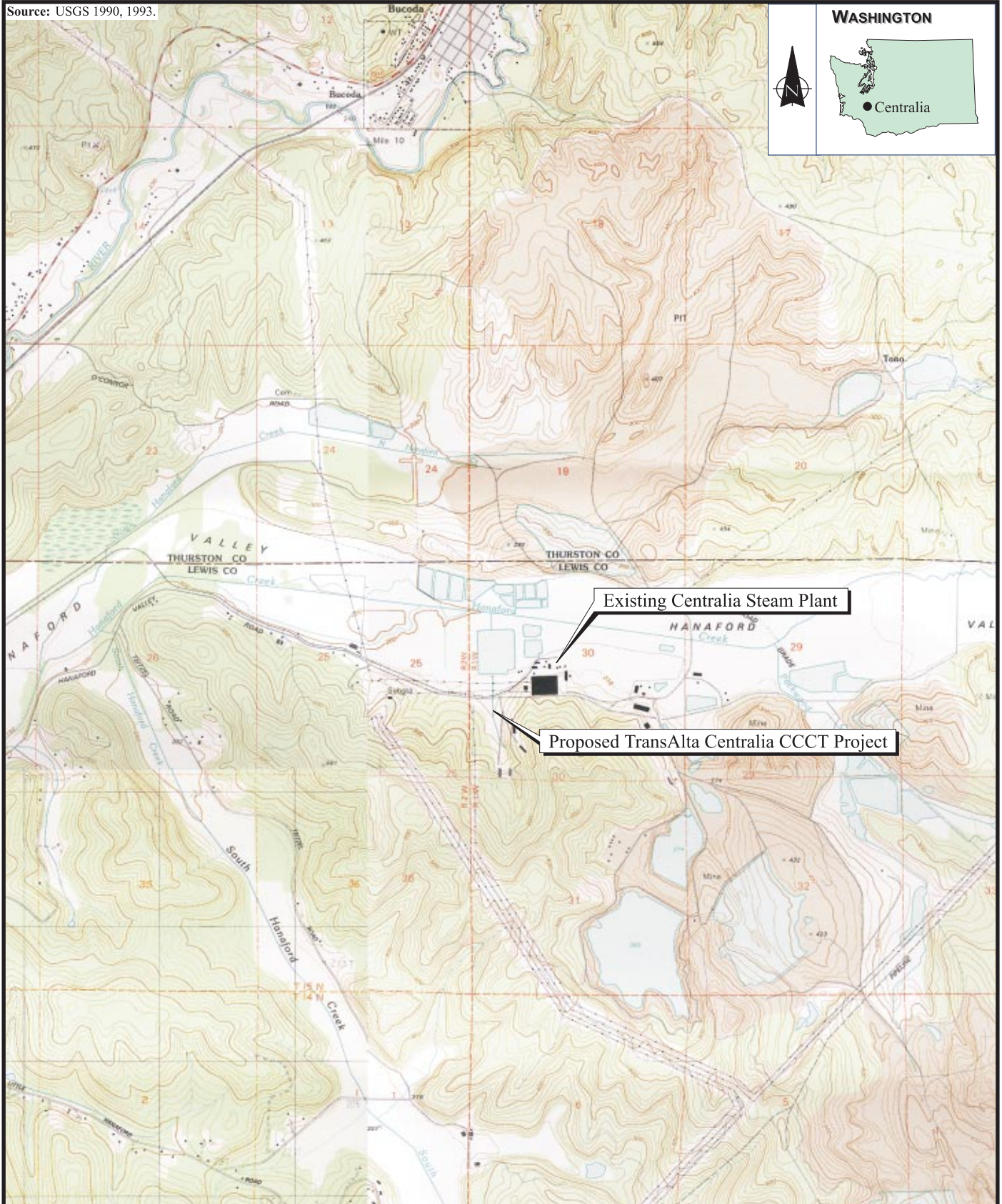
Issued in Portland, Oregon.

<u>/s/ Stephen J. Wright</u>	<u>10/19/01</u>
Stephen J. Wright	Date
Acting Administrator and	
Chief Executive Officer	

Attachment A - Regional Map
Attachment B - Site Plan
Attachment C - Route Map

Source: USGS 1990, 1993.

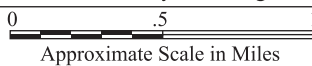
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International Specialists in the Environment
Seattle, Washington

BPA BUSINESS PLAN EIS
SUPPLEMENTAL ANALYSIS
TRANSALTA CENTRALIA CCCT PROJECT
Lewis County, Washington

Attachment A
REGIONAL MAP

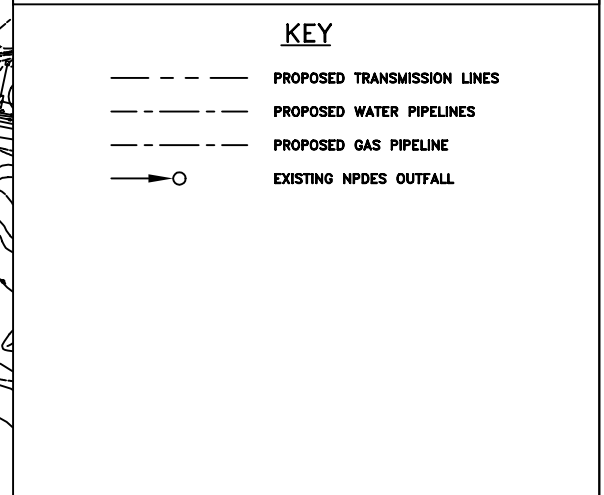
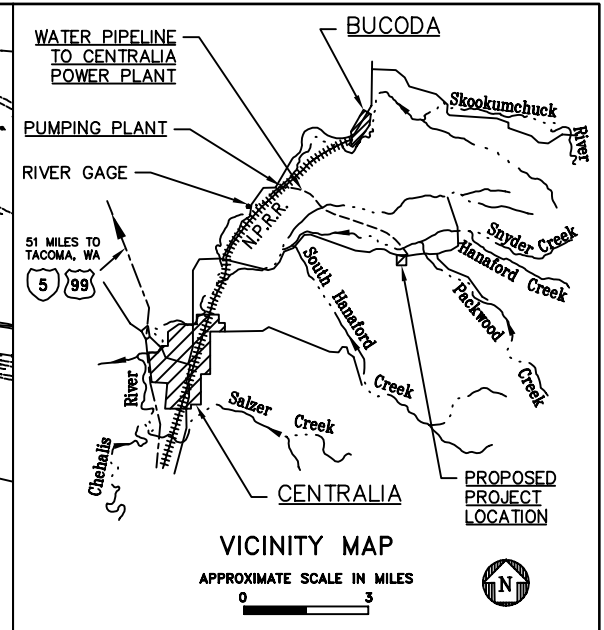
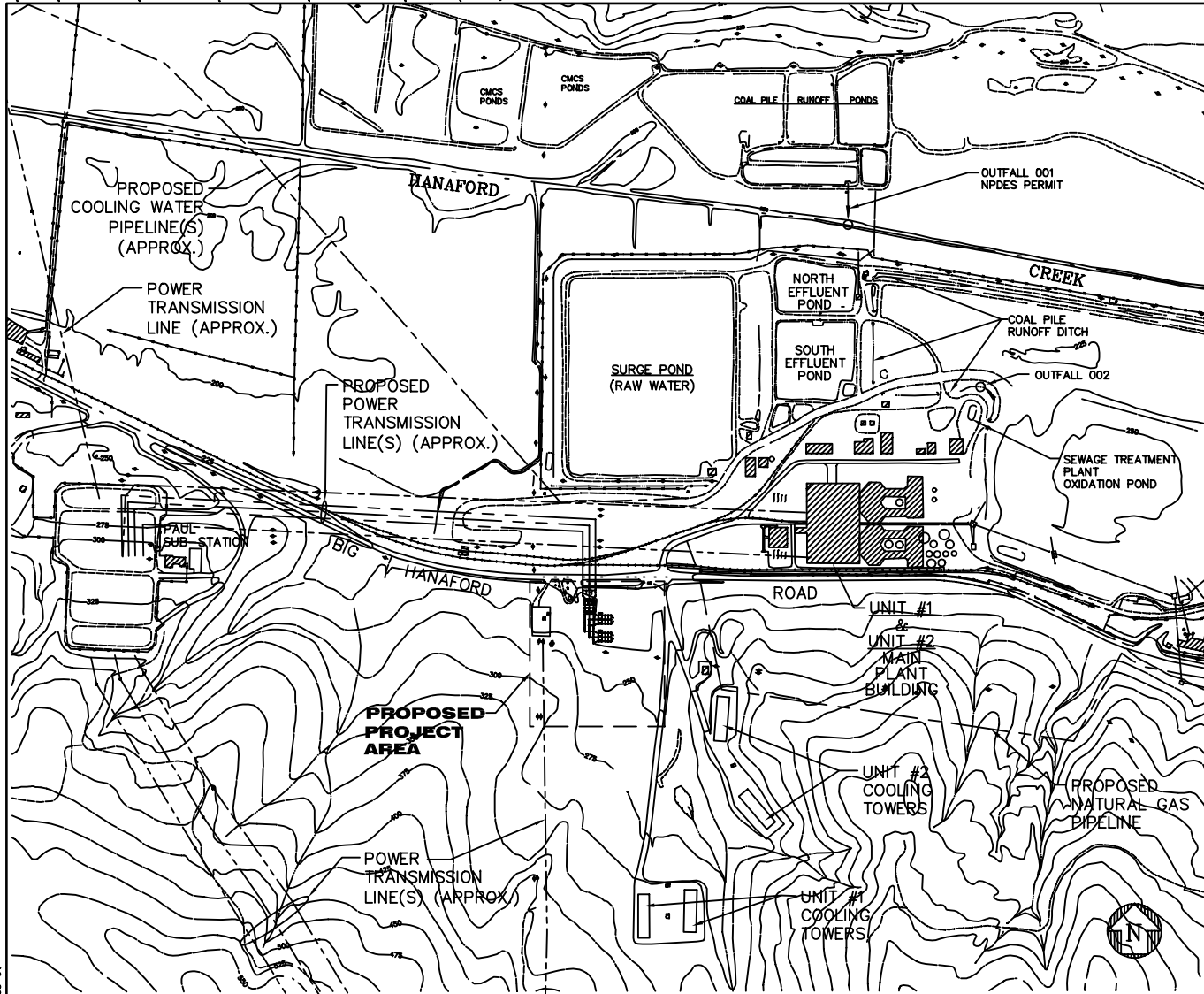


Approximate Scale in Miles

Date:
07-12-01

Drawn by:
AES

001292TA0204\S629\Attach A



BASE DRAWING PROVIDED BY:

STONE & WEBSTER CO., INC.
TORONTO, ONTARIO, CANADA

APPROXIMATE SCALE IN FEET

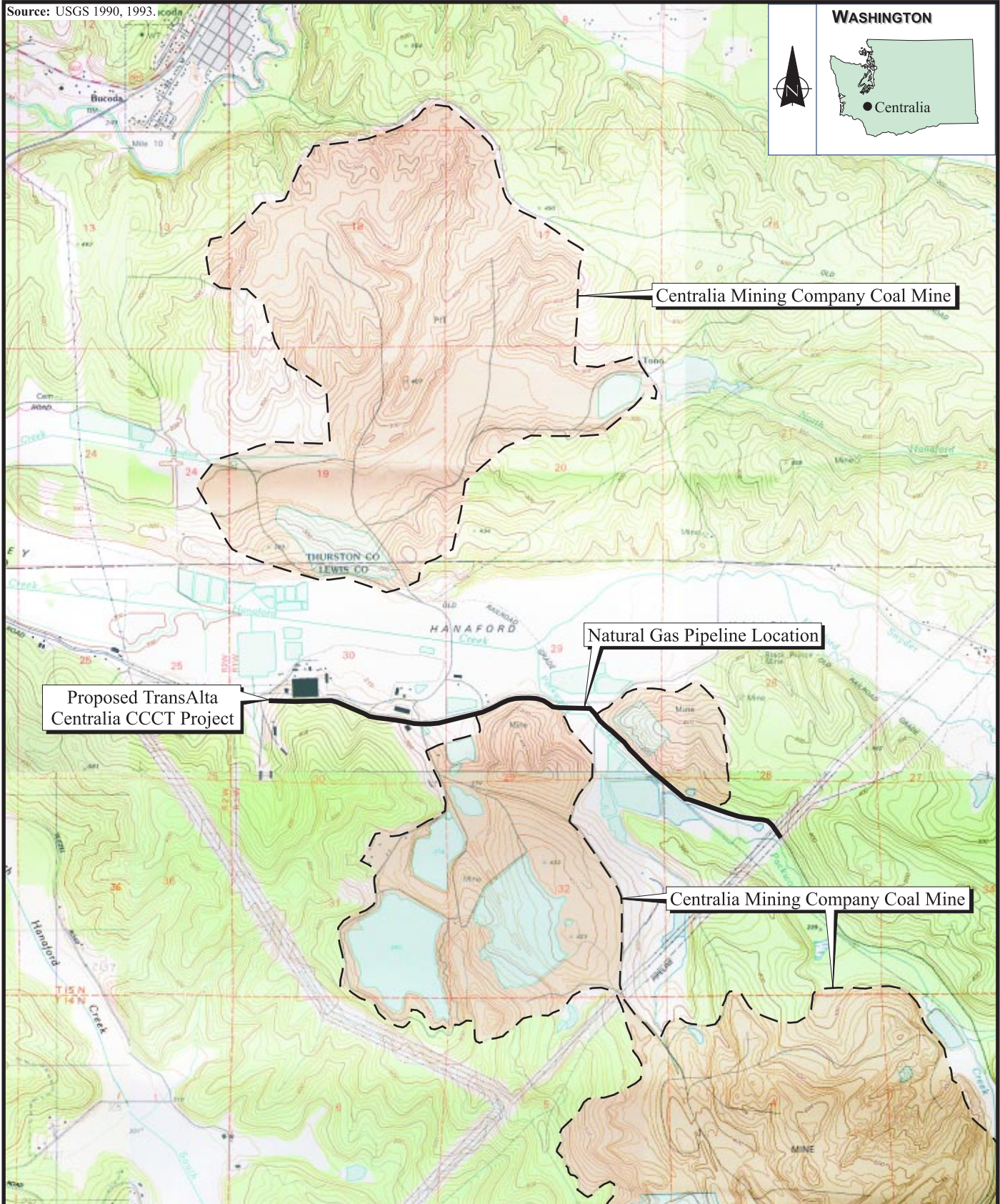


Attachment B
SITE PLAN
BPA Business Plan EIS Supplemental Analysis
TRANSLATA CCCT PROJECT
LEWIS COUNTY, WASHINGTON

DATE	DATE	CAD. FILE NO.	FIGURE NO.
NOTED	03-08-01	1292F0038.DWG	3

Source: USGS 1990, 1993.

WASHINGTON



Proposed TransAlta
Centralia CCCT Project

Centralia Mining Company Coal Mine

Natural Gas Pipeline Location

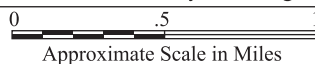
Centralia Mining Company Coal Mine



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BPA BUSINESS PLAN EIS
SUPPLEMENTAL ANALYSIS
TRANSALTA CENTRALIA CCCT PROJECT
Lewis County, Washington

Attachment C
NATURAL GAS PIPELINE ROUTE MAP



Approximate Scale in Miles

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