

Categorical Exclusion Determination

Bonneville Power Administration
Department of Energy



Proposed Action: Repurposing Financial Reserves under the Power Reserves Distribution Clause in BP-22

Project Manager: Daniel Fisher, PSR-6

Location: Portland, Oregon

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): A1- Routine DOE Business Actions

Description of the Proposed Action: Bonneville Power Administration (Bonneville) proposes to repurpose financial reserves to certain power uses under the Power Reserves Distribution Clause (RDC), which is consistent with Bonneville's Financial Reserves Policy and the BP-22 Rate Proceeding. In setting power rates in the BP-22 Rate Proceeding, Bonneville included risk adjustment mechanisms, one of which is the RDC. Bonneville sets its rates on a forecast basis, and these risk adjustment mechanisms set parameters that allow certain rates to be adjusted based on actual costs and revenues. The RDC determines when financial reserves are sufficiently high for the Administrator to consider repurposing them for other high-value business line-specific purposes. The Fiscal Year (FY) 2022 end of year reserve levels result in the RDC triggering for the Power business line.

The RDC would repurpose financial reserves to specific uses for the Power business line. The Power RDC would apply \$500 million as: (1) a \$350 million dividend distribution to reduce FY 2023 power rates; (2) \$100 million toward debt reduction or revenue financing; and (3) \$50 million toward addressing non-recurring maintenance needs of existing fish and wildlife mitigation assets.

The existing fish and wildlife assets identified for non-recurring maintenance funding under the Power RDC would be funded under separate contracts or cooperative agreements as actions are identified. When these specific actions are identified, actions would undergo site-specific environmental review, including National Environmental Policy Act (NEPA) analysis, as appropriate.

Repurposing financial reserves under the RDC is administrative and financial in nature and does not require Bonneville to take any action that would have a potential effect on the human environment. More specifically, the application of funds under the RDC would be consistent with Bonneville's Financial Reserves Policy and the BP-22 Rate Proceeding, and any funding towards actions that would impact the physical environment would undergo site-specific environmental review, as appropriate.

Findings: In accordance with Section 1021.410(b) of the Department of Energy's 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 Appendix A of 10 CFR 1021, Subpart D;
- 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/ Amy Mai

Amy Mai

Environmental Protection Specialist

Concur:

Katey C. Grange

NEPA Compliance Officer