



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 10
1200 Sixth Avenue
Seattle, WA 98101

April 24 2007

Reply To
Attn Of: ETPA-088

Ref: 05-026-BPA

Stacy Mason, Environmental Lead
Bonneville Power Administration, KEC-4
P.O. Box 3621
Portland, OR 97208-3621

Dear Ms. Mason:

The U.S. Environmental Protection Agency (EPA) has reviewed the Draft Environmental Impact Statement (EIS) for the proposed **Port Angeles-Juan de Fuca Transmission Project** in Clallam County, WA. Our review was conducted in accordance with our responsibilities under the National Environmental Policy Act (NEPA) and Section 309 of the Clean Air Act. Section 309, independent of NEPA, specifically directs EPA to review and comment in writing on the environmental impacts associated with all major federal actions. Under our policies and procedures, we also evaluate the document's adequacy in meeting NEPA requirements.

Sea Breeze Olympic Converter LP (Sea Breeze), a private developer in Canada, proposes to construct, own, and operate a 550-megawatt (MW) High Voltage Direct Current (HVDC) power transmission line from Victoria in British Columbia, Canada across the Strait of Juan de Fuca to Port Angeles, WA in the United States. Since implementation of the proposed project would require a Presidential permit and interconnection into the federal electric transmission system, Sea Breeze has applied to the Department of Energy (DOE)/Office of Electricity Delivery and Energy Reliability (OE) for the permit for international crossing of the cable and to Bonneville Power Administration (BPA) for a transmission interconnection agreement. Both DOE decisions would be based on, among other factors, whether issuance of the permit would be in the public interest and the results of an environmental analysis that show the proposed project would not generate significant impacts to resources within the project area. Consistently, this project impacts' analysis considered the following two alternative actions:

1. **No action:** Under this action alternative, Sea Breeze would be denied the Presidential permit and interconnection to the federal transmission system. As a result, the proposed project would not happen and no environmental impacts would occur.
2. **Proposed Action.** Under this alternative, Sea Breeze would be granted a Presidential permit for the international crossing of the proposed electric power cable and would be allowed to interconnect it to the federal power transmission system at BPA's Port Angeles Substation to the extent that existing capacity on the system would permit. Consequently, Sea Breeze would construct the proposed 32 miles long direct-current

(DC) transmission cable starting from Victoria, British Columbia in Canada and ending at BPA's Substation in Port Angeles after crossing both land and sea (Strait of Juan de Fuca) areas under the US and Canadian jurisdictions. Of the 32 miles cable length, nearly 10.5 miles would be buried in marine bedlands and 0.8 miles trenched through Port Angeles' city streets in the US. Sea Breeze would also establish a one-mile cable corridor across the Strait to characterize the marine environment. Because the proposed cable would be DC and the existing BPA grid to which the project would interconnect is Alternate Current (AC), the proposed action would also require construction of a converter station to invert DC to AC. This station would be built on nearly 5 acres of land owned by Clallam County Public Utility District (PUD) near the existing boundary of BPA's Substation property. After construction, Sea Breeze would restore disturbed areas.

In our scoping comments in June 2005, EPA raised a number of issues related to the proposed project, including the project purpose and need and potential environmental and other effects. The draft EIS includes a good description of resources within the project area, analysis of anticipated environmental impacts from the project, and identifies mitigation measures to offset the impacts (Table 2-2, p. 2-22). The document also indicates that future decisions on any request for transmission services and power exports derived from the proposed project would be subject to separate NEPA analysis and subsequent review (see sections S.1.2 & S.2.9).

On April 10, 2007, a Public Open House and Hearing was held in Port Angeles to discuss the project. EPA noted that the public was unsure about the need for the proposed project, which would result in additional power production in the project area that has been experiencing power surpluses (<http://www.bpa.gov/power/pgp/whitebook/2006/>). Therefore EPA recommends that the final EIS include clarification of the purpose and need statement, reflecting both Sea Breeze and the broader public interest and need for the project, supported by data showing the amount of power currently available from all sources (power lines, solar and wind, gains from conservation measures) in the project area and how much is needed to meet any current deficiencies and expected needs in the future.

We are also concerned about the project's potential to further degrade water quality within marine waters and creeks that are already on 303(d) list due to low dissolved oxygen (p. 3-2) and fecal coliform bacteria contamination (p. 3-4). During the project construction, there is also potential for sediment discharge and increased turbidity in the Strait of Juan de Fuca and Harbor (p. 3-6 to 3-10). We recommend that Sea Breeze work with Washington State Department of Ecology "Ecology" to assure that the state water quality standards will be met. Specifically, Sea Breeze will need to obtain the Clean Water Act (CWA) Section 401 Water Quality Certification and a National Pollutant Discharge Elimination System (NPDES) permit for storm water management from Ecology, and the CWA Section 404 permit from the U.S. Army Corps of Engineers to discharge sediments in waters of the US. The final EIS should include information regarding these required permits or certificates.

The draft EIS indicates that there has been contacts with Tribes that may be affected by this project. Executive Order (EO) 13175 (*Consultation and Coordination with Indian Tribal Governments*) requires agencies of the U.S. government "to work with Indian tribes on a

government-to-government basis to address issues concerning Indian tribal self-government, trust resources, and Indian tribal treaty and other rights.” We recommend that the final EIS include a discussion about consultations DOE has had with the Tribes impacted by the project, their outcomes, and a discussion of how issues raised in the consultations with the Tribes were addressed.

Because of concerns about water quality and unclear information about the need for the proposed project, we have assigned a rating of EC-2 (Environmental Concerns – Insufficient information) to the draft EIS. This rating and a summary of our comments will be published in the *Federal Register*. For your reference, a copy of our rating system used in conducting our review is enclosed.

If you have questions or would like to discuss these comments, please contact Theo Mbabaliye at (206) 553-6322 or me at (206) 553-1601. Thank you for the opportunity to provide these comments.

Sincerely,

/s/

Christine B. Reichgott, Manager
NEPA Review Unit

cc:
EPA Washington Operations Office
Lower Elwha Klallam Tribe
Jamestown S’Klallam Tribe
Port Gamble S’Klallam Tribe

**U.S. Environmental Protection Agency Rating System for
Draft Environmental Impact Statements
Definitions and Follow-Up Action***

Environmental Impact of the Action

LO - - Lack of Objections

The Environmental Protection Agency (EPA) review has not identified any potential environmental impacts requiring substantive changes to the proposal. The review may have disclosed opportunities for application of mitigation measures that could be accomplished with no more than minor changes to the proposal.

EC - - Environmental Concerns

The EPA review has identified environmental impacts that should be avoided in order to fully protect the environment. Corrective measures may require changes to the preferred alternative or application of mitigation measures that can reduce these impacts.

EO - - Environmental Objections

The EPA review has identified significant environmental impacts that should be avoided in order to provide adequate protection for the environment. Corrective measures may require substantial changes to the preferred alternative or consideration of some other project alternative (including the no-action alternative or a new alternative). EPA intends to work with the lead agency to reduce these impacts.

EU - - Environmentally Unsatisfactory

The EPA review has identified adverse environmental impacts that are of sufficient magnitude that they are unsatisfactory from the standpoint of public health or welfare or environmental quality. EPA intends to work with the lead agency to reduce these impacts. If the potential unsatisfactory impacts are not corrected at the final EIS stage, this proposal will be recommended for referral to the Council on Environmental Quality (CEQ).

Adequacy of the Impact Statement

Category 1 - - Adequate

EPA believes the draft EIS adequately sets forth the environmental impact(s) of the preferred alternative and those of the alternatives reasonably available to the project or action. No further analysis of data collection is necessary, but the reviewer may suggest the addition of clarifying language or information.

Category 2 - - Insufficient Information

The draft EIS does not contain sufficient information for EPA to fully assess environmental impacts that should be avoided in order to fully protect the environment, or the EPA reviewer has identified new reasonably available alternatives that are within the spectrum of alternatives analyzed in the draft EIS, which could reduce the environmental impacts of the action. The identified additional information, data, analyses or discussion should be included in the final EIS.

Category 3 - - Inadequate

EPA does not believe that the draft EIS adequately assesses potentially significant environmental impacts of the action, or the EPA reviewer has identified new, reasonably available alternatives that are outside of the spectrum of alternatives analyzed in the draft EIS, which should be analyzed in order to reduce the potentially significant environmental impacts. EPA believes that the identified additional information, data, analyses, or discussions are of such a magnitude that they should have full public review at a draft stage. EPA does not believe that the draft EIS is adequate for the purposes of the National Environmental Policy Act and or Section 309 review, and thus should be formally revised and made available for public comment in a supplemental or revised draft EIS. On the basis of the potential significant impacts involved, this proposal could be a candidate for referral to the CEQ.

* From EPA Manual 1640 Policy and Procedures for the Review of Federal Actions Impacting the Environment. February, 1987.