

Categorical Exclusion Determination

Bonneville Power Administration
Department of Energy



Proposed Action: Joining the Western Energy Imbalance Market (EIM)

Project Manager: Rachel Dibble, B-3

Location: Multnomah County, Oregon

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

Description of the Proposed Action: Bonneville Power Administration (Bonneville) is proposing to join the Western EIM that is operated by the California Independent System Operator (CAISO). To join the EIM, Bonneville would sign a series of six agreements with the CAISO to begin operating in the market on an ongoing basis in 2022.

Established in 2014 by the CAISO, the EIM is a real-time power trading market with several active and pending utility participants throughout the Western United States. The EIM uses computer systems to efficiently and automatically find the lowest cost energy voluntarily offered from market participants to serve real time demand across the Western United States. The EIM economically dispatches participating resources to balance supply, load and transfers between balancing areas and across the market's footprint. It does so while simultaneously ensuring that generation and transmission constraints are respected.

Since 2018, Bonneville has been engaged in a five-phase decision process to evaluate whether to join the EIM. Currently, in the fifth and final phase, Bonneville has determined that joining the EIM is consistent with the six participation principles identified in Phase II of the process and is now proposing to join the EIM. Further information on these principles and the previous phases can be found in the Administrator's Draft Close-out Letter, July 2021, located at <https://www.bpa.gov/Projects/Initiatives/EIM/Doc/Draft-EIM-Close-out-Letter.pdf>.

Bonneville has designed its participation in the EIM real time market in such a way that there would not be a fundamental change in its operational ability to manage power generation aspects of the Federal system. Bonneville, in coordination with the dam operators, would offer the flexibility of the largest hydro projects (Big 10) aggregated into three overlapping resources to the EIM to maximize Federal Columbia River Power System (FCRPS) benefits and allow Bonneville to meet its base schedules. This aggregation would also continue to provide consistency with current FCRPS operations, including balancing all hydraulic, operational, environmental and other non-power related objectives and constraints. Bonneville would continue to retain the operational ability to choose which of the Big 10 generators would operate for any given hour for EIM and other purposes and at what levels, after accounting for and honoring all of these non-power constraints, similar to current operations. The potential for fluctuations in the operation of the FCRPS projects would be expected to remain within normal limits as a result of EIM participation, and would be comparable to the current observed levels of fluctuation within those limits, both in

terms of being within allowable ranges and being conducted with all operational constraints remaining unchanged.

Participation in the EIM is voluntary and Bonneville would continue to retain its authority over matters relating to the reliability and operation of the Federal Columbia River Power and Transmission systems. In the short term, the EIM rules would allow Bonneville to unilaterally choose to not participate in the EIM on an hourly basis for whatever reason. This includes choosing not to participate at any given time due to other statutory, regulatory, other legal obligations. In the longer term, Bonneville could choose to withdraw from the EIM with no exit fee or penalty, should the participation not prove to be consistent with the six principles identified for joining the EIM or for any other reason.

In addition, the EIM agreements recognize Bonneville's non-jurisdictional status and acknowledges Bonneville's Federal Entity status whereby federal laws would prevail should there be a conflict with either CAISO's tariff provisions or any of the terms of the agreements. Bonneville's Power services bulk marketing team would continue making decisions about the extent to which the Agency would participate with FCRPS generating resources and transmission rights in the EIM. Similarly, the Transmission services team also would have a number of options to ensure reliability, such as the ability to temporarily separate from EIM as needed. Thus, Bonneville would continue to retain its authority over matters relating to the reliability and operation of both the Federal Columbia River Power and Transmission systems with the operation of the FCRPS not likely to significantly change as a result of EIM participation. As designed, the EIM would simply become an additional marketing tool for Bonneville to efficiently manage real time operations while continuing to operate within all the FCRPS constraints.

Accordingly, Bonneville's participation in the EIM would essentially involve a variety of power marketing activities that are similar to those currently employed by Bonneville, using the existing transmission systems and the existing FCRPS generation sources that are operating within normal limits. Changes to allow this participation would primarily be financial and administrative in nature, such as including additional billing of customers on EIM related settlements, revising some existing business practices, and calibrating systems and processes necessary for alignment of Power and Transmission systems data with CAISO. The FCRPS projects would continue to operate consistently within applicable environmental laws and regulations, including compliance with the National Marine Fisheries Services and U.S. Fish and Wildlife Service 2020 Endangered Species Act consultations and Biological Opinions on the operations and maintenance of the FCRPS, the Columbia River System Operation (CRSO) EIS Record of Decision, and any related court orders. There would be no new generation projects and there would be no physical changes to the transmission system that would be made beyond the areas previously disturbed or developed.

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 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, BPA finds that the proposed action is categorically excluded from further NEPA review.

/s/ Usha Mohan

Usha Mohan
Environmental Protection Specialist

Concur:

/s/ Katey C. Grange September 27, 2021

Katey C. Grange Date
NEPA Compliance Officer

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.

Proposed Action: Joining the Western Energy Imbalance Market (EIM)

Project Site Description

Bonneville markets wholesale electrical power from 31 electric power projects in the Northwest, one non-federal nuclear plant, and several small non-federal power plants. Bonneville also operates and maintains about 15,000 miles of the high-voltage 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

1. Historic and Cultural Resources

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits. Joining the EIM would not result in any ground disturbing activities or changes to any existing structures. For these reasons, the decision to join Western EIM would not affect historic and cultural resources.

2. Geology and Soils

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits that would not result in any ground disturbing activities or potential for erosion, landslides, or other related impacts. For these reasons, the decision to join Western EIM would not affect geology and soils.

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

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits and would not result in any ground disturbing activities or vegetation removal or alteration. For these reasons, the decision to join Western EIM would not affect plants, including special-status species.

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

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits that would not result in any ground-disturbing activities or on the ground activities that would have a potential to cause impacts to wildlife, including special-status species and habitats. For these reasons, the decision to join Western EIM, would not impact wildlife.

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

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission systems and existing generation sources operating within normal limits, and would not result in any ground-disturbing activities or potential to cause impacts to water bodies, floodplains, and fish, including federal/state special-status species, ESUs and habitats. For these reasons, the decision to join Western EIM would not affect water bodies, floodplains, and fish, including federal/state special-status species, ESUs and habitats.

6. Wetlands

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits, and would not result in any ground-disturbing activities or on the ground work that would have a potential to cause impacts to wetlands. For these reasons, the decision to join Western EIM would not affect wetlands.

7. Groundwater and Aquifers

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits, and would not result in any ground-disturbing activities or on the ground work that would have a potential to cause impacts to groundwater and aquifers. For these reasons, the decision to join the Western EIM would not affect groundwater and aquifers.

8. Land Use and Specially-Designated Areas

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits, and would not result in any ground-disturbing activities or on the ground work that would have a potential to cause impacts to land use and specially designated areas. For these reasons, the decision to join Western EIM would not affect land use and specially designated areas.

9. Visual Quality

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits. Joining the EIM would not result in any ground-disturbing activities or changes to any existing structures or landscapes and would, therefore, not have potential to cause impacts to visual quality. For these reasons, the decision to join Western EIM would not affect visual quality.

10. Air Quality

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits, and would not result in any ground-disturbing activities or on the ground work that would have a potential to cause impacts to air quality. In addition, since Bonneville's federal hydropower system and the Columbia Generating Station are carbon-free sources of power, if Bonneville sells its resources into California in the EIM, there would no expected change in Greenhouse Gas (GHG) emissions from EIM participation. While the GHG emissions factor for Bonneville could increase due to states' GHG accounting methodologies, this change in the emissions factor does not necessarily imply that actual emissions are increasing. In fact, the CAISO has demonstrated that the EIM has net positive benefits to emissions¹. By joining the EIM, BPA would be able to buy and sell power closer to the time electricity is consumed, increasing efficiency in the management of power supply and demand. For these reasons, the decision to join the Western EIM would not affect air quality or GHG emissions.

11. Noise

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits, and would not result in any ground-disturbing activities or on the ground work that would have a potential to cause impacts to noise. For these reasons, the decision to join Western EIM would not affect noise.

12. Human Health and Safety

Potential for Significance: No

Explanation: The decision to join the EIM would largely involve marketing, administrative and financial activities using the existing transmission system and existing generation sources operating within normal limits, and would not result in any ground-disturbing activities or on the ground work that would have a potential to cause impacts to human health and safety. For these reasons the decision to join Western EIM would not affect human health and safety.

¹ [ISO-EIM-Benefits-Report-Q2-2021.pdf \(westerneim.com\)](#), p.21-22

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: N/A.

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

Explanation: N/A.

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: N/A.

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: N/A.

Landowner Notification, Involvement, or Coordination

Description: The proposed action does not involve activities directly or indirectly affecting any particular real property; therefore, notification and involvement of any specific land owner is not required. However, over the last three years, Bonneville conducted several EIM workshops to evaluate various aspects of joining the Western EIM which included notifying the public and stakeholders. During this time, Bonneville sought public comments and involved potentially affected parties leading upto the final decision.

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
Environmental Protection Specialist

September 27, 2021

Date