

Categorical Exclusion Determination

Bonneville Power Administration
Department of Energy



Proposed Action: Repurposing FY 2023 Financial Reserves under the Power Reserves Distribution Clause

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 Power rate schedules. In setting power rates, 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 for certain actions 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) 2023 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 \$285.4 million as follows: (1) a \$165.4 million dividend distribution to reduce FY 2024 power rates; (2) \$90 million to flexible debt reduction or revenue financing; and (3) \$30 million would be held in reserves not for risk to address, on an accelerated basis, fish and wildlife mitigation that meet certain criteria.

The fish and wildlife mitigation funds would be used for earlier implementation of mitigation actions that would otherwise occur during future rate periods and therefore would result in the avoidance of those costs in future rate periods. The fish and wildlife mitigation funding from the Power RDC would be provided under separate contracts or cooperative agreements as specific mitigation actions are selected for implementation. 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. The application of funds under the RDC would be consistent with Bonneville's Financial Reserves Policy and the Power rate schedules, and any funding towards actions that would affect 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 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), Bonneville 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, Bonneville 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