

Categorical Exclusion Determination

Bonneville Power Administration
Department of Energy



Proposed Action: Repurposing Fiscal Year 2024 Financial Reserves under the Transmission Reserves Distribution Clause

Project Manager: Brian McConnell, TSQ-TPP-2

Location: Multnomah County, 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 apply financial reserves toward flexible debt reduction for the Transmission Services business-line under the Transmission Reserves Distribution Clause (RDC), which is consistent with BPA's Financial Reserves Policy and transmission rate schedules. In setting transmission rates, BPA included risk adjustment mechanisms, one of which is the RDC. BPA 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. Transmission Services Fiscal Year (FY) 2024 end-of-year reserve levels result in the RDC triggering for the Transmission Services business line.

The RDC amount for Transmission Services in FY 2024 is \$82.8 million. The full amount would be applied toward flexible debt reduction. Applying the RDC toward debt reduction would progress goals in BPA's Financial Plan, support maintaining high credit ratings, and reduce interest expense.

Repurposing financial reserves under the RDC is administrative and financial in nature and does not require BPA 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 BPA's Financial Reserves Policy and transmission rate schedules.

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.

Walker Stinnette
Environmental Protection Specialist

Concur:

Katey C. Grange
NEPA Compliance Officer