

Categorical Exclusion Determination

Bonneville Power Administration
Department of Energy



Proposed Action: 2029 Public Rate Design Methodology (PRDM)

Project Manager: Daniel Fisher, PSR-6

Location: Multnomah County, Oregon

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B4.3 Electric Power Marketing Rate Changes

Description of the Proposed Action: Bonneville Power Administration (BPA) proposes to adopt the Public Rates Design Methodology (PRDM), which establishes BPA's method for developing priority firm power rates applicable to public customers. On November 13, 2024, BPA initiated a proceeding (PRDM-26) pursuant to the Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) to develop the terms of the PRDM in the Federal Register (89 Fed. Reg. 89,633, PRDM-26-FR-BPA-01 (Nov. 13, 2024)). Through this PRDM-26 proceeding, BPA has proposed to establish the PRDM that would apply to priority firm power rates applicable to public customers upon the expiration of the current rate methodology on September 30, 2028.

Actions to be taken by BPA related to the proposed PRDM are primarily administrative and financial in nature. The PRDM is a rate design methodology that would be used by BPA to establish priority firm power rates applicable to public customers beginning on October 1, 2028. The PRDM is not a rate; it is a rate methodology. As such, BPA is not establishing any rates through the PRDM, but a methodology for establishing future rates. Further information on the proposed 2029 PRDM can be found in the PRDM-26 rate proceedings, Administrator's Draft Record of Decision, March 2025, located at:

<https://proceedings.bpa.gov/Home/OpenDoc?fileId=8067>.

BPA originally established a tiered rate methodology for public power rates in 2008 under the Regional Dialogue process for public power contracts. With the Regional Dialogue contracts expiring in 2028, BPA developed the 2029 PRDM alongside the Provider of Choice process for new long-term power contracts. The Provider of Choice contract and the PRDM are designed to work in tandem. Customers that elect to purchase their power under a Provider of Choice contract would also agree to have their priority firm power rate set pursuant to the PRDM. While the Provider of Choice contract process and the PRDM are related, they are being decided in separate processes. In particular, the terms and conditions of the public customer power supply and product choice are decided by and through the contract development process and appropriate environmental compliance, including NEPA analysis, would be completed for Provider of Choice contracts.

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; 89 FR 34074, April 30, 2024), 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. ¹

Amy Mai
Environmental Protection Specialist

Concur:

Katey C. Grange
NEPA Compliance Officer

Attachment(s): Environmental Checklist

¹ BPA is aware that the Council on Environmental Quality (CEQ), on February 25, 2025, issued an interim final rule to remove its NEPA implementing regulations at 40 C.F.R. Parts 1500–1508. Based on CEQ guidance, and to promote completion of its NEPA review in a timely manner and without delay, in this CX BPA is voluntarily relying on the CEQ regulations, in addition to DOE's own regulations implementing NEPA at 10 C.F.R. Part 1021, to meet its obligations under NEPA, 42 U.S.C. §§ 4321 et seq.

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: 2029 Public Rate Design Methodology (PRDM-26)

Project Site Description

BPA markets wholesale electrical power from 31 hydroelectric power projects in the Northwest, one non-federal nuclear plant, and several small non-federal power plants. BPA also operates and maintains 15,000 circuit miles of 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 proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect historic and cultural resources.

2. Geology and Soils

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect geology and soils.

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

Potential for Significance:

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect plants.

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

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect wildlife or special-status species and habitats.

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

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect water bodies, floodplains, or fish, including federal/state special-status species and ESUs.

6. Wetlands

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect wetlands.

7. Groundwater and Aquifers

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect groundwater and aquifers.

8. Land Use and Specially-Designated Areas

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect land-use and specially-designated areas.

9. Visual Quality

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect visual quality.

10. Air Quality

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect air quality.

11. Noise

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect noise.

12. Human Health and Safety

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to set a structure for BPA's rates for power services and would not result in any ground disturbing activities or changes to any existing structures and landscapes. In addition, all generation projects would continue to operate within normal operating limits under the proposed rate design methodology. For these reasons, the PRDM would not affect human health and safety.

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, BPA conducted the PRDM-26 proceedings consistent with procedures under the Northwest Power Act, which included notifying the public through the Federal Register of the PRDM proposal, allowing public comments on the proposal, and involving potentially affected parties during the development of the final PRDM proposal.

Based on the foregoing, this proposed project does not have the potential to cause significant impacts to any environmentally sensitive resource.

Signed:

Amy Mai
Environmental Protection Specialist