Categorical Exclusion Determination

Bonneville Power Administration Department of Energy



<u>Proposed Action:</u> FY 2026-2028 Proposed Power, Transmission, and Ancillary and Control Area Service Rate Adjustments (BP-26)

<u>Project Manager:</u> Daniel Fisher, Power Rates Manager-PSR-6; Bill Hendricks, Transmission Rates Manager- TSQR-TPP-2

Location: Multnomah County, Oregon

<u>Categorical Exclusion Applied (10 C.F.R. Part 1021)</u>: B4.3 Electric power marketing rate changes

Description of the Proposed Action: Bonneville Power Administration (BPA) proposes to implement its power, transmission, ancillary and control area service rates for fiscal years 2026 through 2028. The Pacific Northwest Electric Power Planning and Conservation Act (Northwest Power Act) provides that BPA must establish, and periodically review and revise, its power and transmission rates so that they recover, in accordance with sound business principles, the costs associated with the acquisition, conservation, and transmission of electric power, including amortization of the Federal investment in the Federal Columbia River Power System (FCRPS) over a reasonable number of years, and BPA's other costs and expenses. In November 2024, BPA initiated a proceeding (referred to as BP-26) pursuant to the Northwest Power Act for adjustments to its rates through publication of a notice for the proposed rate adjustments in the Federal Register (89 Fed. Reg. 89,626 [Nov. 13, 2024]). Through this BP-26 proceeding, BPA has proposed to establish and implement power, transmission, and ancillary and control area service rates that would replace the existing rate schedules that are set to expire on September 30, 2025. These rates would apply for a three-year rate period during the 2026 through 2028 fiscal years.

The proposed rates are based on updated revenue requirements to recover costs for power and transmission products and services. The proposed rates largely continue the same construct that BPA has implemented in previous years. Further information on the proposed rate adjustments and the overview of costs can be found in the BP-26 rate proceedings, located at: https://proceedings.bpa.gov/Home/LoadDocuments?RateCaseId=38.

Actions to be taken by BPA related to the proposed rate adjustments are primarily administrative, strategic, and financial in nature. Furthermore, during the rate period, all generation projects would operate within normal operating limits and in compliance with applicable environmental laws and regulations, including the National Marine Fisheries and U.S. Fish and Wildlife Services' 2020 Biological Opinions on the operations and maintenance of the Columbia River System, as well as any related court orders and operational agreements.

Findings: In accordance with Section 1021.102 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; 90 FR 29676, July 3, 2025 [Interim Final Rule]) and *DOE National Environmental Policy Act (NEPA), Implementing Procedures* (dated June 30, 2025), BPA has determined the following:

- 1) The proposed action fits within a class of actions listed in Appendix B of 10 CFR 1021;
- 2) The proposal has not been segmented to meet the definition of a categorical exclusion; and
- 3) There are no extraordinary circumstances related to the proposed action that may affect the significance of the environmental effects of the proposal (see attached Environmental Evaluation).

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 the interim final rule to revise DOE NEPA regulations implementing NEPA at 10 C.F.R. Part 1021 and NEPA Implementing Procedures (dated June 30, 2025), 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: FY 2026-2028 Proposed Power, Transmission and Ancillary and Control Area Service Rate Adjustments (BP-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 recover BPA's cost for power and transmission products and 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 during the rate period. For these reasons, the rate adjustments 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 recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential for erosion, landslides, or other related impacts. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect geology and soils.

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

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or vegetation removal or alteration. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments 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 recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to wildlife species and habitats. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect wildlife.

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 recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to waterbodies, floodplains, or fish. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect water bodies, floodplains, or fish, including federal/state special-status species and ESUs.

6. Wetlands

Potential for Significance: No

<u>Explanation</u>: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to wetlands. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect wetlands.

7. Groundwater and Aquifers

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to groundwater and aquifers. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments 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 recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to land use and specially-designated areas. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments 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 recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to visual quality. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect visual quality.

10. Air Quality

Potential for Significance: No

<u>Explanation</u>: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to air quality. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments would not affect air quality.

11. Noise

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to noise. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments 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 recover BPA's cost for power and transmission products and services and would not result in any ground disturbing activities or potential to cause impacts to human health and safety. In addition, all generation projects would continue to operate within normal operating limits during the rate period. For these reasons, the rate adjustments 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

<u>Description</u>: 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 BP-26 rate proceedings consistent with procedures under the Northwest Power Act, which included notifying the public through the Federal Register of the rate adjustment proposal, allowing public comments on the proposal, and involving potentially affected parties during the development of the final rates 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