

# Categorical Exclusion Determination

Bonneville Power Administration  
Department of Energy



**Proposed Action:** Provider of Choice (POC) Contract High Water Mark (CHWM) Contracts and CHWM Policy

**Project Manager:** Sarah Burczak, PS-6

**Location:** Multnomah County, Oregon

**Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021):** B4.1 Contracts, Policies, and Marketing and Allocation Plans for Electric Power; B4.4 Power Marketing Services and Activities

**Description of the Proposed Action:** Bonneville Power Administration (BPA) proposes to execute contracts for long-term power service under section 5(b) of the Northwest Power Act. The Provider of Choice (POC) Contract High Water Mark (CHWM) Contracts would provide power sales from fiscal year (FY) 2028 through FY 2044. The POC CHWM Contracts would build on the POC Policy, dated March 2024, which describes the agency's power marketing policy for the POC contract period. BPA also proposes to adopt the CHWM Implementation Policy (CHWM Policy), which provides implementation details that supplement the POC Policy and support processes referred to in the POC CHWM contracts.

Actions to be taken by BPA related to the proposed POC CHWM Contracts and the CHWM Policy are primarily administrative and financial in nature. The CHWM Policy provides implementation details for the one-time FY 2026 CHWM calculation and six subsequent CHWM adjustment categories where BPA determined that certain conditions merited an increase to the amount of power a customer can purchase at a Tier 1 rate, the above-CHWM load process, as well as establishment of a new customer's CHWM, after the one-time FY 2026 calculation. Under the POC CHWM Contracts, the amount of power a customer is eligible to purchase at a Tier 1 rate, subject to its net requirements, is referred to as the CHWM. BPA would calculate a customer's CHWM in the FY-2026 CHWM calculation process and implement subsequent adjustments through the above-CHWM process as described in the CHWM Policy.

The POC CHWM Contracts would allow BPA to continue to provide power marketing services and power management activities under new long-term contracts. These power services would use existing generation sources within normal operating limits. If in the future BPA identifies the need for new generation sources or generator operation outside of normal operation limits, appropriate environmental compliance, including NEPA analysis, would be conducted at that time.

Further information on the proposed POC CHWM Contracts and CHWM Policy can be found at the Provider of Choice website located at: <https://www.bpa.gov/energy-and-services/power/provider-of-choice>.

**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.<sup>1</sup>

Amy Mai  
Environmental Protection Specialist

Concur:

Katey C. Grange  
NEPA Compliance Officer

Attachment(s): Environmental Checklist

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<sup>1</sup> 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:** Provider of Choice Contract High Water Mark Contracts and Contract High Water Mark Implementation Policy

## **Project Site Description**

The Bonneville Power Administration (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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy would not affect wetlands.

#### **7. Groundwater and Aquifers**

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM

Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy would not affect visual quality.

## **10. Air Quality**

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy would not affect air quality.

## **11. Noise**

Potential for Significance: No

Explanation: The proposed action involves administrative, strategic and financial activities intended to provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 provide long-term power service from fiscal years 2028 through 2044, as well as providing a structure for determining contract high water marks, which defines how much power a customer may be able to purchase at a Tier 1 rate. The POC CHWM contracts 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 and use the existing transmission system under the proposed CHWM Contract and policy. For these reasons, the POC CHWM Contracts and CHWM Policy 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 has conducted public workshops as part of the Provider of Choice process, allowed public comments, and has considered comments that were received.

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