

# Categorical Exclusion Determination

Bonneville Power Administration  
Department of Energy



**Proposed Action:** Port Townsend Paper Company DSI Contract

**Project No.:** 26PM-16818

**Project Manager:** Kelly Olive, PTL-5; Mark Miller, PTL-5; Nikki Zumbrunnen, PTL-5

**Location:** Portland, OR and Port Townsend, WA

**Categorical Exclusion Applied (from 10 C.F.R. Part 1021):** B4.1 Contracts, policies, and marketing allocation plans for electric power

**Description of the Proposed Action:** Bonneville Power Administration (BPA) proposes entering into a new long-term power sales agreement with the Port Townsend Paper Company (Port Townsend). BPA is authorized to enter into contracts to sell firm power directly to some large industrial facilities located in its service territory, including Port Townsend's paper mill near Port Townsend, Washington, pursuant to section 5(d) of the Pacific Northwest Power Planning and Conservation Act (Northwest Power Act)(16 U.S.C. § 839(c)(d)).

The Port Townsend paper mill began operation in 1928 and BPA has been supplying power to Port Townsend under a direct service industrial (DSI) contract for more than sixty years. The most recent contract, signed in June 2011, expires on September 30, 2028. BPA proposes to execute a new contract which would run from October 1, 2028, through September 2044 and supply up to 16 average megawatts (aMW) of power to Port Townsend. Power would be supplied by BPA's existing generating projects operating within normal operating limits and transmitted using the existing transmission system. No new construction would be required as part of this contract.

**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 the current *DOE National Environmental Policy Act (NEPA) Implementing Procedures*, 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.

**THOMAS  
DELORENZO**  
Thomas DeLorenzo  
Environmental Policy Analyst



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Concur:

**KATEY  
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Katey C. Grange  
NEPA Compliance Officer



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Attachment(s): Environmental Evaluation

# **Categorical Exclusion Environmental Evaluation**

This evaluation 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:** Port Townsend Paper Company DSI Contract

## **Project Site Description**

BPA is a federal Power Marketing Administration headquartered in Portland, Oregon, that markets the power generated by 31 federally operated hydroelectric projects in the Columbia River Basin, one non-federal nuclear plant, and a small collection of other non-federal resources. BPA additionally maintains more than 15,000 circuit miles of transmission lines and associated substations, interconnections, and other infrastructure across the northwestern United States.

The Port Townsend paper mill began operation in 1928 and today produces more than 325,000 tons of paper products annually. Port Townsend is operated by the Crown Paper Group, which operates paper converting facilities and distribution centers across British Columbia and Alberta, Canada, in addition to the mill near Port Townsend, Washington.

## **Evaluation of Potential Impacts to Environmental Resources**

### **1. Historic and Cultural Resources**

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that has no potential to cause effects on historic and cultural resources. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no potential to cause significant effects on historic and cultural resources.

### **2. Geology and Soils**

Potential for Significance: No

Explanation: No actions are proposed which would involve new ground disturbance or construction. Executing a contract is a purely administrative action that would not require any ground disturbance that could affect geology and soils. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on geology and soils.

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

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect plants, including any Endangered Species Act (ESA)-listed or state special-status plant species. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on plants.

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

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect wildlife, including any ESA-listed or state special-status wildlife species. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on wildlife.

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

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect waterbodies and fish, including any ESA-listed or state special-status fish species. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on waterbodies and fish.

## **6. Wetlands**

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect wetlands. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on wetlands.

## **7. Groundwater and Aquifers**

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect groundwater and aquifers. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on groundwater and aquifers.

## **8. Land Use and Specially-Designated Areas**

Potential for Significance: No

Explanation: No actions are proposed which would involve the transfer, sale, or change in use of any real property. Executing a contract is a purely administrative action that would not have any potential to affect land use, ownership, or specially-designated areas. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on land use, ownership, or specially-designated areas.

## **9. Visual Quality**

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect the aesthetic visual quality of the region. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on the visual quality of the region.

## **10. Air Quality**

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect air quality. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on air quality.

## 11. Noise

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect local noise levels. The power provided to Port Townsend would be generated by existing generation resources and transmitted using the existing transmission system. All projects would continue to operate within normal operating limits. As a result, there would be no significant effects on local noise levels.

## 12. Human Health and Safety

Potential for Significance: No

Explanation: Executing a contract is a purely administrative action that would not have any potential to affect human health and safety. All personnel would continue to use best practices to ensure human health and safety during the generation and transmission of power to Port Townsend.

### 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: BPA released a draft contract and record of decision (ROD) on January 12, 2026, and solicited public comments on these draft documents through January 26. BPA did not receive any comments about environmental concerns during this comment period. BPA would continue to coordinate with Port Townsend and public stakeholders as appropriate.

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

Signed: **THOMAS DELORENZO**  
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Environmental Policy Analyst

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