

United States Government

Department of Energy
Bonneville Power Administration

memorandum

DATE: May 10, 2010

REPLY TO
ATTN OF: KEC-4

SUBJECT: Environmental Clearance Memorandum

TO: Debra Malin
Project Manager – PTL-5

Proposed Action: Ongoing Marketing of Renewable Energy Certificates

Budget Information: 00003863 01

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B4.1

Establishment and implementation of contracts, marketing plans, policies, allocation plans, or acquisition of excess electric power that does not involve: (1) the integration of a new generation resource, (2) physical changes in the transmission system beyond the previously developed facility area, unless the changes are themselves categorically excluded, or (3) changes in the normal operating limits of generation resources.

Location: Portland, Oregon

Proposed by: Bonneville Power Administration (BPA)

Description of the Proposed Action: BPA proposes to engage in on-going marketing of Renewable Energy Certificates (RECs). Marketing of RECs is not the financial sale of physical power; it is the contractual sale of Environmental Attributes associated with power generated by specified Generating Units. No integration of a new generation resource is involved.

No physical changes occur in the transmission system beyond the previously developed facility area. There are no changes in the normal operating limits of generation resources.

A Renewable Energy Certificate references the certificates, documentation, or other evidence that demonstrates the ownership of Environmental Attributes. Environmental Attributes are the current or future credits, benefits, emission reductions, offsets, and allowances attributable to the generation of energy from a renewable resource(s). Environmental Attributes do not include the tax credits associated with such resources. One megawatt-hour of energy generation from such renewable resource is associated with one megawatt-hour of Environmental Attributes. A Generating Unit equates to a specific renewable resource(s).

Marketing of RECs may be for (1) Customer sales to BPA where each Generating Unit is specified in a Confirmation Agreement (an agreement under which one Party, the Seller, sells RECs to the other Party, the Purchaser); or (2) BPA sales to a Customer for the renewable resources listed in Table 1. BPA RECs will be associated with energy generated at one or all of the Generating Units listed. BPA may unilaterally revise the Generating Unit list for the

purpose of keeping current with BPA's Generating Unit portfolio. As REC sales and purchases are on-going and occur intermittently, this environmental analysis incorporates revisions to the Generating Unit portfolio.

Table 1 - GENERATING UNITS

Project	Location	On line	BPA's share of Capacity (MW)
Foote Creek I Wind	Carbon County, WY	4/99	15.3
Foote Creek II Wind	Carbon County, WY	10/99	1.8
Stateline Wind	Walla Walla County, WA & Umatilla County, OR	7/01	90.4
Condon Wind	Gilliam County, OR	12/01	49.8
Klondike I Wind	Sherman County, OR	12/01	24
Klondike III Wind	Sherman County, OR	11/07	50

Marketing of RECs will be associated with Generating Units registered and not registered with the Western Renewable Energy Generation Information System, an independent renewable energy tracking system operated by the Western Electricity Coordinating Council.

Findings: BPA has determined that the proposed action complies with Section 1021.410 and Appendix B of Subpart D 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, July 9, 1996; 61 FR 64608, Dec. 6, 1996). The proposed action does not present any extraordinary circumstances that may affect the significance of the environmental effects of the proposal. The proposal is not connected [40 C.F.R. 1508.25(a)(1)] to other actions with potentially significant impacts, is not related to other proposed actions with cumulatively significant impacts [40 C.F.R. 1508.25(a)(2)], and is not precluded by 40 C.F.R. 1506.1 or 10 C.F.R. 1021.211. Moreover, the proposed action would not (i) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, (ii) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities, (iii) disturb hazardous substances, pollutants, contaminants, or Comprehensive Environmental Response, Compensation and Liability Act-excluded petroleum and natural gas products that pre-exist in the environment such that there would be uncontrolled or unpermitted releases, or (iv) adversely affect environmentally sensitive resources.

This proposed action meets the requirements for the Categorical Exclusion referenced above. We therefore determine that the proposed action may be categorically excluded from further NEPA review and documentation.

/s/ Sandra Ackley

Sandra Ackley

Environmental Project Manager

Concur:

/s/ Katherine S. Pierce

Katherine S. Pierce

NEPA Compliance Officer

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