DATE: February 2, 2012

REPLY TO ATTN OF: KEK-4

SUBJECT: Environmental Clearance Memorandum

TO: James Hall
Project Manager – TPC-TPP-4

Proposed Action: Integration of Stoltze Land & Lumber Biomass Generation

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B1.7 Electronic equipment

Location: Township 30N, Range 21W, Section 2; Flathead County, Montana

Proposed by: Bonneville Power Administration (BPA)

Description of the Proposed Action: In response to a small generation interconnection request from Stoltze Land & Lumber, BPA is planning to integrate 2.5 MW of biomass power into BPA's balancing authority via Flathead Electric Cooperative’s (FEC) Trumble Creek Substation. Stoltze Land & Lumber generates electricity from wood waste at their facility near Columbia Falls, Montana to supply their own operations and would like to distribute their excess power through FEC’s system. To integrate this electrical output into BPA's balancing authority area, BPA requires installation of a BPA-owned rack mounted revenue meter to monitor generation output at Stoltze Land & Lumber. All work would take place within the existing Stoltze Land & Lumber facility. There will be no ground disturbance or work in currently undeveloped areas.

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, 76 FR 63764, Nov. 14, 2011). 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, has not been segmented to meet the definition of a categorical exclusion, 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, (iv) have the potential to cause significant impacts on environmentally sensitive resources, or (v) 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.

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/ Carolyn Sharp
Carolyn Sharp
Environmental Project Manager

Concur:

/s/ Katherine S. Pierce  Date:  February 2, 2012
Katherine S. Pierce
NEPA Compliance Officer

Attachment:
Environmental Checklist for Categorical Exclusions
Environmental Checklist for Categorical Exclusions

Name of Proposed Project: Integration of Stoltze Land & Lumber Biomass Generation (G0468)

Work Order #: 257304

This project does not have the potential to cause significant impacts on the following environmentally sensitive resources. See 10 CFR 1021, Subpart D, Appendix B for complete descriptions of the resources. This checklist is to be used as a summary – further discussion may be included in the Categorical Exclusion Memorandum.

<table>
<thead>
<tr>
<th>Environmental Resources</th>
<th>No Potential for Significance</th>
<th>No Potential, with Conditions (describe)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Historic Properties and Cultural Resources</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>2. T &amp; E Species, or their habitat(s)</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>3. Floodplains or wetlands</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>4. Areas of special designation</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>5. Health &amp; safety</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>6. Prime or unique farmlands</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>7. Special sources of water</td>
<td>X</td>
<td></td>
</tr>
<tr>
<td>8. Other (describe)</td>
<td>X</td>
<td></td>
</tr>
</tbody>
</table>

List supporting documentation attached (if needed):

Signed: /s/ Carolyn Sharp  Date: February 1, 2012