DEPARTMENT OF ENERGY

Bonneville Power Administration

Office of Electricity and Energy Assurance

Port Angeles - Juan de Fuca High Voltage Direct Current Transmission Project

AGENCIES: Bonneville Power Administration (BPA) and Office of Electricity and Energy Assurance (OEEA), Department of Energy (DOE).

ACTION: Notice of intent to prepare an Environmental Impact Statement (EIS).

SUMMARY: This notice announces the Department of Energy's (DOE) intent to prepare an EIS (DOE/EIS-0378) and to conduct a public scoping meeting under the National Environmental Policy Act (NEPA) for the proposed Port Angeles Juan de Fuca HVDC Transmission Project (Project). This Project, proposed by Olympic Converter, LP (OC), involves constructing a proposed electric power transmission line that would extend from the greater Victoria area, British Columbia, in Canada, to Port Angeles, Washington, in the United States. Sea Breeze Pacific Juan de Fuca Cable, LP (Sea Breeze Pacific) is carrying out the planning and permitting for the Project. The Project would be constructed as a 550-megawatt (MW) High Voltage Direct Current (HVDC) transmission line using underground cables, as well as submarine cables under the Strait of Juan de Fuca, an international waterway. Implementation of the Project would require that certain actions be taken by BPA and OEEA, which are separate organizational units within DOE. BPA's proposed action would be to offer a transmission interconnection agreement to OC, and OEEA's proposed action would be to issue a Presidential permit that would allow construction, operation, maintenance, and interconnection of the Project at the United States International Border.

DATES: Comments will be accepted at a public scoping meeting that will be held on Tuesday, May 24, 2005, 4:00 p.m. to 7:00 p.m. Written comments are due to the address below no later than **[insert 30 days from date of publication in the Federal Register]**.

ADDRESSES: The public meeting on May 24, 2005, will be held at Peninsula College, Room J47, 1502 E. Lauridsen Blvd., Port Angeles, Washington 98362-6698. The purpose of the public meeting is to invite public participation in the scoping process, and to solicit public comments for consideration in establishing the scope and content of the EIS. DOE and OC representatives will be available to discuss the proposed Project and respond to any questions you may have. Representatives from the City of Port Angeles are also expected to attend to answer questions about the Washington State Environmental Policy Act.

Send letters with comments and suggestions on the proposed scope of the EIS, and requests to be placed on the Project mailing list, to Bonneville Power Administration, Communications – DM-7, P.O. Box 12999, Portland, Oregon, 97212; FAX them to 503-230-3285; or submit your comments on line at www.bpa.gov/comment/. Please include the name of this Project with your comments.

FOR FURTHER INFORMATION, CONTACT: Rick Yarde, Bonneville Power Administration – KEC-4, P.O. Box 3621, Portland, Oregon 97208-3621, toll-free telephone 1-800-282-3713; direct phone number 503-230-3769, fax number 503-230-5699, e-mail rryarde@bpa.gov. Additional information can be found at BPA's Web site: http://www.transmission.bpa.gov/PlanProj/Transmission_Projects/.

For inquiries regarding the Presidential permit process, contact Dr. Jerry Pell, Office of Electricity and Energy Assurance, U.S. Department of Energy, Washington, DC 20585, phone number 202-586-3362, fax number 202-318-7761, e-mail jerry.pell@hq.doe.gov.

SUPPLEMENTARY INFORMATION:

OC has proposed to construct and own an international transmission line between the greater Victoria area, British Columbia, in Canada and Clallam County, Washington, in the United States. The proposed facilities would provide transmission interconnection between the bulk power transmission systems of Canada and the United States. The Project would interconnect with the Federal Columbia River Transmission System (FCRTS), which is owned and operated by BPA in the United States, and with the British Columbia transmission system, which is owned, operated and maintained by the British Columbia Transmission Corporation, a Crown corporation of the Province of British Columbia, Canada.

OC proposes to connect the two transmission systems using HVDC submarine cables across the Strait of Juan de Fuca, an international waterway. The Project is proposed to be a 550-MW bidirectional controllable transmission system, comprised of HVDC modules interconnected by submarine and underground terrestrial cables. OC proposes to use HVDC Light™ cable, which is a polymeric insulated cable that is steel-wire armored, hermetically sealed, and approximately 10 inches in diameter for the marine crossing and 8 inches in diameter for the buried terrestrial portion. The cable contains no circulating or insulating fluids. The overall length of the proposed transmission line would be 21.6 miles, about 19.2 miles of which would be buried in marine bedlands and approximately 1.2 miles would be underground within the City of Port Angeles. The remaining 1.2 miles would be terrestrial in the greater Victoria area, British Columbia. A directional drill would be used for the marine-to-terrestrial transition, in order to minimize disturbances to the shoreline and intertidal zone.

For the connection in the United States to the FCRTS, OC proposes to construct a converter station in Port Angeles to change between direct current and alternating current.

This proposed converter station would be located in the vicinity of BPA's Port Angeles Substation in Clallam County, Washington, and would occupy from one to two acres. OC has proposed that the converter station be sited within the existing boundary of the Port Angeles Substation on property leased or otherwise transferred from BPA to OC.

OC has proposed to begin construction of the HVDC transmission line and converter station by June 2006. Under this schedule, the HVDC system would be interconnected to the FCRTS in the fall of 2007, with a proposed operation date of December 2007. Once constructed, all existing land use and marine activities would be expected to continue to take place along the route of the transmission line, excluding the area encompassed by the converter station. The HVDC transmission system would be expected to operate continuously for at least 20 years.

OC is in the process of applying for applicable permits from the City of Port Angeles, which may trigger the Washington State Environmental Policy Act (SEPA) process for the proposed Project. OC also is coordinating with other Federal and State agencies regarding all required permits and approvals.

On December 20, 2004, OC applied to OEEA for a Presidential permit to develop the proposed Project. DOE published a notice of that application in the Federal Register on February 18, 2005 (70 FR 8350). OC also has submitted a request to BPA for interconnection of the proposed Project to the FCRTS. BPA and OEEA are separate organizational units both within DOE. DOE has determined its actions for the proposed Project, including issuance of a Presidential permit, would constitute a major Federal action that may have a significant impact upon the environment within the meaning of NEPA.

BPA's Proposed Action. BPA has adopted an Open Access Transmission Tariff for the FCRTS, consistent with the Federal Energy Regulatory Commission's (FERC) *pro forma*

open access tariff. Under BPA's tariff, BPA offers transmission interconnection to the FCRTS to all eligible customers on a first-come, first-served basis, consistent with all BPA requirements, but with this offer subject to the results of an environmental review under NEPA. Under its tariff, BPA must respond to OC's request for transmission interconnection.

BPA proposes to execute an agreement with OC to provide interconnection services for up to 550 MW from the proposed Project. As part of this agreement, BPA may agree to lease or otherwise permit occupancy by OC of approximately one to two acres of real property that is owned by BPA adjacent to the Port Angeles Substation. This property would be used for a new converter substation that would allow interconnection of the proposed Project to the FCRTS at Port Angeles Substation.

OEEA's Proposed Action. OEEA's proposed action is to issue a Presidential permit for the proposed Project. Executive Order 10485, as amended, provides that a Presidential permit may be issued after a finding that the proposed Project is consistent with the public interest and after favorable recommendation by the Departments of State and Defense. In determining consistency with the public interest, DOE considers the impacts of the proposed Project on the reliability of the U.S. electric power system and on the environment, and any other factors that DOE may also consider pertinent to the public interest. The regulations implementing the Executive Order have been codified at 10 CFR 205.320-205.329. Issuance of a permit for a particular project indicates that there is no Federal objection to that Project, but does not mandate that the Project be completed.

Possible Alternatives for the Proposed Actions. For BPA, an alternative to its proposed action of offering interconnection contract terms is to not offer these terms. For OEEA, an alternative to the proposed issuance of a Presidential permit is to deny this permit.

In either instance, the Project as proposed would not go forward. The EIS will evaluate both of these alternatives as the "no-action" alternative.

Public Participation and Identification of Environmental Issues. Consistent with its NEPA regulations, DOE has established a minimum 30-day scoping period during which affected landowners, Tribes, concerned citizens, special interest groups, local governments, State and Federal agencies, and any other interested parties are invited to comment on the scope of the proposed EIS. Scoping will help DOE to identify potentially significant impacts that may result from its proposed actions and the privately proposed transmission line, and ensure that all relevant environmental issues related to DOE's proposed actions are addressed in the EIS.

The EIS will consider the reasonably foreseeable consequences of construction and operation of the proposed HVDC transmission line across the Strait of Juan de Fuca and the interconnection to the FCRTS. Based on DOE's experience, potential environmental issues for the proposed transmission line and interconnection facilities may include socioeconomic impacts created by a construction workforce; effects on recreation (primarily fishing); impacts on cultural resources; impacts to wildlife habitat and populations including migratory birds, fish, and marine mammals; noise created by the converter station during Project operation; and mitigation measures.

When completed, the Draft EIS will be circulated for a minimum 45-day public comment period, and DOE will hold one or more public hearings on the Draft EIS. In the Final EIS, DOE will consider and respond to all comments received on the Draft EIS. DOE expects to publish the Final EIS in summer 2006. BPA's and OEEA's subsequent decisions will be documented in a Record of Decision.

In addition to the Federal NEPA process, the City of Port Angeles will provide opportunity for public participation as part of its SEPA and permitting process. It is expected that representatives from the City of Port Angeles will hold public meetings for the transmission project during 2005. DOE will coordinate with the City of Port Angeles to ensure full consideration of all public and agency comments received.

Issued in Portland, Oregon, on April 28, 2005.

/s/ Stephen J. Wright
Stephen J. Wright
Administrator and
Chief Executive Officer

bcc:

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