

memorandum

DATE: November 7, 2001

REPLY TO
ATTN OF: KEC-4

SUBJECT: Environmental Clearance Memorandum

TO: Kirk Robinson, Project Manager – TNP-3
Tom Osborn, Project Manager – PTS-Walla Walla

Proposed Action: Stateline Wind Project power purchase and generation interconnection.

Work Order: 00004027 for power; 00082304 for transmission.

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): Power purchase agreement – 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. Generation interconnection equipment – B4.6 Additions/modifications to electric power transmission facilities within previously developed areas.

Location: Along the Oregon-Washington border in Walla Walla County, Washington, and Umatilla County, Oregon, southwest of Touchet, Washington and southeast of Wallula, Washington.

Proposed by: Bonneville Power Administration's (BPA) Power Business Line and PacifiCorp Power Marketing, Inc. (PPM) for the power purchase. BPA's Transmission Business Line and FPL Energy Vansycle L.L.C. (FPL Energy) for the generation interconnection.

Description of the Proposed Action: BPA proposes to purchase up to 90 megawatts (MW) of wind power from PPM, which has agreed to purchase and sell all of the power being generated by FPL Energy's 263-MW Stateline Wind Project (Project). To make its purchase, BPA's Power Business Line would enter into a 25-year power purchase agreement (PPA) with PPM. In addition, BPA's Transmission Business Line would enter into a generation interconnection agreement with FPL Energy to allow interconnection of FPL Energy's existing transmission line from the Project with BPA's 115-kV Franklin-Walla Walla transmission line at a point approximately six miles north of the Project. To facilitate this interconnection, BPA would tap the Franklin-Walla Walla 115-kV transmission line and install three 115-kV switches at the tap point, and would install metering, supervisory control and data acquisition (SCADA) equipment, communications, and relaying work at FPL Energy's Nine Mile Substation located in the Project area.

FPL Energy began construction of the Project in early 2001, and the Project began commercial operations in July of 2001. Approximately three to six turbines are being

commissioned per day, and full operation of the Project is expected by December of 2001. Power from the Project currently is being transmitted by a three-mile long FPL Energy transmission line that interconnects the Project to Pacificorp's 230-kV Walulla Substation, which is located three miles northwest of the Project. FPL Energy also has received necessary approvals and constructed a six-mile long transmission line that extends north from the Nine Mile Substation to the Franklin-Walla Walla transmission line. It is this existing transmission line that would allow for connection of Project power to BPA's lines and purchase of this power from PPM by BPA.

BPA's currently proposed action represents a change from BPA's original plan in early 2000. At that time, BPA had intended to purchase Project-generated power directly from FPL Energy. Because FPL Energy had not yet constructed the Project at that time, BPA initiated an environmental review process pursuant to the National Environmental Policy Act (NEPA) in June of 2000 for the construction of the Project and BPA's proposed power purchase. However, FPL Energy subsequently decided to sell the entire output of the Project to PPM instead of BPA. To that end, FPL Energy and PPM entered into a PPA for the entire output in November of 2000. FPL Energy's decision to construct the Project and associated transmission lines was made regardless of whether BPA purchases power generated by the Project, and, as discussed above, the Project has in fact already achieved commercial operation as of July of 2001. Similarly, PPM's decision to enter into a PPA with FPL Energy was made regardless of whether BPA ultimately decides to purchase power from PPM. A letter from PPM detailing their decision is attached.

When FPL Energy and PPM entered into their PPA for the entire output of the Project, BPA no longer had any involvement in the Project and thus no longer planned to take any action regarding the Project or any transmission or purchase of power from it. BPA therefore stopped work on the environmental review process under NEPA. However, because BPA now proposes to purchase Project power from PPM and interconnect it to a BPA transmission line, BPA must again determine its NEPA responsibilities for the action it proposes to take.

Findings: BPA has determined that the proposed action complies with Section 1021.410 and Appendix B of Subpart D of the Department of Energy (DOE) NEPA Regulations (57 Fed. Reg. 1512.2, April 24, 1992). As discussed above, the proposed action fits within classes of actions identified in Appendix B of Subpart D, as conditioned by Appendix B. Furthermore, there are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal. Finally, the proposal is not "connected" (as defined in 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" (as defined in 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.

This proposed action meets the requirements for the categorical exclusions referenced above. We therefore find that the proposed action may be categorically excluded from further NEPA review and documentation.

/s/ Sarah T. Branum November 8, 2001

Sarah T. Branum
Environmental Project Lead

CONCUR:

/s/ Thomas C. McKinney

Thomas C. McKinney
NEPA Compliance Officer

DATE: November 8, 2001