

United States Government

Department of Energy
Bonneville Power Administration

memorandum

DATE: December 13, 2010

REPLY TO
ATTN OF: KEC-4

SUBJECT: Supplement Analysis for the Business Plan EIS (DOE/EIS-0183/SA-08) Bonneville Environmental Foundation Funding Agreement

TO: F. Loraine Bodi
Acting Vice President, Environment, Fish and Wildlife

Purpose of Supplement Analysis (SA):

This Supplement Analysis (SA) for the Business Plan Environmental Impact Statement (DOE/EIS-183, June 1995) was prepared to review any changes in Bonneville Power Administration's (BPA's) business practices or other new developments relative to BPA's proposed revised contract between BPA and the Bonneville Environmental Foundation (BEF) to continue BPA funding for BEF at roughly current levels over the term of BPA Regional Dialogue contracts (20 years). Under the U.S Department of Energy (DOE) National Environmental Policy Act (NEPA) regulations (10 C.F.R. § 1021.314(c)), DOE departmental elements such as BPA may prepare a SA to assist the agency in determining whether there is a need for a supplemental or new Environmental Impact Statement (EIS). The two factors to be considered in a SA for making this determination, pursuant to the regulations, are:

- If there are substantial changes in an EIS's proposed action that are relevant to environmental concerns; or
- If there are significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts.

10 C.F.R. § 1021.314(c)(1); see also 40 C.F.R. §1502.9(c). The consideration of these factors informs the determination by BPA of whether the agency needs to prepare a supplemental or new EIS, or whether no further NEPA documentation is required.

Summary of the Proposal:

Under the proposed funding agreement, BPA would provide annual funding to BEF for:

- increasing the potential supply of cost-effective regional renewable resources potentially available to Bonneville and its customers for acquisition should they choose to do so;
- taking action to increase the potential supply of cost-effective, conservation, renewable, or demand response resources available to serve the electric power needs of the Pacific Northwest.
- furthering technological innovation goals (including demonstration projects) relating to electric power conservation, demand management, and renewable resources;
- supporting Regional watershed improvements that further Bonneville's Regional efforts to maintain, restore, and enhance fish and wildlife and associated habitat;
- educating members of the general public on the benefits of renewable resources, reducing greenhouse gas emissions, and improving Pacific Northwest fish and wildlife resources and habitat; and
- supporting other aspects of the Bonneville Mission as may be agreed upon by Bonneville and the Foundation.

The proposed agreement would replace a funding agreement that BPA and BEF entered into in 2009, which in turn replaced a funding-related Memoranda of Agreement (MOA) that BPA and BEF entered

into in 2004.¹ The proposed agreement would continue BPA funding for similar types of BEF activities as were covered by the 2004 MOA and 2009 funding agreement. The proposed agreement also would continue BPA funding for BEF at roughly current levels as the 2009 funding agreement over the term of BPA Regional Dialogue contracts.

Analysis:

BPA has previously prepared a Business Plan Final Environmental Impact Statement (FEIS) (DOE/EIS-183, June 1995) that analyzes the potential environmental effects that could result from BPA's policy-level business decisions, such as decisions related to funding. The Business Plan FEIS evaluated six alternative business directions for BPA: Status Quo (No Action); BPA Influence; Market-Driven (Proposed Action); Maximize Financial Returns; Minimal BPA; and Short-Term Marketing. Each of these alternatives included options for BPA support of conservation and renewable resource development (Section 2.3.1.4) and fish and wildlife administration (Section 2.3.1.1). The Business Plan FEIS contains revenue response strategies for changing market conditions that allow BPA the operational flexibility to best meet its financial, public service, and environmental obligations, while remaining competitive (Section 4.2). The Business Plan FEIS also identified the general environmental impacts potentially associated with renewable resource development and operation (Sections 4.3 and 4.4).

In BPA's Business Plan Record of Decision (BP ROD, August 15, 1995), the BPA Administrator adopted the Market-Driven Alternative from the Business Plan FEIS. Intrinsic to the Market-Driven Alternative was the idea of incentives and other financial support provided to BPA customers for development of renewable resources to respond to consumer support for environmentally preferred energy resources and to promote the growth of those resources in the region (Section 2.3.2).²

As discussed above, the proposed funding agreement with BEF would continue funding for BEF that BPA has provided for the past several years. BPA has determined that the actions contemplated under the proposed agreement are consistent with the actions analyzed within the Business Plan FEIS and ROD. Furthermore, the actions considered under this agreement are consistent with the Market-Driven Alternative.

The Business Plan FEIS also incorporated by reference the environmental analysis contained in BPA's Resource Programs Final EIS (DOE/EIS-0162, February 1993). The Resource Programs FEIS described and analyzed the potential environmental impacts associated with a variety of generation resources, including renewable resources such as wind, solar, hydro, and geothermal (Sections 3.2, 5.3, and 5.4). In the ROD for the Resource Programs FEIS, the BPA Administrator adopted the Emphasize Conservation Alternative. This alternative assumed a mix of renewable and thermal resource development in the region. Although the focus was on potential resource acquisition at the time the Resource Programs FEIS and ROD were prepared, the types of cost-effective regional renewable resources that could be developed under the proposed agreement would be the same as those discussed in the EIS. Moreover, the potential environmental impacts from these resources are expected to be within the range of impacts discussed in the Resource Programs EIS and ROD.

¹ BPA previously prepared a separate Supplement Analysis under NEPA for its decision to enter into the 2004 MOA with BEF. That SA is available at

http://www.efw.bpa.gov/environmental_services/Document_Library/Business_Plan_EIS/SA_06MOAwBEF.pdf.

² In April 2007, BPA completed a separate SA for the Business Plan FEIS that assessed whether this EIS still provides an adequate evaluation, at a policy level, of environmental impacts that may result from BPA's current business practices, and whether these practices are still consistent with the Market-Driven alternative. The 2007 SA found that the BP FEIS's relationship-based and policy-level analysis of potential environmental impacts from BPA's business practices remains valid, and that BPA's current business practices are still consistent with BPA's Market-Driven approach. The BP FEIS, BP ROD, and 2007 SA are available at http://www.efw.bpa.gov/environmental_services/Document_Library/Business_Plan_EIS/.

BPA also has prepared the Fish and Wildlife Implementation Plan Environmental Impact Statement (FWIP EIS) (DOE/EIS-0312, April 2003) that focuses on, and provides more specific direction for, BPA's fish and wildlife administration issues that originally were identified in BPA's Business Plan FEIS and ROD. The FWIP EIS specifically addresses the Fish and Wildlife Reinvention policy module that is integral to the Market Driven Alternative in the Business Plan EIS. The goal of the FWIP EIS was to develop a comprehensive and consistent policy to guide the implementation and funding of BPA's fish and wildlife obligations under existing statutes and policies. BPA recently completed an SA to the FWIP EIS in October 2009 in response to the Northwest Power and Conservation Council's (Council) 2009 Fish and Wildlife Program. The SA found the guidance in the Council's 2009 Program are within the scope of the FWIP EIS and were considered in, and are consistent with, the Preferred Alternative (PA 2002) Policy Direction that BPA adopted in the October 2003 FWIP Record of Decision (FWIP ROD).

The FWIP EIS analyzed a suite of actions intended to mitigate the impacts of the FCRPS to fish and wildlife consistent with the Council's program. The projects are expected to have long-term beneficial effects to fish and wildlife throughout the Columbia River Basin. Since the completion of the FWIP EIS, BPA has evaluated the environmental effects of hundreds of mitigation projects funded through BPA's Fish & Wildlife program. BPA has found the effects evaluated in the FWIP EIS to be consistent with the effects of site specific analysis. Given the limited scope and nature of the fish and wildlife restoration projects BEF has funded in the past and would fund under the proposed BEF contract, BPA believes all such actions will be consistent with the FWIP EIS. The proposed agreement thus is consistent with the FWIP EIS and ROD.

Findings: This Supplement Analysis finds that: 1) there are no substantial changes in the proposed action that are relevant to environmental concerns; and 2) there are no significant new circumstances or information relevant to environmental concerns and bearing on the proposed action or its impacts, within the meaning of 10 C.F.R. § 1021.314(c)(1) and 40 C.F.R. §1502.9(c). Therefore, preparation of a supplemental or new EIS is not required.

/s/ John W. Barco, III

John W. Barco, III

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Concur:

/s/ James Kehoe for

Katherine S. Pierce

NEPA Compliance Officer

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