

Categorical Exclusion Determination

Bonneville Power Administration
Department of Energy



Proposed Action: Repurposing Financial Reserves under the Transmission Reserves Distribution Clause in BP-22

Project Manager: Rebecca Frederickson, TSB-TPP-2

Location: Portland, Oregon

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): A1- Routine DOE Business Actions

Description of the Proposed Action: Bonneville Power Administration (Bonneville) proposes to repurpose financial reserves to certain transmission uses under the Transmission Reserves Distribution Clause (RDC), which is consistent with Bonneville's Financial Reserves Policy and the BP-22 Rate Proceeding. In setting transmission rates in the BP-22 Rate Proceeding, Bonneville included risk adjustment mechanisms, one of which is the RDC. Bonneville sets its rates on a forecast basis, and these risk adjustment mechanisms set parameters that allow certain rates to be adjusted based on actual costs and revenues. The RDC determines when financial reserves are sufficiently high for the Administrator to consider repurposing them for other high-value business line-specific purposes. The Fiscal Year (FY) 2022 end of year reserve levels result in the RDC triggering for the Transmission business line.

The RDC would repurpose financial reserves to specific uses for the Transmission business line. The Transmission RDC would be \$63.1 million and would be applied as: (1) \$12.9 million as a dividend distribution to reduce FY 2023 transmission rates; (2) \$16.4 million to support the proposal to hold BP-24 transmission rates at the levels adopted in the BP-22 rate proceeding; and (3) \$33.8 million to cover forecast cost increases in FY 2023.

Repurposing financial reserves under the RDC is administrative and financial in nature and does not require Bonneville to take any action that would have a potential effect on the human environment. More specifically, the application of funds under the RDC would be consistent with Bonneville's Financial Reserves Policy and the BP-22 Rate Proceeding.

Findings: In accordance with Section 1021.410(b) of the Department of Energy's National Environmental Policy Act (NEPA) Regulations (57 FR 15144, Apr. 24, 1992, as amended at 61 FR 36221-36243, Jul. 9, 1996; 61 FR 64608, Dec. 6, 1996, 76 FR 63764, Nov. 14, 2011), BPA has determined that the proposed action:

- 1) fits within a class of actions listed in Appendix A of 10 CFR 1021, Subpart D;
- 2) does not present any extraordinary circumstances that may affect the significance of the environmental effects of the proposal; and
- 3) has not been segmented to meet the definition of a categorical exclusion.

Based on these determinations, BPA finds that the proposed action is categorically excluded from further NEPA review.

/s/ Amy Mai

Amy Mai

Environmental Protection Specialist

Concur:

Katey C. Grange

NEPA Compliance Officer