

6450-01-U

DEPARTMENT OF ENERGY

Bonneville Power Administration

Transmission Policy-Level Environmental Impact Statement

AGENCY: Bonneville Power Administration (BPA), Department of Energy (DOE).

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

SUMMARY: BPA proposes to adopt a comprehensive policy to guide its transmission business activities. This transmission policy-level Environmental Impact Statement (EIS) will address the planning, construction, operation, and marketing of BPA's Transmission Business Line. BPA is taking this opportunity to further enhance and inform its decisionmaking by providing a comprehensive and cumulative analysis of the potential impacts that can result from its transmission-related policy decisions.

BPA owns and operates the Federal Columbia River Transmission System (FCRTS) and is the leading provider of high-voltage electric transmission in the Pacific Northwest. In addition to this regional transmission network, BPA operates large inter-regional transmission lines that connect to Canada, California, the Southwest, and eastern Montana. New challenges to transmission activities continue to emerge, contributing to the difficulty of solving existing policy issues. To address these challenges, and in support of BPA's transmission business decisions, the EIS will examine a broad and comprehensive range of policy alternatives.

DATES: Written comments are due to the BPA Communications address below no later than March 31, 2004. Comments may also be made at EIS scoping meetings to be held in January 2004, at the addresses below. Public EIS scoping meetings will be held

January 13, 2004, in Portland, Oregon; January 14, 2004, in Seattle, Washington; and January 15, 2004, in Spokane, Washington. Details are yet to be determined on other meetings that may be held in Idaho and Montana. Information about all public meetings will be published on an Internet site dedicated to this transmission policy EIS, at http://www2.transmission.bpa.gov/PlanProj/Policy_EIS/.

ADDRESSES: Send letters with comments and suggestions on the proposed scope of the Draft EIS, and requests to be placed on the project mailing list, to Communications, Bonneville Power Administration - DM-7, Attn: Transmission Policy EIS, P.O. Box 14428, Portland, Oregon, 97293-4428. You may also call BPA's toll-free comment line at 1-800-622-4519, naming this project, to record your comments. Comments may also be sent to the BPA Internet address at comment@bpa.gov or through the above-mentioned Internet site.

On Tuesday, January 13, 2004, a formal scoping meeting will be held from 4 p.m. to 7 p.m. in Room 120C at the Oregon State Office Building, 800 NE Oregon Street, Portland. On Wednesday, January 14, 2004, a formal scoping meeting will be held from 4 p.m. to 7 p.m. at the Comfort Suites Downtown/Seattle Center, at 601 Roy Street, Seattle, Washington. On Thursday, January 15, 2004, a formal scoping meeting will be held from 4 p.m. to 7 p.m. at the Quality Inn Oakwood, 7919 N. Division Street, Spokane, Washington. At these meetings, information will be provided about the objectives of the EIS. BPA's EIS team members will also be available to discuss potential issues, the process, and timeline for completing the document. Written and oral comments may also be submitted.

FOR FURTHER INFORMATION, CONTACT: Mike Mayer or Rick Yarde, NEPA project managers, Bonneville Power Administration – KEC-4, P.O. Box 3621, Portland, Oregon, 97208-3621; toll-free telephone number 1-800-282-3713; fax number 503-230-5699; e-mail addresses msmayer@bpa.gov or rryarde@bpa.gov.

SUPPLEMENTARY INFORMATION: BPA owns and operates approximately three-quarters of the high-voltage electric grid in the Pacific Northwest. These 15,000 miles of transmission lines carry energy from dams and other power-generating facilities to public and private utility customers and direct-service industries. BPA’s transmission system also includes transmission lines that connect to Canada, California, the Southwest, and eastern Montana.

BPA’s transmission business consists of more than just the construction, operation, and maintenance of transmission lines; it includes all of the activities necessary to manage a regional system to deliver electricity, such as marketing of capacity and setting rates to recover costs in accordance with sound business principles. This requires participation with regional and national stakeholders in discussions regarding reliability, environmental concerns, congestion management, conservation measures, industry restructuring, and national standards, among other issues. This policy-level EIS will further enhance BPA’s understanding of the impacts that transmission-related activities have on the human environment, and will help further inform the public of these impacts.

Several Federal statutes guide BPA’s transmission business line. The Bonneville Project Act §2(b) states that “...the administrator is authorized and directed to provide, construct, operate, maintain, and improve such electric transmission lines and substations,

and facilities and structures ... as he finds necessary, desirable, or appropriate....” In addition, the Federal Columbia River Transmission System Act, §§4(a)-(d) directs the administrator to operate and maintain the system for stability and reliability, among other objectives. The Pacific Northwest Electric Power Planning and Conservation Act, §2(2) requires the administrator to assure an adequate, efficient, economical, and reliable power supply for the Northwest.

In addition to these statutory obligations, BPA’s transmission business is operated separately from its power business, because BPA voluntarily complies with the open access policies of the Federal Energy Regulatory Commission (FERC). Although BPA is not subject to FERC’s jurisdiction concerning these policies, BPA has adopted and currently implements an Open Access Transmission Tariff for the FCRTS that is generally consistent with FERC’s *pro forma* open access tariff. This course of action demonstrates BPA’s commitment to non-discriminatory access to its transmission system and ensures that BPA will receive non-discriminatory access to the transmission systems of utilities that are subject to FERC’s jurisdiction.

FERC has fostered several industry-restructuring initiatives, in which BPA has participated. To promote competitive wholesale power markets through standards of practice, FERC has proposed a Standard Market Design. Key features of this Market Design include the formation of regional transmission organizations (RTOs) and sound wholesale market rules. Over the years, BPA has been part of regional discussions regarding the potential creation of an RTO in the Pacific Northwest, to discuss BPA’s possible role in an RTO and ensure that its formation provides coordinated benefits to BPA’s customers and the Northwest.

As part of addressing its many transmission policy issues, BPA is also involved in several agency and regional processes. For example, in early 2003, BPA initiated a roundtable for discussion of “non-wire” solutions to transmission capacity issues. Round table meetings considered transmission line alternatives such as energy efficiency programs, demand reduction initiatives, pricing strategies, and distributed generation. The agency has also been meeting with customers regarding available transfer capability (ATC). These discussions described the methodology for determining ATC, and the effects the methodology would have on contracting and scheduling.

BPA will use the previously mentioned processes, among others related to transmission issues, to help shape the development of this policy-level EIS. BPA expects that this EIS will enhance the transmission issues discussed in BPA’s 1995 Business Plan EIS (DOE/EIS-0183). The Business Plan EIS included an evaluation of the environmental impacts potentially resulting from the full range of the agency’s business policies, including its power, transmission, and fish and wildlife activities. This transmission EIS will provide a policy-level analysis that is more focused on transmission issues, similar to the way BPA’s recently completed Fish and Wildlife Implementation Plan EIS provides a policy-level analysis that is more focused on the agency’s administration of its fish and wildlife responsibilities.

This EIS is being prepared to consider and assess various potential policy directions for the planning, construction, operation, and marketing of BPA’s transmission activities. This document will allow BPA’s decisionmakers and the public to be better informed about the potential cumulative impacts that can be expected from BPA’s transmission-related policy decisions. This EIS is intended to support and facilitate a number of decisions regarding BPA’s transmission activities.

This transmission EIS will identify a broad range of alternative policy directions structured around key transmission policy considerations such as reliability, cost, contractual obligations, regulatory requirements, and “non-wire” solutions. The EIS will also provide an assessment of potential impacts on the human environment associated with each of the alternatives. During this scoping period, the public is invited to provide comments and suggestions on potential alternatives to be included in the EIS. BPA is in the process of defining these alternatives, and is interested in receiving public input before fully defining the range of alternatives to be considered in the EIS. The public also is invited to comment on potential key issues and environmental impacts to be considered in the EIS.

Issued in Portland, Oregon, on December 15, 2003.

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

bcc:
Adm. Chron. File – A-7
Official File – KEC (EQ-14-2)

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