

Categorical Exclusion Determination

Bonneville Power Administration

Department of Energy



Proposed Action: Alcoa Power Sales Contract Amendment No. 3

Project Manager: Mark Miller – PTL-5

Location: Whatcom County, Washington

Categorical Exclusion Applied (from Subpart D, 10 C.F.R. Part 1021): B4.1 Contracts, policies, and marketing and allocation plans for electric power

Description of the Proposed Action: BPA proposes to amend its long-term firm power sales contract with Alcoa for the Intalco aluminum-smelting facility to cover a term that would begin on July 1, 2016, and end on February 14, 2018. To allow Alcoa flexibility to continue its operations at the current level, this amendment would eliminate a provision from the existing contract that restricts Alcoa's ability to purchase power from third-party suppliers. Alcoa has already exercised its right to curtail the amount of Industrial Firm power that it purchases from BPA to the current level of 10 average megawatts (aMW) and currently purchases surplus power from BPA to maintain Intalco's operations at the current level.

As part of the amendment, Alcoa would agree to purchase 250 aMW of surplus power from BPA during the spring of 2017 (April 1 to June 30) and 25 aMW of surplus power from BPA during all other months covered by the amendment. In addition, Alcoa would make available 30 MW of operating reserves to BPA from load reductions at the Intalco facility.

Findings: Amending the long-term firm power sales contract with Alcoa would result in BPA continuing to provide power to Alcoa's Intalco facility that is already in existence, currently operating, and already served by BPA. BPA expects to provide all power under the contract amendment from existing generation resources that would continue to operate within normal operating limits. BPA would continue to supply this power over existing transmission lines that connect Intalco to the electrical transmission system; thus, no physical changes to the transmission system would occur. In addition, amending the contract would not result in a change in Intalco's current operations in such a way that environmental impacts would differ from the currently existing situation.

In accordance with Section 1021.410(b) of the Department of Energy's (DOE) National Environmental Policy Act (NEPA) Regulations (57 FR 15144, Apr. 24, 1992, as amended at 61 FR 36221-36243, July 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 B of 10 CFR 1021, Subpart D (see attached Environmental Checklist);
- (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/ Jeffrey J. Maslow

Jeffrey J. Maslow

Environmental Protection Specialist

Concur:

/s/ Sarah T. Biegel

Date: April 26, 2016

Sarah T. Biegel

NEPA Compliance Officer

Attachment(s): Environmental Checklist

Categorical Exclusion Environmental Checklist

This checklist documents environmental considerations for the proposed project and explains why the project would not have the potential to cause significant impacts on environmentally sensitive resources and would meet other integral elements of the applied categorical exclusion.

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Project Site Description

Alcoa Intalco aluminum smelter near Ferndale in Whatcom County, Washington.

Evaluation of Potential Impacts to Environmental Resources

Environmental Resource Impacts	No Potential for Significance	No Potential for Significance, with Conditions
1. Historic and Cultural Resources	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Explanation:</u> Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on historic and cultural resources.		
2. Geology and Soils	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Explanation:</u> Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on geology and soils.		
3. Plants	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Explanation:</u> Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on plants.		
4. Wildlife (including federal/state special-status species and habitats)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Explanation:</u> Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on wildlife.		
5. Water Bodies, Floodplains, and Fish (including federal/state special-status species and ESUs)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<u>Explanation:</u> Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on water bodies, floodplains, and fish.		

6. **Wetlands**

Explanation:

Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on wetlands.

7. **Groundwater and Aquifers**

Explanation:

Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on groundwater and aquifers.

8. **Land Use and Specially Designated Areas**

Explanation:

Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on land use and specially designated areas.

9. **Visual Quality**

Explanation:

Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on visual quality.

10. **Air Quality**

Explanation:

Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on air quality.

11. **Noise**

Explanation:

Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on noise.

12. **Human Health and Safety**

Explanation:

Because the contract amendment would not require BPA to take an action with the potential to affect the environment, there would be no effect on human health and safety.

Evaluation of Other Integral Elements

The proposed project would also meet conditions that are integral elements of the categorical exclusion. The project would not:

- Threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders.

Explanation, if necessary:

- Require siting and construction or major expansion of waste storage, disposal, recovery, or treatment

facilities (including incinerators) that are not otherwise categorically excluded.

Explanation, if necessary:

- Disturb hazardous substances, pollutants, contaminants, or CERCLA excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases.

Explanation, if necessary:

- Involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements, such as those of the Department of Agriculture, the Environmental Protection Agency, and the National Institutes of Health.

Explanation, if necessary:

Landowner Notification, Involvement, or Coordination

Description: The proposed amendment would continue service to an existing facility and would not change operations in a manner that would affect adjacent landowners.

Based on the foregoing, this proposed project does not have the potential to cause significant impacts on any environmentally sensitive resources.

Signed: /s/ Jeffrey J. Maslow
Jeffrey J. Maslow – ECP-4

Date: April 26, 2016