

ADMINISTRATOR'S RECORD OF DECISION

GNA Cliffs Energy Project Record of Decision

INTRODUCTION

The Bonneville Power Administration (BPA) has decided to offer contract terms for integrating power from GNA Energy, LLC, (GNA)—a 300-megawatt (MW) natural-gas-fired, combined-cycle, combustion-turbine power generation project—into the Federal Columbia River Transmission System (FCRTS). This project, the Cliffs Energy Project (CE Project), is 0.5 miles west of the Goldendale Aluminum Company aluminum smelter just off State Route 14 in Klickitat County, Washington. It is one of many proposed generation projects currently being considered for integration into the FCRTS. Power generated at the CE Project will be available for purchase in the wholesale power market.

Demand for electricity is expected to continue to grow with population increases on the West Coast, despite the recent slump in the economy. The West Coast experienced a shortfall in electric energy supply on many occasions within the past two years, as well as a volatile wholesale power market in which prices reached record highs during 2001. The CE Project would help serve as a resource to meet demand in the long term.

The decision to offer terms to integrate this CE Project is consistent with BPA's Business Plan (BP), the Business Plan Environmental Impact Statement (BP EIS) (DOE/EIS-0183, June 1995), and the Business Plan Record of Decision (BP ROD) (August 15, 1995). Mitigation for the CE Project will be taken in accordance with the requirements of the State of Washington's State Environmental Policy Act (SEPA) Mitigated Determination of Non-Significance (MDNS) issued by Klickitat County (June 6, 2002) and in accordance with permit conditions specified by regulatory agencies.

RELATIONSHIP TO BUSINESS PLAN EIS

In response to a need for a sound policy to guide its business direction under changing market conditions, BPA explored six alternative plans of action in its BP EIS. The six alternatives were: Status Quo (No Action), BPA Influence, Market-Driven, Maximize Financial Returns, Minimal BPA, and Short-Term Marketing. The BP EIS examined each of these six alternatives as they relate to meeting the regional electric energy need in the dynamic West Coast energy market. The analysis focused on the relationships among BPA, the utility market, and the affected environment. The evaluation, which included transmission as well as generation, compared BPA actions and those of other energy suppliers in the region in meeting that need (BP EIS, section 1.7).

In the BP ROD, the BPA Administrator selected the Market-Driven Alternative. Although the Status Quo and the BPA Influence Alternatives were the environmentally preferred alternatives, the differences among alternatives in total environmental impacts were relatively small. Other business aspects, including loads and rates, showed greater variation among the alternatives. BPA's ability to meet its public and financial responsibilities would be weakened under the environmentally preferred alternatives. The Market-Driven Alternative strikes a balance between marketing and environmental concerns, including those for transmission-related actions. It is also designed to help BPA ensure the financial strength necessary to maintain a high level of support for public service benefits, such as energy conservation and fish and wildlife mitigation and recovery activities.

The BP EIS was intended to support a number of decisions (BP EIS, section 1.4.2), including contract terms BPA will offer for transmission services. The BP EIS and ROD documented a strategy for making these subsequent decisions (BP EIS, Figure 1.4-1 and BP ROD, Figure 3, page 15). BPA's decision to offer terms for integrating the CE Project is one of these subsequent decisions and the subject of this tiered ROD. BPA reviewed the BP EIS to ensure that offering contract terms for transmission services was adequately covered within its scope and that it was appropriate to issue a tiered ROD (BP EIS, section 1.4.1 and BP ROD, page 1). This tiered ROD, which summarizes and incorporates information from the BP EIS, demonstrates this decision is within the scope of the BP EIS and ROD. This ROD describes the specific information applicable to this decision to offer contract terms and provides a summary of the environmental impacts associated with the decision with reference to appropriate sections of the BP EIS and BP ROD. This tiered ROD also references information that was incorporated by reference into the BP EIS from BPA's Resource Programs (RP) EIS (DOE/EIS-0162, February 1993). The RP EIS contains an analysis of environmental effects and mitigation for combustion turbines, gas pipelines, and associated transmission. Lastly, this ROD summarizes and references CE Project information from the State of Washington's SEPA process to clarify where and how the site-specific environmental consequences described in the BP EIS will occur, including mitigation measures to be taken.

BACKGROUND

The West Coast has immediate supply needs for electricity, as well as a long-term need for electrical energy resources. Recent long-term planning estimates by BPA and the Pacific Northwest Electric Power and Conservation Planning Council show the region will need an additional 5,000 to 6,000 MW of electricity over the next 5 years; estimates for the next 10 years run as high as 8,000 MW. The 300-MW CE Project will help reduce the Northwest energy deficit.

BPA provides three-fourths of the electric transmission services in the Northwest. BPA has adopted an Open Access Tariff, consistent with the Federal Energy Regulatory Commission's (FERC) *pro forma* open access tariff. Under BPA's tariff, BPA offers transmission services, including interconnection of generation, to all eligible customers on a first-come, first-served basis, subject to environmental review and approval. Although BPA is not subject to FERC's jurisdiction, BPA follows the tariff as a matter of national policy. 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. Although BPA's interconnection of a generator is subject to National Environmental Policy Act (NEPA) review, BPA otherwise will not deny interconnection to any eligible customer that complies with BPA's financial and technical requirements.

BPA will prepare two contracts offering terms to the CE Project for interconnection of the CE Project. The first contract would be a Generation Interconnection Agreement that provides for interconnection of the CE Project with the FCRTS, the operation of the CE Project in the BPA Control Area (including control area services such as generation imbalance service), and the maintenance of reliability of the FCRTS and interconnected systems. The second contract would be a Construction, Operation and Maintenance Agreement, which provides for engineering, procurement, and construction of the interconnection facilities; for interconnection with the FCRTS; and for operation and maintenance.

DESCRIPTION OF THE CE PROJECT

GNA Energy, LLC, proposes to construct and operate a 300-MW natural-gas-fired, combined-cycle, combustion-turbine power generation plant. The CE Project generation facility will be located on lands owned by Goldendale Aluminum Company adjacent to its aluminum smelter along the Columbia River in Klickitat County, Washington. The general location of the CE Project is shown on the attached Regional Map (Attachment A). A Site Plan showing the location of the project and ancillary facilities such as the natural gas pipeline, transmission line, and Harvalum Substation, is also attached (Attachment B). This site was chosen by GNA because of its proximity to this infrastructure and location next to the Goldendale Aluminum Company's smelter, a potential large purchaser of the energy generated.

The power plant site covers 9.1 acres and is located approximately 3,000 feet north of the north bank of the Columbia River, just east of the John Day Dam (River Mile 216) and approximately 2,000 feet south of State Highway 14. The site is 440 feet above mean sea level and approximately 200 feet above the elevation of the Columbia River. The power plant site will be approximately 700 feet west of BPA's Harvalum Substation, which is located on the western side of the Goldendale Aluminum Company plant. A new natural-gas pipeline will be constructed to interconnect with the Northwest Pipeline's (NWP) 26-inch main pipeline at the existing NWP metering station, located approximately 5 miles northwest of the power plant site. The new pipeline will be 12 inches in diameter and will follow the general right-of-way easement of the existing 4-inch gas pipeline that supplies the aluminum plant.

The proposed natural-gas pipeline route runs from the generating facility to the NE ¼ of Section 1, T3N, R16E, of the U.S. Geological Survey's Luna Butte, Washington, topographic map. The pipeline route also runs through Sections 19 of T3N, R17E, and Sections 24, 13, and 12 of T3N, R16E. The southern portion of the route runs through property owned by the Goldendale Aluminum Company and closely follows the route of an existing 4-inch gas line. The northern portion crosses private property, following the established right-of-way easements of the existing line.

The CE Project facility will burn natural gas in a combined-cycle, combustion-turbine system including a Combustion Turbine Generator, a Heat Recovery Steam Generator with duct burners,

and one Steam Turbine Generator. Selective Catalytic Reduction (SCR) will be installed in the exhaust section of the turbines to minimize nitrogen oxide (NO_x) emissions. An aqueous ammonia tank will supply ammonia for use with the SCR. An oxidation catalyst will be installed to oxidize carbon monoxide (CO) and volatile organic compounds (VOCs). Additional sources of air emissions include a 250-horsepower diesel-fired emergency fire pump and a natural-gas-fired fuel pre-heater.

The CE Project has requested BPA integrate the power from the CE Project into the FCRTS at BPA's Harvalum Substation. Power generated at the CE Project will be delivered to the regional transmission grid via a proposed new 230-kilovolt (kV) transmission line connecting the generation facility to the substation, a distance of approximately 700 feet (See Attachment B). BPA would construct a new terminal within the Harvalum Substation for the new transmission line. The generating facility would construct its own substation.

PUBLIC PROCESS AND CONSIDERATION OF COMMENTS

Consistent with BPA's tiered ROD strategy for the BP EIS, a public process for the CE Project has been conducted. Review processes for State and local permits generated site-specific environmental information about the CE Project and provided opportunities for public comment. Site-specific impacts that would result from the CE Project are of the type and magnitude reported in the BP EIS and the RP EIS. On May 8, 2002, GNA filed an Amended SEPA Environmental Checklist (SEPA Checklist) on the CE Project. On June 6, 2002, the Klickitat County Planning Department issued a MDNS on the CE Project. Public participation opportunities included:

1. Klickitat County Board of Commissioners' public hearing on application to amend the Conditional Use Permit previously issued for an earlier simple cycle configuration of the CE Project; hearing held August 12, 2002, at Klickitat County Courthouse.
2. Klickitat County Planning Department's public comment period on the SEPA MDNS between June 6 and 21, 2002. No comments were received.
3. Washington Department of Ecology's 30-day public comment period on the proposed air approval order for the CE Project, July 18 through August 19, 2002. No comments were received.
4. BPA's public comment period on BPA's proposal to integrate the CE Project into the FCRTS, May 28 through July 8, 2002. No comments were received.

In addition, BPA invited the public to participate in its Regional Air Quality Modeling Study¹ (Air Study) for new generating resources, including the CE Project, being planned in the region. An initial public meeting was held in Portland, Oregon, on April 20, 2001. A second public information meeting to share the results of the study was held in Portland, Oregon, on August 28, 2001. Notice of that meeting was announced in the *BPA Journal* and posted on BPA's website.

¹ Regional Air Quality Modeling Study, Bonneville Power Administration, July 2001. The Air Study can be found at <http://www.efw.bpa.gov/cgi-bin/PSA/NEPA/SUMMARIES/air2>.

ENVIRONMENTAL ANALYSIS

Consistent with the BP ROD, the BP EIS was reviewed to determine whether offering terms to integrate the CE Project is adequately covered within its scope. The BP EIS alternatives analyzed a range of marketing actions and response strategies to maintain a market-driven approach. The BP EIS showed that environmental impacts are determined by the responses to BPA's marketing actions, rather than by the actions themselves. These market responses include resource development, resource operation, transmission development and operation, and consumer behavior. The transmission integration of the CE Project clearly falls within the scope of the BP EIS.

BPA's RP EIS described generating resource types, their generic environmental effects on a per-average-MW (per-aMW) basis, and potential mitigation. The discussion for combustion turbines (including gas extraction, pipelines, and generation) is included in section 3.2.2.2. The RP EIS also described the environmental effects and potential mitigation associated with the construction or upgrade of transmission facilities to integrate the resources with the existing transmission system (section 3.5). The per-aMW impacts for combustion turbines (RP EIS, Table 3-26) were incorporated and updated in the BP EIS (Table 4.3-1). The BP EIS contains an analysis of generic environmental impacts, including resource development and operation (section 4.3.1) and transmission development and operation (section 4.3.2). The types of construction and operation of transmission lines for this CE Project are typically actions that the U.S. Department of Energy has determined do not individually or cumulatively have a significant effect on the human environment and are categorically excluded.

The Market-Driven Alternative anticipated unbundling of products and services, constructing transmission facilities for requests for non-federal power transmission, and providing transmission access to wholesale power producers (section 2.2.3). The BP EIS also noted that, under the Market-Driven Alternative, new transmission requests would depend more on customer requests than on new resource development by BPA (section 4.2.3.3).

Cumulative Environmental Impacts

The BP EIS addressed the cumulative effects of the Market-Driven Alternative and provided an illustrative numerical assessment of regional impacts (section 4.4). The assessment included air, land, and water effects based on the generic per-aMW impacts (Table 4.3-1), as well as related socioeconomic effects (section 4.3). For combustion turbines, the air quality impacts are the key environmental concern (BP EIS, Figure 4.3-1).

Because of the demand for electricity, a number of new generating resources have been proposed to meet the regional energy need. BPA is being asked to integrate many of these resources into the FCRTS. Since the majority of these resources are combustion turbines, there is a concern over regional air quality. BPA initiated its Air Study to provide clarifying information to the BP EIS. The study area covered proposed power plants in Washington, the northern half of Oregon, and the Idaho panhandle. The air-quality impacts of more than 45 natural-gas-fired combustion turbines, representing more than 24,000 MW in capacity, were evaluated. The CALPUFF model was used to assess power plant emissions of sulfur dioxide (SO₂), NO_x, and particulate matter nominally 10 microns and less (PM₁₀). Results were compared against established criteria for

human health [the National Ambient Air Quality Standards and the Prevention of Significant Deterioration (PSD) Significant Impact Levels] and the environment (nitrogen and sulfur deposition as well as visibility in sensitive areas²). The analysis assumed all 45 plants analyzed, including the peaking plants, were operating at peak load with their primary fuel for the entire simulation period.

Phase I of the Air Study found that the power plants would not cause a notable deterioration of air quality as characterized by SO₂, NO_x, and PM₁₀, but suggested that the proposed combustion turbines have the potential to degrade visibility. Although visibility is not regulated, it is an area of concern. Since it is unlikely all the proposed power plants will be built, further analysis investigated the cumulative impacts from a Baseline Source Group consisting of projects that have already been issued a ROD, other recently permitted power projects not requesting access to BPA's transmission grid but within the service area, facilities well along in their permitting process, and the facility being considered for a ROD. This phase of the Air Study found that cumulative emissions from the Baseline Source Group could potentially result in a "just perceptible" change in visibility on a few days for several of the areas examined in the study. The areas most affected are the Class I Areas near the Columbia River Gorge National Scenic Area (CRGNSA), Olympic National Park, Mt. Rainier National Park, and the Alpine Lakes Wilderness. In Mt. Rainier National Park, the predicted change to background extinction for the winter oil-fired case exceeds the 10 percent significance criterion on six days. The Baseline Source Group exceeds the 10 percent significance criterion on only one day in the Mt. Hood Wilderness and the CRGNSA when these sources are fired by natural gas.

Phase II of the Air Study found that the CE Project would contribute greater than 0.4 percent on only three days in any one area when the combined group's contribution is greater than 5 percent and on no days when the group's contribution is greater than 10 percent. Federal Land Managers recommend 0.4 percent as a significance criterion for examining an individual source's contribution to cumulative impacts.³ Based on this criterion, the CE Project would not significantly contribute to visibility impairment in any of the Class I areas within the BPA Service Area or the CRGNSA when the facilities considered in this analysis are fired by natural gas.

Site Impacts

As discussed above, BPA's RP EIS and BP EIS provided general information about the environmental impacts of combustion turbines and their associated pipelines and transmission facilities. Clarifying information from the Washington SEPA process shows that the potential impacts of the CE Project are within the parameters projected in those two EISs and are consistent with Federal, State, and local environmental regulations.

² Sensitive areas include Northwest Class I areas, wilderness areas, and the Columbia River Gorge National Scenic Area.

³ According to Federal Land Managers' recommendations for cumulative regional haze assessments, an individual project's contribution is considered "significant" when that contribution causes 24-hour extinction to increase by greater than 0.4 percent and for the same period the cumulative increase caused by all the sources being considered is greater than 10 percent.

Air Impacts - As reported in the SEPA Checklist, temporary emissions will occur during construction of the CE Project facility. These emissions will include particulates (dust) and exhaust from construction vehicles and equipment. Similar emissions will result from gas pipeline and transmission line construction activities. These emissions will be of limited duration and minimized by use of Best Management Practices (BMPs).

Plant operating emissions will be controlled using the Best Available Control Technology (BACT). The SEPA Checklist indicates that the proposed technology will result in emission rates below New Source Performance Standards established by the U.S. Environmental Protection Agency (EPA). The CE Project's control technology will ensure that emissions remain less than 100 tons per year of any criteria pollutant and will not trigger permitting requirements under EPA's PSD program. Washington Department of Ecology issued a draft new-source approval order for the proposed CE Project's 300-MW facility in late July 2002 and a final approval is expected soon.

Water Impacts - The SEPA Checklist evaluates potential erosion impacts, and impacts to surface water features, to wetlands, to 100-year floodplains, to surface and groundwater withdrawals and waste discharges, and to stormwater runoff. Klickitat County's MDNS requires mitigation measures to prevent potential impacts to each of these resources. No significant adverse impacts to water resources are expected from the plant, the gas pipeline, or the transmission line.

The SEPA Checklist indicates that wetlands occur near but not within the transmission line right-of-way and the plant location. The proposed natural-gas pipeline crosses three seasonal drainages and is nearby a human-made pond. Impacts expected to these wet areas are minimal. BMPs will be used to minimize erosion and water-quality impacts.

Noise Impacts - Construction noise levels are described in the SEPA Checklist, and measures to mitigate such noise are required in the MDNS. Acoustical enclosures are planned for the gas turbines. Noise walls are planned for the transformers. Operational noise impacts from combustion turbines are predicted to comply with the Washington noise standard of 50 A-weighted decibels (dBA) at the nearest residence.

Land-Use Impacts - Existing and adjacent land uses near the plant site and along the pipeline and transmission line are reported in the SEPA Checklist. The CE Project site is adjacent to the Goldendale Aluminum Company smelter and currently is vacant. The property controlled by GNA totals 9.1 acres and is classified "Industrial Park" in Klickitat County Zoning Ordinance. The CE Project would occupy approximately 9.1 acres.

The gas pipeline follows an existing pipeline right-of-way for the Goldendale Aluminum smelter. Properties adjacent to the pipeline are primarily used for livestock grazing. The pipeline route will deviate from the existing pipeline right-of-way in one area where sensitive cultural sites are located. The route of the proposed pipeline through this area was developed with the assistance of an archaeologist working with the State Historic Preservation Office.

The proposed 230-kV transmission line would follow an existing paved roadway almost its entire length, the exception being a short segment where the line enters the BPA Harvalum Substation adjacent to the aluminum smelter. The 700 feet of transmission line crosses sparsely vegetated

undeveloped land. The CE Project, the gas pipeline, and the transmission line would not be located in areas classified as "environmentally sensitive." No occupied structures would be displaced by the CE Project.

Visual impacts from the combustion turbine and the transmission line are not expected to obstruct views. The tallest structure would be the plant exhaust stack at 130 feet tall. The generation facility will consist primarily of low-profile buildings and structures painted in earth-tone colors.

The transmission line is next to an unpaved gravel road used internally by Goldendale Aluminum Company. It is anticipated to require the installation of only 3 or 4 poles.

The CE Project, the gas pipeline, and the transmission line would not displace any recreational uses. Lighting for the combustion turbine would be designed to ensure that there are no impacts to the Goldendale Observatory.

Socioeconomic and Public Facility Impacts - Vehicular access to the site is via Highway 14, John Day Dam Road, and Old John Day Dam Road. Only minor upgrades or repairs will be needed on portions of Old John Day Dam Road. No new roads would be constructed for either the gas pipeline or the transmission line. Approximately 150 to 200 construction workers would be employed to build the CE Project; 125 to 150 daily vehicle trips are expected during construction. Normal project operation is expected to generate about 20 daily vehicle trips.

The CE Project is expected to generate 24 permanent jobs. Given this small increase in employment, an increased need for public services such as fire protection, police protection, health care, and schools is not expected.

Sanitary wastewater will be disposed of onsite via a septic system constructed as part of the CE Project. The septic system would be designed to serve 10 individuals for a normal workday. The septic system will need to be permitted by the Klickitat County Health Department.

Goldendale Aluminum Company will provide a potable water line to the power plant. Klickitat Public Utility District will provide power during construction and standby power during operation. Natural gas for the plant operation will be supplied and delivered by Williams Northwest.

The natural-gas pipeline route was altered to minimize impacts to existing Native American cultural sites. An archaeologist investigated the location of the route and determined that construction of the pipeline would not have an adverse effect on significant cultural resources along this route or any of the other associated generation-plant facilities.

Fish, Wildlife, and Vegetation Impacts - The SEPA Checklist provides information on plants, fish, and wildlife that would be impacted by the CE Project, the gas pipeline, and the transmission line.

Approximately 9 acres of grasses and small shrubs now occupying the plant site would be removed by site development. The site currently is already disturbed with prior placement of fill and debris materials and low habitat value of the existing vegetation.

The natural-gas pipeline primarily traverses previously disturbed ground adjacent to a pipeline that was previously buried. The proposed pipeline route follows the existing gas pipeline throughout most of its course. Construction of the pipeline would disturb approximately 6.7 acres of land suitable for big sagebrush/meadow vegetative community.

Consultation with the National Marine Fisheries Service (NMFS) and U.S. Fish and Wildlife Service identified several species known to occur in the CE Project area that are listed or proposed for listing as threatened or endangered. Nearby rivers have also been designated Essential Fish Habitat by the Pacific Fisheries Management Council. A Biological Assessment concluded that the project may affect, but is not likely to adversely affect, threatened or endangered plants, animals, or fish or their habitat, and both agencies have concurred. NMFS has also concurred that the project is not likely to adversely affect Essential Fish Habitat.

Range of Alternatives Considered

Other than the No Action Alternative and the alternative to grant GNA's request, BPA considered no other alternatives than those considered in the BP EIS. This decision is consistent with the Market-Driven Alternative selected in the BP EIS ROD.

Mitigation

The Council on Environmental Quality's Regulations for Implementing NEPA (40 CFR § 1505.2(c)) require a ROD to "state whether all practicable means to avoid or minimize environmental harm from the alternative selected have been adopted, and if not, why they were not." The Conditional Use Permit issued by Klickitat County for the CE Project includes 50 conditions that GNA must satisfy to minimize and mitigate the environmental impacts of the CE Project. Mitigation conditions include the following:

Air - The CE Project has adopted as mitigation all applicable and economically feasible control technologies and is in compliance with all regulatory requirements for criteria pollutants and air toxics. The modeling results from the Air Study show that the CE Project's control technologies reduce emission of pollutants below levels causing or contributing to significant environmental impacts. BACT will be applied to control emissions:

- A dry low-NO_x combustor will be utilized in the combustion turbine and a selective catalytic reduction system will be installed to further reduce NO_x emissions (aqueous ammonia will be used as the reducing agent).
- Catalytic oxidation and good combustion practice will be employed to reduce CO, VOC, and hazardous air-pollutant emissions.
- The use of low-sulfur fuels will minimize the emission of SO₂.
- Good combustion controls will be BACT for fine particulates.

The air-quality analysis submitted by GNA in support of its application for a new-source approval order demonstrated that the CE Project would not cause any adverse visibility impacts in the CRGNSA or regional Class I areas.

Water - Engineering controls and BMPs detailed in the CE Project's Stormwater Pollution Prevention Plan will control surface-water, groundwater, and runoff-water impacts during and following construction of the generation facility. BMPs will also be implemented during the construction of the transmission line and gas pipeline. During operation, wastewater discharge will be routed to the Goldendale Aluminum Company's wastewater treatment system for

discharge to the Columbia River under the terms of Goldendale Aluminum's National Pollution Discharge Elimination System permit.

Noise - The MDNS requires the following noise mitigation measures:

- Construction equipment used for generating-plant, transmission-line, and pipeline construction will be equipped with appropriate mufflers in accordance with applicable laws and regulations.
- Attempts will be made for construction hours to conform to a normal workday, approximately 7 a.m. to 6 p.m. Work activities may include weekends and additional shifts in order to maintain the project schedule.
- An acoustical enclosure will surround the gas turbines.
- Areas around gas turbines will be marked and personnel will use personal protection equipment.
- All long-term noise levels at the facility will meet Washington Industrial Safety and Health Administration requirements.

Earth - BMPs will be instituted to control erosion both during and following construction of all components of this project. These measures may include straw hay bales, silt fencing, water detention areas to allow for sediment fall-out, and the covering of soil piles. Permanent erosion control on the power plant site will involve graveling disturbed areas, collection and temporary retention of stormwater runoff, and the paving of heavily used access roads.

Vegetation - Final reclamation of the gas pipeline route will include soil re-spread, embankment stabilization, and revegetation with a native grass seed mixture.

Animals - Mitigation measures are described in the MDNS to aid in protecting nesting raptors and include transmission line design guidelines to protect birds from collision and electrocution.

PUBLIC AVAILABILITY

This ROD will be distributed to all interested and affected persons and agencies. Copies of the RP EIS, BP, BP EIS, BP ROD, and additional copies of this Cliffs Energy Project ROD, are available from BPA's Public Information Center, P.O. Box 12999, Portland, Oregon, 97212. Copies of these documents may also be obtained by using BPA's nationwide toll-free document request line: 1-800-622-4520.

CONCLUSION

I have decided it is in the best interests of BPA and the Pacific Northwest to offer contract terms for integrating the CE Project into the FCRTS at BPA's Harvalum Substation. As described above, BPA has considered both the economic and environmental risks and consequences of taking action to integrate power from the CE Project into the FCRTS. This decision is:

- within the scope of environmental consequences examined in the BP EIS,

- consistent with the Market-Driven Alternative selected in the BP ROD, and
- in accordance with BPA's transmission access tariff, and is in accordance with BPA's statutory authority to make available to all utilities any capacity in this system determined in excess to that required by the United States (16 U.S.C. 838d).

In so doing, BPA shall take measures to ensure the continuing safe, reliable operation of the FCRTS and undertake all practicable means to avoid or minimize environmental harm that might be caused by the integration of the CE Project into the FCRTS.

This decision is based on the evaluation of the environmental impacts of the CE Project's 300-MW generation facility proposal. This decision is contingent upon Washington State Department of Ecology issuing an approval order for the CE Project. Air quality analysis presented in the notice of construction application showed that the proposed CE Project would be in compliance with all regulatory requirements for criteria pollutants and air toxics.

The CE Project has also fulfilled other State and local requirements for resources such as water, noise, and land. Appropriate mitigation measures, such as BMPs for water use, sound abatement techniques for noise, cultural resource protection, and re-vegetation for areas where the land is disturbed during construction, are included.

BPA contracts providing integration of power from the CE Project into the FCRTS shall include terms requiring that all pending permits, including the Washington Department of Ecology's approval order, be approved before the contract is implemented. The CE Project will comply with terms and conditions of all permits issued pertaining to this project, including the air approval order and Klickitat County's MDNS, that are relevant to construction and operation of the CE Project facilities. BPA's contracts will also include appropriate provisions for remediation of oil or other hazardous substances associated with construction and operation of related electrical facilities in a manner consistent with applicable Federal, State, and local laws.

Issued in Portland, Oregon.

/s/ Stephen J. Wright

Stephen J. Wright
Administrator and
Chief Executive Officer

9/13/02

Date

2 Attachments:

- A. Regional Map
- B. Vicinity Plan of Project Components