Scoping Summary for the Bonneville Power Administration Transmission Business Policy EIS

April 7, 2004[1]

On December 22, 2003, the Bonneville Power Administration (BPA) issued a Notice of Intent to prepare an Environmental Impact Statement (EIS) on its proposed adoption of a comprehensive business policy for its transmission business activities. The Notice invited the public to a series of scoping meetings and to comment on potential key issues and environmental impacts to be considered in the EIS. Meetings have been held in Portland, Oregon, Seattle and Spokane, Washington, Helena, Montana, and Boise, Idaho. The EIS was also presented during a regional meeting of Affiliated Tribes of Northwest Indians (ATNI) in Portland, Oregon.

BPA is making this scoping summary available for public review, partially in response to requests made during the public meetings. Several comments received noted the difficulty in providing feedback or responding on a broad set of issues that necessarily shape a policy-level EIS. Attached to this scoping summary is: a Need Statement, Purposes, and Frequently Asked Questions. Transcripts of scoping comments are published on the project website. This scoping summary and the supporting attachments provide an opportunity for the public to read through information that has been gathered during scoping as well as take a second look at the proposed EIS. The official scoping period ended on March 31, 2004. This summary reflects the comments received at public meetings, or submitted in writing or over the phone, through the end of March.

Comment Summaries

Comments were reviewed and placed into six categories. These categories are: the regional transmission organization; issues related to power; issues related to transmission; the EIS process; environmental issues; and the alternatives and purposes. Comments for each category are summarized below.

Regional Transmission Organization

Comments were received during the scoping meeting concerning industry restructuring, and specifically Regional Transmission Organizations (RTOs). The comments questioned how the TBP EIS would address RTO issues as well as how the EIS could be used for making a decision concerning BPA joining an RTO. People commented on both sides of the issue as to whether or not BPA should join an RTO. The agency's decision regarding an RTO was so complex, according to some comments, that the decision could only be made after an independent evaluation under NEPA.

[1] Revised to reflect comments received through the end of Scoping, March 31, 2004.

Issues Related to Power
During the scoping meetings, comments were received regarding power issues related to transmission. Many of these comments were concerning General Transmission Agreements (GTAs), though there were differing opinions as to whether GTAs were a power or transmission issue. Other comments dealt with the siting of generation facilities, additional federal hydrosystem generation, generation diversification, renewables, and non-wire solutions.

These comments, and others, reflect the complicated interaction between the transmission and power business lines. Such interaction includes the adequacy of the transmission system to get the resources to the load and the transmission problems that impede generation policy. Some comments suggested putting the BPA Power Business Line and Transmission Business Line back together and not complying with the Federal Energy Regulatory Commission (FERC). Other comments suggested that power and transmission issues are interrelated to the extent that no EIS should separate the two in its analysis.

Issues Related to Transmission
Comments were received during the scoping meeting pertaining to a variety of general transmission issues. These comments identified subjects such as the rates, transmission rate design, planning, the G-20 projects (infrastructure planning), and congestion management. Other comments focused on GTAs, underground transmission, transmission maintenance, merchant transmission companies, sources of funding (third party financing, rates, federal appropriations), coordinated transmission corridor siting, and direct current (DC) development. Comments similar to those discussed under Issues Related to Power above, questioned how transmission could influence the type of generation and its siting. Comments were also received on issues surrounding cost, adequacy, and reliability; however, those are summarized in the **Alternatives and Purposes** section.

EIS Process
A portion of the public comments received during scoping for the TBP EIS have been regarding the NEPA process generally, such as: the type of information the agency is soliciting, what scoping entails, and how a policy-level EIS functions. Some commenters asked if cumulative impacts would be studied, if site-specific projects were going to be covered, and what sort of decisions the document would support. One written comment argued that this policy-level EIS, which BPA has identified as a voluntary process, is neither timely nor financially prudent, and therefore recommended postponing the process.

A number of people questioned the relationship between the TBP EIS and other BPA NEPA documents and processes, including the Business Plan EIS, the System Operation Review EIS, Environmental Assessments, and Tiered Records of Decision. The public also asked about the relationship between the EIS and some existing processes like infrastructure planning (the "G-20") and Regional Transmission Organizations (see **RTO** section within this scoping summary).

There have been several comments regarding the scope of the document. Some of these comments focused on the broad scope, and the difficulty inherent in trying to comment on a

policy EIS. Another common question was if the alternatives were final or if they would be developed further. For more information on this topic, see the **Alternatives and Purposes** section within this scoping summary.

Environmental Issues

Several kinds of comments about environmental issues have been received. A large portion of the comments concerning environmental matters sought to ensure that environmental considerations were included in BPA's decisionmaking. Some suggested developing a clearly environmentally-focused alternative. Others brought up specific environmental concerns such as fish, EMF, noise, aesthetics, air and water quality, safety and health. A number of people commented on the recent transmission system modifications to the Sno-King transmission line in Washington.

Some specific comments were submitted encouraging BPA to consider multiple use of the transmission corridor for recreational purposes. Others urged the agency to balance environmental costs with the costs of maintaining a reliable system that would not have a negative affect on quality of life or property values. Several people also commented on vegetation management within transmission corridors, particularly around the issue of noxious weed control.

Alternatives and Purposes

A majority of comments received are related to the alternatives of the TBP EIS. Some of the comments are explicit, recommending a specific alternative or set of alternatives. For example, commenters urged the agency to include or adopt environmental, reliability, cost-based, risk-based, market-based, status quo, "overbuild," and "non-wires" alternatives.

Other comments are indirectly related to alternatives in that, although they do not identify an alternative per se, they are focused on adoption of a policy or set of policies, any of which could be included as part of the alternatives considered. Some of the policies mentioned include: reintegration of the agency's business lines; third-party financing of transmission infrastructure; direct assignment of costs; socializing the cost of the transmission system; privatizing the transmission system; becoming a federally-appropriated agency; continuing to ensure open access to the transmission system; using the system to guide siting of new generation resources; using the system to encourage economic development; building DC lines; and selling or expanding the interties.

Some of the commenters suggested alternatives that resemble those identified in BPA's existing Business Plan EIS, such as the Market-driven approach. Other commenters discussed the merits of potential alternatives discussed by BPA staff during the scoping meetings, such as "gold-plated reliability" and "least-cost" alternatives. Many other comments received during scoping could fall within a different set of potential alternatives that are, as one commenter suggested, a "mixture of policy objectives."

Below are the TBP EIS Need Statement and the Purposes.

The Proposed Need
BPA needs a more comprehensive policy to guide the development and operation of the *Federal Columbia River Transmission System.*

(Development will be defined as planning and construction; operation will be defined as marketing, operation, and maintenance.)

Proposed Purposes

1. Assure a safe and reliable electric system.
2. Deliver power at the least cost consistent with sound business principles.
3. Ensure timely repayment of the Federal investment in the transmission system.
4. Accommodate regional transmission initiatives, as well as associated energy concerns outside the region.
5. Maintain our commitment to environmental stewardship and other public benefits.
6. Ensure consideration of non-wires solutions.
7. Continue to meet legal obligations such as statutory mandates and contracts.
8. Continue to meet Federal treaty and trust responsibilities with Indian Tribes.
9. Continue to meet treaty responsibilities under the Columbia River Treaty.

Frequently Asked Questions

1. What will this EIS cover?
The Transmission Business Policy EIS (TBP EIS) will look at a broad range of policy options for supporting decisions on issues related to the planning, construction, operation and maintenance of BPA's transmission system. Potential decisions include policies on non-wires solutions, interconnections, transmission upgrades, and marketing and rates.

2. Why are we undertaking a policy EIS now?
There is a lot of interest concerning the safety, adequacy, and reliability of the nation's transmission system. There are also a number of initiatives regarding infrastructure investments and access to the transmission system. In response, BPA's Transmission Business Line (TBL) has decided to enhance its understanding of overall transmission policy and planning in the region.

3. What is a policy-level EIS?
The intent of a policy-level EIS is to better inform the Administrator, as well as the public, of the cumulative environmental impacts related to potential decisions on broad-based issues. The analysis in a policy-level EIS is often more qualitative than quantitative and focuses on concepts and relationships. Because of the broad nature of the information in a policy-level EIS and the use of relationship-based analyses, a policy EIS can remain useful for many years. The TBP EIS will be a living document, accommodating BPA's needs in the evolving competitive market and providing the guidance for a number of future decisions related to transmission issues.

4. How is it different from a traditional EIS?
A "traditional EIS" provides the environmental analysis to support a decision on a specific project or program. In addition, the analysis in a traditional project EIS is usually based on quantitative data for a specific site.

5. How is this EIS related to BPA's Business Plan EIS?
The Business Plan EIS, a policy-level document completed in 1995, analyzes how BPA's activities as a large electric utility in the region impact the human environment. The Business Plan EIS remains in use and shows no signs of becoming obsolete. This policy-level TBP EIS will build upon and expand the analysis in the Business Plan EIS to enhance our understanding of transmission policy issues now and into the future.

6. If the Business Plan EIS already addresses TBL issues, why are we preparing another policy-level EIS for TBL?
When the Business Plan EIS was prepared (subsequent to the Energy Policy Act of 1992, but prior to FERC Order 888), the agency's power and transmission business lines were still integrated. The Business Plan EIS discusses and assesses the policy implications of many TBL issues, such as transmission system development, transmission access, wheeling, customer service, and operations and maintenance. It also addresses products and services and rates. However, with continued deregulation, increased concerns about the reliability of the existing transmission infrastructure, and renewed interest in improving the existing infrastructure, the analysis can be expanded to better inform the transmission decisions facing the agency. For this reason, it appears to be a good time to use the EIS process to help BPA more fully understand and focus on the many policy issues surrounding transmission.

7. What alternatives are likely to be considered in this EIS?
The TBP EIS will include a range of alternative polices to guide planning, operating, and maintaining the transmission system. After considering the input received during scoping, BPA will develop the alternative policy directions. Some underlying issues that will need to be addressed in all of the alternatives include adequacy, reliability, cost, "non-wires" solutions, and potential environmental impacts.

8. How do we tie future programs and site-specific projects to this policy document?
Using broadly scoped program, policy, or plan EISs and then tiering documents of narrower scope is contemplated and encouraged in the Council on Environmental Quality's NEPA regulations. Traditionally, federal agencies tier EISs and EAs to address site-specific actions and future programs. This often results in a lengthy process and may cause long periods of disconnect with the public. BPA needed a tiering process to its policy-level EISs that more closely connected with the public and allowed for more timely decisions. BPA successfully documented just such a process for tiering decisions in the Business Plan EIS and ROD. This decision strategy, referred to as Tiered Records of Decision (RODs), will be used for tiering decisions to the TBP EIS and ROD.

9. How will this EIS affect our NEPA compliance on individual, site-specific projects? Will the EIS save us time on site-specific EISs? Will this policy EIS curtail future public involvement?

The policy-level TBP EIS will provide a framework for decisionmaking. Tiering from the TBP EIS should help BPA to save time and money on future site-specific analyses. The EIS allows the agency to better plan for its site-specific actions, eliminate repetitive discussions of the same issues, and concentrate on the issues at hand. This narrowing of scope also provides for more focused public involvement at all stages of decisionmaking.

10. How does this improve/affect BPA's decisionmaking process?
This policy-level EIS will be a cumulative analysis of all the issues concerning BPA's transmission business--planning, construction, operations, and maintenance, as well as marketing and rates. The evaluation of the potential environmental consequences by key issues across the different policy alternatives will provide the Administrator a comprehensive document that will allow for better, more informed decisionmaking. Using this policy-level EIS as the basis for the analysis of these policy issues will also help to focus and expedite the decisionmaking process when BPA needs to take action. By incorporating public involvement throughout this policy analysis stage, as well as during future site-specific decisionmaking, BPA is ensuring a more publicly inclusive and information-rich NEPA process.

11. How will this undertaking benefit the region?
There are unique differences across the region when it comes to transmission issues and transmission business practices. These differences will be highlighted and evaluated in this policy-level EIS. By addressing these differences, the EIS will allow the Administrator to make decisions with full understanding of the sometimes conflicting regional concerns and priorities throughout the agency's service territory. Undertaking a proactive and regionally collaborative approach now will facilitate better informed and effective decisionmaking in the future, making those decisions less reactive, more timely, and supported by previously established and regionally-evaluated policy.

12. What will this EIS do? What transmission issues will not be addressed by the EIS?
The TBP EIS will:

- ***Identify key transmission issues and policy concerns.*** This EIS will identify and explain different perspectives.
- ***Set a foundation for deciding policy-level issues.*** This document will provide a cumulative impact analysis of transmission issues and help in the resolution of many policy issues (e.g., tiered rates, infrastructure planning, non-construction alternatives).
- ***Allow BPA to be more responsive to future events.*** Over time, BPA will need to take action in response to events (such as the establishment of a national Energy Plan), demands for new products or services, or new environmental requirements. The TBP EIS will better position the agency to make timely, informed decisions so actions can be implemented without unnecessary delays.
- ***Provide an enhanced understanding of transmission issues.*** The TBP EIS will expand on the analysis of transmission in the Business Plan EIS and update the understanding of national and regional events that affect BPA's transmission business.
- ***Provide one more tool for BPA to assure compliance with NEPA.*** The TBP EIS will reaffirm the Tiered ROD process and document its utility in assuring NEPA compliance for future TBL actions.

The TBP EIS will not:

- ***Stop current and ongoing policy, program, and project work.*** Ongoing policy, program, and project work, including the NEPA compliance components, will continue during the development of this policy-level EIS. Issues, such as reliability, included in the EIS may need to be addressed immediately, due to increasing concerns as a result of East Coast blackout in August of 2003. Resolution of issues such as these will continue moving forward on an independent timeframe. The completed TBP EIS, however, will integrate the analysis of all of the issues.
- ***Replace other agencies' environmental requirements.*** Environmental compliance related to regulations such as the Endangered Species Act, the Clean Water Act, the National Historic Preservation Act, and floodplain and wetland orders will still need to be considered at the project-specific level. The independent environmental obligations of other agencies will not be satisfied by BPA's TBP EIS.

13. If/when we adopt this policy document, what challenges do we face in the future when working with other agencies, such as the Forest Service?

Since they may be unfamiliar or uncomfortable with our tiering strategy, some other agencies may find it difficult to reconcile their more traditional NEPA compliance strategies with our Tiered RODs. Although our process would not preclude another agency's procedures, it is possible that an agency unfamiliar with our approach may be reluctant for BPA to use the tiered ROD process on joint projects. We expect that BPA's NEPA staff will need to work with other agency personnel in order to increase their comfort level with our process. However, there may still be instances, such as when BPA is a cooperating agency on a project, where BPA will need to complete traditional site-specific environmental documents. However, those site-specific documents will still benefit from the narrowing of scope TBP EIS provides.

14. Who else can use this document? Can anyone else adopt this document? How would their EIS processes and purposes work in conjunction with our tiered ROD process?

Another federal agency may choose to formally adopt BPA's TBP EIS and use the analysis for its own purposes. However, given BPA's somewhat unique role as a transmission services provider in the region, we expect that adoption would be rare. When BPA and another federal agency work together on a transmission issue covered by the TBP EIS, the other federal agency will likely choose to complete its own NEPA process. However, there may be times when that agency could adopt that part of the EIS analysis that relates to its purposes and need. When working with customers or pursuing joint development of a transmission line, it is possible that the analysis in the TBP EIS and subsequent tiered RODs could be used to satisfy state or local environmental analysis requirements.

15. How do we balance BPA as the decisionmaker versus BPA addressing or representing national or regional policy initiatives?

BPA is the owner and operator of the majority of the Pacific Northwest's high voltage transmission grid. Therefore, BPA has a unique responsibility for making decisions related to the development and operation of that system. Through this policy-level EIS process BPA is inviting others throughout the region, as well as throughout the nation, to participate in analyzing transmission policy issues. Such participation will help to ensure a rich and full consideration of the issues. BPA wants to understand the many different perspectives regarding transmission issues so the agency can make more fully-informed decisions about the transmission system now and into the future.

16. How do we address the dynamic transmission environment in the short term? When do we stop accepting or addressing new issues in this document?

In the short term, BPA must continue to use site-specific documents or the Business Plan EIS to support decisions that are required before the TBP EIS Record of Decision is signed. However, these other environmental documents should be consistent with the analysis ultimately contained in the policy-level EIS. Through public scoping and internal BPA discussion, the issues should be sufficiently framed so that there are no surprises. The final document will be broad enough to cover issues across a wide range of foreseeable policy alternatives. The analysis in the EIS must remain at the policy level, with more detail included in the tiered documents. Discussing issues in too much detail limits the lifespan of the EIS.

17. How do we distinguish this document from other current initiatives? Will there be public confusion about a relationship between this preparing this document and joining an RTO?

The TBP EIS will be a broadly-scoped document, discussing a number of policy issues in a generalized manner. No single issue, such as RTO, will be a dominant factor. Providing clear and accurate information to the public during preparation of the EIS should make it apparent that the document is more than just an RTO precursor. Comments received during scoping and during review of the Draft EIS will provide important feedback. If it appears the public is confused, there will still be opportunities to provide clarifying information to the public before the Final EIS.

18. What about decisions (either site-specific or policy/program) needed before the EIS is done?

Prior to the completion of the Final EIS and issuance of the initial ROD, any TBL decisions, either on site-specific infrastructure projects or programs and policies, will need independent NEPA analysis. The TBL will continue with its current decision-making strategy, supporting decisions with the appropriate NEPA analysis. NEPA compliance tools include EISs, EAs, CXs, and RODs tiered off of the existing Business Plan EIS. After the Administrator issues the initial ROD, the TBL may support decisions on subsequent actions in RODs tiered to the TBP EIS.