



Department of Energy

Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208-3621

August 29, 2001

To: People Interested in the Cliffs Energy Project Interconnection

Bonneville Power Administration (BPA) has been asked by GNA Energy, LLC (GNA) for services allowing interconnection and transmission of electricity generated from the Cliffs Energy Project (CEP) to the Federal Columbia River Transmission System (FCRTS). This letter explains what is being proposed, BPA's role in the project, and the environmental analysis related to the project. BPA invites you to provide any comments you have regarding the decision that BPA will need to make on this project. This letter tells how and where you can provide comments and who to call if you have questions.

Proposal: The CEP is 0.5 mile west of the Goldendale Aluminum Company's smelter just off State Route 14 in Klickitat County, Washington. Components of the project to be built by GNA include:

- a simple cycle generation plant located on 9 acres of land zoned for industrial use;
- 5 miles of new natural gas pipeline;
- 700 feet of new single-circuit 230-kilovolt transmission line between the plant and BPA's Harvalum Substation;
- new pipeline to deliver raw water from existing water towers; and
- new pipeline to convey wastewater to an existing wastewater treatment facility for Goldendale Aluminum Smelter.

BPA proposes to integrate the 225-megawatt power-generation project into the FCRTS at its Harvalum Substation, adjacent to the Goldendale Aluminum Company smelter. BPA would connect the transmission line from CEP into a line terminal at the Harvalum Substation. A line terminal would include the installation of one dead-end tower, a breaker, three disconnect switches, and one bus tube inside the fenced area of Harvalum Substation. This project is one of many proposed generation projects currently being considered for integration into the FCRTS. Power generated at the CEP will be available for purchase in the wholesale power market.

Background: Klickitat County was the lead agency in conducting environmental analysis of the CEP under the Washington State Environmental Policy Act (SEPA). The county issued a Mitigated Determination of Non-Significance (MDNS) for the project on May 24, 2001. GNA is in the process of receiving all the required permits from Washington State air and water quality regulation agencies. Mitigation for CEP will comply with the requirements of Washington's SEPA and regulatory agencies.

BPA has adopted the Federal Energy Regulatory Commission's *pro forma* open access tariff. Under this tariff, BPA must offer transmission services, including interconnection of generation, to all eligible customers on a first-come, first-served basis. Although BPA's interconnection of a generator is subject to National Environmental Policy Act review, BPA otherwise will not deny interconnection to any eligible customer that complies with BPA's financial and technical requirements.

The decision to offer terms to integrate CEP must be consistent with BPA's Business Plan, the Business Plan Environmental Impact Statement (BP EIS) (DOE [Department of Energy]/EIS-0183, June 1995) and the Business Plan Record of Decision (August 15, 1995). The BP EIS examined 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).

Because of the demand for electricity, a number of new generating resources are being proposed to meet regional energy needs. 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 a Regional Air Quality Modeling Study¹ (Air Study) to evaluate potential cumulative impacts. The study area covered proposed power plants in Washington, the northern half of Oregon, and the Idaho panhandle. The air quality impacts of 45 natural-gas-fired combustion turbines, representing more than 24,000 megawatts in capacity, were evaluated.

Phase I of the Air Study found that the power plants would not cause a notable deterioration of air quality as characterized by sulfur dioxide (SO₂), nitrogen oxide (NO_x), and particulate matter nominally 10 microns and less (PM₁₀), but suggested that the worst case aggregate emissions from 45 combustion turbine power projects proposed for the region have the potential to degrade visibility. Although visibility is not regulated, it is an area of concern. Phase II of the Air Study found that the CEP does not create noticeable visibility impacts to sensitive areas, including the Columbia River Gorge National Scenic Area, when combined with impacts resulting from existing permitted facilities.

Analysis of the impacts on fish and wildlife concluded that there would be negligible impact on any State or Federal threatened and endangered species.

Opportunity to Comment: If you would like to comment on this proposal, there are several ways to do so:

- Call my toll-free number 1-800-282-3713, or my direct number 503-230-3796; you may leave a message with your comment if I am not available when you call (please include the name of this project);
- send an e-mail to: comment@bpa.gov;
- mail comments to: Bonneville Power Administration
Communications - KC-7
P.O. Box 12999
Portland, OR 97212;
- FAX a comment or letter to 503-230-3285. Please include your name and the project name.

All comments must be received by BPA before close of business on September 14, 2001.

Process/Schedule: Following close of the comment period, BPA will respond to substantive comments on this project. A Record of Decision, including responses to your comments, is expected to be issued by October 1, 2001.

For More Information: You can check our website at www.efw.bpa.gov for information on this project and results from the Phase I Air Quality Study. If you would like further information, please call me at the toll-free or direct numbers noted above, or contact Mike Raschio at (360) 418-8695.

Sincerely,

Don Rose
Environmental Project Manager

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