

ENVIRONMENTAL REVIEW for CATEGORICAL EXCLUSION DETERMINATION
Rocky Mountain Region, Western Area Power Administration

Loveland Area Projects 2025 Power Marketing Initiative Proposal

A. Brief Description of Proposal: Western's Rocky Mountain Region (RMR) serves customers in Colorado, Wyoming, Nebraska and Kansas. Power generated is part of the Pick-Sloan Missouri Basin Program-Western Division and the Fryingpan-Arkansas Project, collectively known as the Loveland Area Projects (LAP). The final Post-1989 General Power Marketing and Allocation Criteria (Post-1989 Plan), for the LAP was published in the Federal Register (51 FR 4012, January 31, 1986) and provided the marketing plan principles used to market LAP firm hydropower resources. The Firm Electric Service (FES) contracts associated with the Post-1989 Plan were initially to expire September 30, 2004. Subpart C of the Energy Planning and Management Program (EPAMP) final rule, published in the Federal Register (60 FR 54151, October 20, 1995), extended and amended the Post-1989 Plan. EPAMP extended the FES contracts associated with the Post-1989 Plan through September 30, 2024, and established the Post-2004, Post-2009, and Post-2014 resource pools. The current marketing plan is inclusive of the Post-1989 Plan as extended and amended by EPAMP, as well as the Post-2004, Post-2009, and Post-2014 power marketing initiatives. Western's 2025 Power Marketing Initiative (2025 PMI) proposes to extend the current marketing plan with amendments to the Contract Term and Resource Pools principles.

The marketing plan principles that are amended, as well as, the marketing plan principles that are extended are as follows:

Amended Marketing Plan Principles

The following marketing plan principles are amended under the 2025 PMI:

- 1) Contract Term: A 30-year contract term will be used for FES contracts. To facilitate transition to new contracts, Western may begin the contracting process as early as 2013. Executable contracts would become effective upon execution, the obligations of which would begin October 1, 2024, and continue until September 30, 2054.
- 2) Resource Pools: The 2025 PMI provides resource pools of up to 1 percent of the marketable resource under contract at the time for eligible new preference entities. Reallocations will occur at the beginning of the contract term (October 1, 2024) and again every ten years (October 1, 2034, and October 1, 2044).

Extended Marketing Plan Principles

Extension of the current marketing plan includes all provisions and principles not specifically addressed in the preceding section (Amended Marketing Plan Principles). The following key principles of the current LAP marketing plan are included below for reference purposes:

- 1) Marketable Resource: Western extends the current marketing plan contract rates of delivery commitments (with associated energy) to existing long-term FES customers, reduced by up to 1 percent for each new resource pool on October 1, 2024, October 1, 2034, and October 1, 2044.
- 2) Hydrology and River Operations Withdrawal Provision: Western reserves the right to adjust, at its discretion and sole determination, the contract rate of delivery on five years advance written notice in response to changes in hydrology and river operations.
- 3) Marketing Area: The LAP marketing area is the portion of Colorado east of the Continental Divide; Mountain Parks Electric, Inc.'s service territory in Colorado west of the Continental

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Divide; the portion of Kansas located in the Missouri River Basin; the portion of Kansas west of the eastern borders of the counties intersected by the 100th Meridian; the portion of Nebraska west of the 101st Meridian; and Wyoming east of the Continental Divide.

- 4) Mt. Elbert Pumped-Storage: The full 200 MW of Mt. Elbert capacity is included in the LAP capacity allocations. Only flow-through generation is included in LAP energy allocations, and customers may schedule capacity without energy. Off-peak energy must be returned to Western commensurate with any on-peak energy taken.

B. Number and Title of the Categorical Exclusion Being Applied: (See text in 10 CFR Part 1021, Subpart D.)

B4.1 Contracts, policies, and marketing and allocation plans for electric power

Establishment and implementation of contracts, policies, and marketing and allocation plans related to electric power acquisition that involve only the use of the existing transmission system and existing generation resources operating within their normal operating limits.

NOTE: This Categorical Exclusion (CX) incorporates information from the Energy Planning and Management Program Environmental Impact Statement (DOE/EIS 0182); Record of Decision (Federal Register Volume 60, Number 197, October 12, 1995); and supporting documentation according to the Council on Environmental Quality (CEQ) Regulations for Implementing the National Environmental Policy Act (NEPA), Section 1502.21. The EIS is available upon request.

C. Regulatory Requirements in 10 CFR 1021.410 (b): (See full text in regulation and attached checklist.)

- 1) The proposed action fits within a class of actions listed in Appendix A or B to Subpart D.

For classes of actions listed in Appendix B, the following conditions are integral elements. To fit within a class, the proposal must not:

- Threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders;
- Require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators), but the proposal may include categorically excluded waste storage, disposal, recovery, or treatment actions or facilities;
- 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;
- Have the potential to cause significant impacts on environmentally sensitive resources. An environmentally sensitive resource is typically a resource that has been identified as needing protection through Executive Order, statute, or regulation by Federal, State, or local government, or a federally recognized Indian tribe. An action may be categorically excluded if, although sensitive resources are present, the action would not have the potential to cause significant impacts on those resources (such as construction of a

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building with its foundation well above a sole-source aquifer or upland surface soil removal on a site that has wetlands). Environmentally sensitive resources include, but are not limited to, those listed in paragraph B. (4) (see Attachment A).

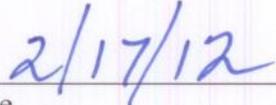
- 2) There are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal.
- 3) The proposal is not "connected" to other actions with potentially significant impacts, is not related to other proposed actions with cumulatively significant impacts, and is not precluded by 40 CFR 1506.1 or 10 CFR 1021.211.

D. Special Stipulations Pertaining to the Proposal:

If the scope of work of this proposal changes Western's Environmental Division must be contacted for additional environmental review.

- E. Determination:** Based on my review of information provided to me and in my possession concerning the proposed action, I determined that the proposed action fits within the specified class of actions, the other regulatory requirements set forth above are met, and the proposed action is categorically excluded from requirements for an EA or an EIS.


Signature


Date

Gene Iley, Jr.
NEPA Compliance Officer
Rocky Mountain Customer Service Region
Western Area Power Administration

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ATTACHMENT A

**Conditions That Are Integral Elements of the Classes
of Actions in Appendix B That Apply to This Proposal**

Checklist for Categorical Exclusion Determination, revised Nov. 2011

Application of Categorical Exclusions (1021.410)	Disagree	Agree	Unknown
(b)(1) The proposal fits within a class of actions that is listed in appendix B to subpart D.		X	
(b)(2) There are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal. Extraordinary circumstances are unique situations presented by specific proposals, including, but not limited to, scientific controversy about the environmental effects of the proposal; uncertain effects or effects involving unique or unknown risks; and unresolved conflicts concerning alternate uses of available resources.		X	
(b)(3) The proposal has not been segmented to meet the definition of a categorical exclusion. Segmentation can occur when a proposal is broken down into small parts in order to avoid the appearance of significance of the total action. The scope of a proposal must include the consideration of connected and cumulative actions, that is, the proposal is not connected to other actions with potentially significant impacts (40 CFR 1508.25(a)(1)), is not related to other actions with individually insignificant but cumulatively significant impacts (40 CFR 1508.27(b)(7)), and is not precluded by 40 CFR 1506.1 or § 1021.211 of this part concerning limitations on actions during EIS preparation.		X	
B. Conditions that are Integral Elements of the Classes of Actions in Appendix B.	NO	YES	Unknown
(1) Threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety and health, or similar requirements of DOE or Executive Orders.	X		
(2) Require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators), but the proposal may include categorically excluded waste storage, disposal, recovery, or treatment actions or facilities;	X		
(3) 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;	X		
(4) Have the potential to cause significant impacts on environmentally sensitive resources. An environmentally sensitive resource is typically a resource that has been identified as needing protection through Executive Order,	X		

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statue, or regulation by Federal, state, or local government, or a federally recognized Indian tribe. An action may be categorically excluded if, although sensitive resources are present, the action would not have the potential to cause significant impacts on those resources (such as construction of a building with its foundation well above a sole-source aquifer or upland surface soil removal on a site that has wetlands). Environmentally sensitive resources include, but are not limited to:			
(i) Property (such as sites, buildings, structures, and objects) of historic, archaeological, or architectural significance designated by a Federal, state, or local government, or property determined to be eligible for listing on the National Register of Historic Places;	X		
(ii) Federally-listed threatened or endangered species or their habitat (including critical habitat) or Federally-proposed or candidate species or their habitat (Endangered Species Act); state-listed or state-proposed endangered or threatened species or their habitat; Federally-protected marine mammals and Essential Fish Habitat (Marine Mammal Protection Act; Magnuson-Stevens Fishery Conservation and Management Act); and otherwise Federally-protected species (such as under the Bald and Golden Eagle Protection Act or the Migratory Bird Treaty Act);	X		
(iii) Floodplains and wetlands (as defined in 10 CFR 1022.4, —Compliance with Floodplain and Wetland Environmental Review Requirements: “Definitions,” or its successor);	X		
(iv) Areas having a special designation such as Federally- and state-designated wilderness areas, national parks, national monuments, national natural landmarks, wild and scenic rivers, state and Federal wildlife refuges, scenic areas (such as National Scenic and Historic Trails or National Scenic Areas), and marine sanctuaries;	X		
(v) Prime or unique farmland, or other farmland of statewide or local importance, as defined at 7 CFR 658.2(a), —Farmland Protection Policy Act: Definitions, or its successor;	X		
(vi) Special sources of water (such as sole-source aquifers, wellhead protection areas, and other water sources that are vital in a region); and	X		
(vii) Tundra, coral reefs, or rain forests; or	X		

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(5) 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.	X		
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Applicable statutory, regulatory, or permit requirements for environment, safety and health, including requirements of DOE and/or Executive Orders (in addition to those listed above)