

undesirable plants is necessary to protect and enhance wildlife habitat in the project area.

Parowan agreed to implement this recommendation and Commission staff also agrees that this recommendation would ensure that noxious and undesirable plants do not become established because of project-related activities. We recommend Parowan prepare a plan to control noxious and invasive weeds.

Unavoidable Adverse Impacts

None.

3. Threatened and Endangered Species

Affected Environment

By letter dated December 3, 2002, Commission staff requested a list of any threatened and endangered species at the project from the FWS. The FWS responded on December 26, 2002, saying that the following listed or candidate species may occur in the project area:

Species	Status
Bald eagle	Threatened.
California condor	Endangered.
Mexican spotted owl	Threatened.
Utah prairie dog	Threatened.

Environmental Impacts and Recommendations

Parowan surveyed the project area for threatened and endangered species and did not observe any of the above species. We have no other sources of information indicating these species exist in the area. Because we have no data indicating the above species exist within the project area, and because Parowan does not propose any changes to project structures or operations, we find that the proposed project would have no effect on threatened and endangered species.

Unavoidable Adverse Impacts

None.

4. Cultural Resources

Affected Environment

On May 4, 2001, and March 21, 2002, the State Historic Preservation Officer (SHPO) commented that no cultural resources, listed or eligible for inclusion in the National Register of Historic Places would be affected by the continued operation and maintenance of the project (letter from Barbara L. Murphy and James L. Dykmann, respectively, State of Utah, Department of Community and Economic Development, Division of State History, Utah State Historical Society, Salt Lake City, Utah).

Environmental Impacts and Recommendations

If the project continues to operate as it has in the past, it is unlikely that any new sites would be discovered. However, if any new or undocumented archeological or historic sites are discovered during project operation or maintenance, Parowan should: (1) Consult with the SHPO and BLM about the discovered sites; (2) prepare a site-specific cultural resource management plan, including a schedule to evaluate the significance of the sites and to avoid or mitigate any impacts to sites found eligible for inclusion in the National Register of Historic Places; (3) base the site-specific plan on recommendations of the SHPO and BLM and the Secretary of the Interior's Standards and Guidelines for Archeology and Historic Preservation; (4) file the site-specific plan for Commission approval, together with the written comments of the SHPO and BLM; and (5) take the necessary steps to protect the discovered archeological or historic sites from further impact until notified by the Commission that all of these requirements have been satisfied.

The Commission may require cultural resources work and changes to cultural resources management plans based on the filings. Parowan would not be allowed to implement a cultural resources management plan or begin any land-clearing or land-disturbing activities in the vicinity of any discovered sites until informed by the Commission that the requirements have been fulfilled.

Unavoidable Adverse Impacts

None.

VI. Developmental Analysis

In previous sections of this draft EA, we assess the effects of continued operation of the project on the environment. In this section, we look at the effect proposed environmental measures would have on the project's power benefits and summarize the cost of environmental and developmental measures considered in our analysis. Also in this section, we show: (1) the cost of the proposed environmental measures for the project and (2) how the proposed environmental measures would affect the project's economics.

A. Power and Economic Benefits of the Project

The project has an installed capacity of 600 kW and provides an average annual energy generation of 2,300 MWh. Parowan does not propose any changes to project structures or operations. To calculate the economic benefits of the

project, we equate the value of project power benefits to the current cost Parowan would have to pay for the same amount of energy and capacity using alternative generating resources. We do not consider future inflation effects in our analysis.

The cost of alternative power is used as a threshold in our determination of positive or negative project power benefits. A positive net annual power benefit shows how much less it would cost Parowan to use the project's power instead of the most likely alternative power source. A negative net annual power benefit shows how much more it would cost to use the project's power instead of the most likely alternative power source.

B. Cost of Environmental Enhancement Measures

Any measures proposed or recommended by Parowan, agencies, or Commission staff could affect project economics because of the cost of these measures or their effect on power generation.

In this draft EA, we consider the implementation of a plan to control noxious and invasive weeds. The added cost of this measure is considered minimal. Such a plan would have negligible effects on project economics and would not affect annual generation.

C. Cost of Proposed Project

The economic parameters we used for our analysis are shown in table 3. The project, as proposed by Parowan, would have an annual cost of \$18,000 (7.4 mills/kWh). The current annual value of power from the project would be \$74,000 (32.1 mills/kWh). To determine whether the proposed project is economically beneficial, we subtract the cost of the project from the value of its power. As proposed, this project would yield a net annual power benefit of about \$56,000 (24.7 mills/kWh).

TABLE 2.—PARAMETERS FOR ECONOMIC ANALYSIS OF THE CENTER CREEK PROJECT

[Source: Parowan City and Commission staff]

Economic parameter	Value
Period of analysis	30 years.
Discount/interest rate ...	6.0 percent. ¹
Operation and maintenance.	\$17,118 per year. ²
Alternative energy value	32.1 mills per kWh. ³

¹ The discount and interest rates of 6.0 percent are provided by Commission staff as typical values for this type of analysis.

² The annual operation and maintenance cost is estimated by Commission staff.