



Department of Energy
Washington, DC 20585

April 14, 2017

RECORDS OF CATEGORICAL EXCLUSION DETERMINATION

Order No. 202-17-1

BACKGROUND: The National Environmental Policy Act (NEPA) requires federal agencies to prepare Environmental Impact Statements (EISs) for major federal actions significantly affecting the quality of the human environment.

The Department of Energy's (DOE's) regulations that implement NEPA (10 C.F.R. Part 1021) require it to determine whether a proposal requires that an EIS, an Environmental Assessment (EA), or a Categorical Exclusion (CX) be prepared. A CX refers to a category of actions that DOE has determined do not individually or cumulatively have a significant effect on the human environment. As such, DOE need not prepare an EA or an EIS for CX actions.

PROPOSED ACTION: On April 11, 2017, the Grand River Dam Authority (GRDA), an agency of the state of Oklahoma, filed a *Request for Emergency Order Pursuant to Section 202(c) of the Federal Power Act (FPA)* with the DOE to ensure electric system reliability. The GRDA Grand River Energy Center has three generation units: coal-fired Unit No. 1, coal-fired Unit No. 2, and natural gas combined cycle Unit No. 3. GRDA planned to retire Unit No. 1 effective April 16, 2017, because it is not compliant with the Environmental Protection Agency's (EPA's) Mercury and Air Toxics Standards, 40 C.F.R. part 63 subpart UUUUU. GRDA was granted two one-year extensions for compliance under which it has operated Unit No. 1 on a limited basis, but the EPA is barred under the Clean Air Act from issuing further extensions. 42 U.S.C. § 7413(a)(4). Unit No. 1 is needed, however, because the other Grand River Energy Center units are unavailable. Due to a lightning-caused fire, Unit No. 2 is currently offline for repairs, and due to flooding in Louisiana, Unit No. 3's construction is delayed until mid-July at the earliest. Unit No. 1 is thus GRDA's only available unit to provide dynamic reactive power support to the region's Reliability Coordinator, the Southwest Power Pool, Inc. (SPP), during low-load, high-voltage events.

FPA section 202(c)(2) requires the Secretary of Energy to ensure that any 202(c) order that may result in a conflict with a requirement of any environmental law be limited to the "hours necessary to meet the emergency and serve the public interest, and, to the maximum extent practicable," be consistent with any applicable environmental law and minimize any adverse environmental impacts. The provision of reactive power support necessitates operation of Unit No. 1, but at levels far below maximum output. The Department has consulted with the EPA and reviewed emissions data provided by GRDA. This Order will continue the operational limitations described in EPA Administrative Compliance Order AED-CAA-113(a)-2016-002, as amended. To minimize adverse environmental impacts and remain consistent with the approach

taken by the EPA, this Order limits operation of Unit No. 1 to the provision of dynamic reactive power support and not real power generation, and only when called upon by SPP for reliability purposes.

CX TO BE APPLIED: The proposed action identified above fits within the classes listed in Appendix A and B to Subpart D, of Part 1021-Categorical exclusions applicable to specific agency actions.

Specifically: A1 Routine DOE Business Actions. Routine actions necessary to support the normal conduct of DOE business limited to administrative, financial, and personnel actions. And: B4.4 Power marketing services and activities. Power marketing services and power management activities (including, but not limited to, storage, load shaping and balancing, seasonal exchanges, and other similar activities), provided that the operations of generating projects would remain within normal operating limits.

REGULATORY REQUIREMENT: The DOE proposed action is the continuation of EPA's Administrative Order (AO) operating limits. The EPA's AO has previously been determined by EPA to be subject to 15 U.S.C. 793(c)(1) "No action taken under the Clean Air Act shall be deemed a major Federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969 (83 Stat. 856)."

DOE has determined that the categorical exclusions identified above do not have a significant effect on the human environment either individually or cumulatively. Authorizing the proposed action will not (1) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health including DOE and/or Executive orders; (2) require siting of new facilities or expansion of existing facilities; (3) disturb hazardous substances, pollutants or contaminants; or (4) adversely affect environmentally sensitive resources.

DETERMINATION: Based on my review of the above information concerning the proposed action, as NEPA Compliance Officer (as authorized under DOE Order 451.1A), I have determined that the proposed action fits within the specified class of actions, other regulatory requirements set forth above are met, and the proposed action is hereby categorically excluded from further NEPA review.

Signature:



Brian Mills
NEPA Compliance Officer
Office of Electricity Delivery
and Energy Reliability

Date:

04/14/2017