



**Department of Energy  
Washington, DC 20585**

**June 16, 2017**

**RECORDS OF CATEGORICAL EXCLUSION DETERMINATION**

**Order No. 202-17-2**

**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.

On June 13, 2017, PJM Interconnection, L.L.C. (PJM), the Regional Transmission Organization (RTO) whose service territory includes the North Hampton Roads area east of Richmond, Virginia, filed a *Request for Emergency Order Pursuant to Section 202(c) of the Federal Power Act (FPA)* with the United States DOE "to preserve the reliability of [the] bulk power transmission system in the North Hampton Roads area." Virginia Electric and Power Company (Dominion Energy Virginia), the public utility serving the area, owns two coal-fired units at its Yorktown Power Station (Yorktown Unit 1 and Yorktown Unit 2). In November 2011, and again in October 2012, Dominion Energy Virginia notified PJM of its plan to deactivate both units, effective December 31, 2014, because the units were not equipped to comply with the Environmental Protection Agency's (EPA) Mercury and Air Toxics Standards (MATS), 40 C.F.R. part 63 subpart UUUUU. On June 24, 2014, pursuant to 40 C.F.R. 63.6(i)(4)(i)(A), the Virginia Department of Environmental Quality granted Dominion Energy Virginia a one-year MATS compliance extension for Yorktown Units 1 and 2. On April 16, 2016, pursuant to section 113(a) of the Clean Air Act, 42 U.S.C. 7413(a)(3) and (4), EPA issued an Administrative Compliance Order (ACO), through April 15, 2017. Since the ACO expired, Dominion Energy Virginia has not achieved full compliance with the MATS for Yorktown Units 1 and 2. Section 113(a) of the Clean Air Act bars further compliance extensions.

Due to anticipated heightened electricity demand or peak load conditions associated with hot summer weather, PJM load flow studies indicate that generation from Yorktown Units 1 and 2 will likely be needed to prevent the possibility of uncontrolled power disruptions in the North Hampton Roads area or other loss of grid reliability such as the implementation of an automated controlled load shed scheme.

**PROPOSED ACTION:** The DOE proposed action is issuance of the requested Emergency Order Pursuant to Section 202(c) of the FPA. 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.

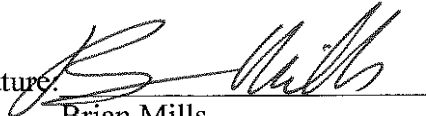
**CX TO BE APPLIED:** The proposed action identified above fits within the classes listed in Appendix B to Subpart D, of Part 1021-Categorical exclusions applicable to specific agency actions. Specifically: B4.4 Power marketing services and activities. Power marketing services and power management activities (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 ACO operating limits. The DOE Order will continue the operational limitations described in EPA's above-referenced ACO, AED-CAA-113(a)-2016-0005.

The EPA's ACO has previously been determined by EPA to be subject to 5 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 proposed action identified above will not have a significant effect on the human environment. 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 451.1B), 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: 