

Proposed Action Title: Arizona Public Service Company (APS) Docket EA-108-A, Authorizing Electricity Exports to Mexico

Program or Field Office: Department of Energy (DOE), Grid Deployment Office (GDO)

Location(s) (City/County/State): Various, U.S. to Mexico

Proposed Action Description:

APS is a power marketer with authority to export electric energy to the Comision Federal de Electricidad (CFE) in response to requests for emergency assistance by CFE and limited to a maximum rate of transmission of 20 megawatts. See EA-108. APS may "export electric energy to [CFE] only in response to request for emergency assistance by CFE," and "[t]he electricity exports authorized herein shall be delivered to CFE only over the facilities authorized by Presidential Permit PP-108 issued to APS by DOE." On July 16, 2019, APS filed a letter informing DOE of a change in the counter party listed in EA-108. APS represents that due to legal and regulatory energy reforms in Mexico, CFE is no longer responsible for requesting energy for emergency assistance and instead, Centro Nacional de Control de Energia (CENACE) "now operates [Mexico's] wholesale electricity market, has operational control of [Mexico's] national electric system, and establishes energy imports and exports for reliability and emergency situations," adding that CFE must "assign the Enabling Contract to CENACE." APS sought confirmation of EA-108's continued applicability following the Enabling Contract's assignment, however, because EA-108 specifies CFE as counter party to APS, it is necessary for DOE to amend the permit to reflect the assignment by substituting CENACE in references to CFE.

DOE-GDO has determined that such a permit modification will not impair the sufficiency of electric supply in the U.S., nor will it adversely affect either the reliability or the security of the U.S. electric transmission system within the meaning of the FPA 202(e).

<u>Categorical Exclusion(s) Applied</u>: B4.2 - Export of electric energy

For the complete DOE National Environmental Policy Act regulations regarding categorical exclusions, including the full text of each categorical exclusion, see Subpart D of <u>10 CFR Part 1021</u>.

Regulatory Requirements in 10 CFR 1021.410(b): (See full text in regulation)

The proposal fits within a class of actions that is listed in Appendix A or B to 10 CFR Part 1021, Subpart D.

To fit within the classes of actions listed in 10 CFR Part 1021, Subpart D, Appendix B, a proposal must be one that would not: (1) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders; (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; (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; (4) have the potential to cause significant impacts on environmentally sensitive resources, including, but not limited to, those listed in paragraph B(4) of 10 CFR Part 1021, Subpart D, Appendix B; (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 listed in paragraph B(5) of 10 CFR Part 1021, Subpart 1021, Subpart D, Appendix B.

There are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal.

The proposal has not been segmented to meet the definition of a categorical exclusion. This 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 10 CFR 1021.211 concerning limitations on actions during preparation of an environmental impact statement.

Based on my review of 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(es) of action, the other regulatory requirements set forth above are met, and the proposed action is hereby categorically excluded from further NEPA review.

NEPA Compliance Officer: CHRISTINA GOMER Digitally signed by CHRISTINA GOMER Date: 2023.10.04 08:04:09 -06'00'