



Department of Energy
Western Area Power Administration
P.O. Box 281213
Lakewood, CO 80228-8213

September 27, 2019

Subject: Scoping Letter for an Environmental Assessment, Historic Properties Review and Notice of Floodplain and Wetland Action for Western Area Power Administration's (WAPA) Arizona Peaking Capacity Energy Storage Project (DOE/EA-2123)

Dear Interested Party:

Western Area Power Administration (WAPA) seeks your participation and involvement in establishing the scope of environmental issues and studies associated with the Arizona Peaking Capacity Energy Storage Project located near the City of Peoria, Maricopa County, Arizona.

Proposed Action:

WAPA is a Federal power-marketing agency within the U.S. Department of Energy (DOE) that operates and maintains electric transmission lines and associated facilities in accordance with the Federal Power Act, Section 211, and our Open Access Transmission Service Tariff. WAPA's Transmission Infrastructure Program (TIP) is a unique federal infrastructure financing program aimed at expanding and modernizing the electric grid. TIP manages WAPA's statutory \$3.25 billion borrowing authority and can make strategic loans to project applicants for qualifying projects and offer a wealth of experience and expertise to address development hurdles when needed. The program's primary goal is to leverage federal funds and attract private and other non-federal co-investment to support the development of critical transmission and related infrastructure.

WAPA is responding to a request from AES Energy Storage, LLC, for project financing under the Transmission Infrastructure Program for the proposed Arizona Peaking Capacity Energy Storage Project. WAPA could provide project financing from the United States Treasury under authority granted to WAPA under Section 402 of the American Recovery and Reinvestment Act of 2009 (Recovery Act) (Public Law 111-5), which amended the Hoover Power Plant Act of 1984 (Public Law 98-381).

AES Energy Storage, LLC, proposes to build, operate, and maintain an approximately 100-megawatt (MW) battery storage facility on a 3.5-acre parcel of private land. Construction of the battery storage facility would include battery storage containers, inverters/transformers, communications equipment, switchgear, and heating, ventilation, and air conditioning (HVAC) units. In addition, transmission poles and associated electricity transmission facilities would connect the project site to the APS Westwing substation to the south. AES Energy Storage, LLC's battery storage facility is not part of the Federal action, but its impacts will be presented alongside that of the Federal action as part of a comprehensive analysis in a Draft Environmental Assessment.

We anticipate that construction could begin as soon as March 1, 2020. This start date depends on the completion of planning efforts described below and assumes no significant environmental impacts are identified. Further information is available online at:

<https://www.wapa.gov/transmission/EnvironmentalReviewNEPA/Pages/AZ-Energy-Storage-Project.aspx>

In order to finalize AES Energy Storage, LLC's request for project financing, WAPA would need to complete an environmental review to analyze the environmental effects of the proposed Project.

Environmental Planning Processes:

WAPA will address the following planning requirements and seeks your input:

- **Clean Water Act & Executive Order 11988 Floodplain Management:** WAPA will assess the proposed action's impacts, if any, to waters of the U.S., floodplains, and wetlands and comply with the requirements of applicable U.S. Army Corps of Engineers Section 404 permits. AES Energy Storage, LLC, may separately apply for and abide by such permits for their facilities. We seek your input about floodplains located near the project area and ways to avoid or minimize impacts.
- **Endangered Species Act:** WAPA will serve as lead Federal agency and will evaluate threatened, endangered and other special status species and their habitat that could be affected by the proposed action and consult with the U.S. Fish and Wildlife Service as needed. WAPA will conduct a biological review of areas impacted. We seek your observations about the occurrence of protected species near the project area and suggestions on ways to avoid or minimize adverse effects.
- **National Environmental Policy Act (NEPA):** WAPA will serve as lead Federal agency in the preparation of an Environmental Assessment of the proposed action and its impacts. We seek your comments about alternatives and environmental issues that you would like to see presented in a Draft Environmental Assessment.
- **National Historic Preservation Act:** WAPA will serve as the lead Federal agency for Section 106 consultations with the Arizona State Historic Preservation Officer, Indian tribes, and consulting parties for the proposed action. We plan to conduct an archaeological field survey. WAPA seeks your suggestions about available sources of cultural resource information and applicable types of identification efforts.

Get Involved:

We would like to know of any issues, concerns, and suggestions you may have regarding the proposed action. Your comments will help define issues and alternatives for consideration in the environmental review processes mentioned above. Comments can be provided in writing or by phone to the contact listed below.

Mail: Western Area Power Administration, HQ
ATTN: Andrew M. Montano, NEPA Document Manager
P.O. Box 281213
Lakewood, CO 80228-8213
Email: montano@wapa.gov
Phone: (720) 962-7253

WAPA prefers to receive your scoping comments by **October 25, 2019**, or be post-marked by this date. WAPA will consider late comments to the extent practicable.

Next Steps:

We intend to use your comments to prepare a Draft Environmental Assessment, which we expect to complete later this year. We will then seek public comment on this document when it becomes available. We look forward to receiving your comments.

Sincerely,



Matthew Blevins
Environmental Manager

Enclosure