

**U.S. DEPARTMENT OF ENERGY
WESTERN AREA POWER ADMINISTRATION
ROCKY MOUNTAIN REGION**

FINDING OF NO SIGNIFICANT IMPACT

**Request for Modification of Interconnection Agreement
for the
Colorado Highlands Wind Project**

**Logan County, Colorado
DOE/SEA-1611-S1**

AGENCY: U.S. Department of Energy, Western Area Power Administration

ACTION: Finding of No Significant Impact

Western Area Power Administration (Western), Rocky Mountain Region, received a request from Colorado Highlands Wind (CHW) to modify its Interconnection Agreement for the Colorado Highlands Wind Project. CHW proposes to expand its existing Colorado Highlands Wind Farm by adding up to 11 wind turbine generators (WTGs) on land adjoining their existing wind generation project. The additional 20 Megawatts (MW) of electricity produced by the proposed 11 WTGs would be transferred to Western's Sterling-Frenchman Creek line at Western's Wildhorse Creek Switching Station along with the currently authorized 90 MW.

Western proposes to modify the existing Interconnection Agreement with CHW to increase the generation authorized onto the transmission system at Western's Wildhorse Creek Switching Station from 90 MW to 110 MW. Western's proposed Federal Action is limited to the modification of the existing Interconnection Agreement and does not entail any construction or modification of Federally owned or operated equipment or facilities.

Under its Open Access Transmission Service Tariff (Tariff), Western is required to respond to CHW's Interconnection Agreement modification request. Western's Tariff conforms to section 211 of the Federal Power Act and Federal Energy Regulatory Commission's (FERC) Final Orders addressing non-discriminatory transmission system access. Western's Tariff provides for interconnections to Western's transmission system by all eligible entities, consistent with and subject to environmental review under the National Environmental Policy Act (NEPA), and other environmental regulations. Under its Tariff, Western must offer access to capacity on its transmission system, when capacity is available, on a non-discriminatory basis. Western also needs to ensure that by offering such capacity, existing transmission system reliability and service is not degraded by new or additional generation interconnections.

In accordance with applicable regulations, Western prepared a Supplemental Environmental Assessment (SEA) entitled *Request for Modification of Interconnection Agreement for the Colorado Highlands Wind Project* (DOE/SEA-1611-S1). The original Environmental

Assessment (DOE EA-1611) and Finding Of No Significant Impact (FONSI) was completed in 2009 and can be viewed online at <http://go.usa.gov/yKRW>.

Western's purpose and need for the SEA is to consider the request to modify the existing Interconnection Agreement in accordance with its Tariff. Western's proposed Federal Action is to modify the existing Interconnection Agreement with CHW to increase the generation authorized onto the transmission system at Western's Wildhorse Creek Switching Station from 90 MW to 110 MW.

Western's proposed Federal Action does not include CHW's proposed expansion project which would be constructed, owned, operated, and maintained by CHW and subject to Colorado's statewide utility siting authority approval. However, Western's SEA analyzed and disclosed the potential environmental impacts of CHW's proposed expansion. The SEA identified no significant impacts to environmental resources resulting from either Western's proposed Federal Action or CHW's proposed expansion project.

Notification that the Draft SEA and appendices were available for review on-line was distributed to interested agencies, tribes, groups, and individuals on September 3 and 4, 2014. The comment period ended on October 14, 2014. Three comment letters were received. Two letters from the public requested specific information regarding the additional turbines, and one letter from the United States Army reminded Western of its responsibilities under the Clean Water Act. These letters are addressed in Western's Comment and Response document which may be found online at <http://go.usa.gov/yKRW>.

Based on the information contained in the SEA, Western's proposed Federal Action would not result in significant environmental impacts. Western has determined that its proposed Federal Action to modify the existing Interconnection Agreement with CHW to increase the output from 90 MW to 110 MW does not constitute a major Federal Action significantly affecting the quality of the human environment within the meaning of NEPA. Preparation of an environmental impact statement is not required and Western is issuing this FONSI. The final SEA is approved concurrently with this FONSI.

FOR FURTHER INFORMATION, CONTACT: Additional information and copies of the SEA and this FONSI are available to all interested parties online at <http://go.usa.gov/yKRW> and from the following contact:

Mr. Gene Iley, Environmental Manager
Western Area Power Administration
Rocky Mountain Regional Office
P.O. Box 3700
Loveland, CO 80539-3003
Phone: (970) 461-7294
Fax: (970) 461-7213
Email: iley@wapa.gov

For further information on the DOE/NEPA process, contact:

Ms. Carol M. Borgstrom
Director, Office of NEPA Policy and Compliance, GC-54
U.S. Department of Energy
1000 Independence Avenue SW.
Washington, DC 20585
Phone: (202) 586-4600 or (800) 472-2756

SUPPLEMENTARY INFORMATION: This FONSI was prepared in accordance with the Council on Environmental Quality Regulations for Implementing the Procedural Provisions of the NEPA, 40 CFR 1508.13, and the DOE NEPA Implementing Procedures, 10 CFR 1021.322. The FONSI briefly presents the reasons why Western's proposal to modify the existing Interconnection Agreement for the CHW Wind Energy Project would not have a significant impact on the human environment. Modification of the Interconnection Agreement would allow CHW to increase the generation allowed onto the transmission system at Western's Wildhorse Creek Switching Station from 90 MW to 110 MW. Western's SEA evaluated the environmental effects of Western's proposed Federal Action and also included an analysis and disclosure of the potential environmental impacts of CHW's proposed expansion project.

WESTERN'S PROPOSED FEDERAL ACTION: Western proposes to modify the existing Interconnection Agreement with CHW to increase the generation allowed onto the transmission system at Western's Wildhorse Creek Switching Station from 90 MW to 110 MW. Western's proposed Federal Action is limited to the modification of the existing Interconnection Agreement with CHW and does not entail any construction or modification of federally owned or operated equipment or facilities.

Transmission system studies were conducted to determine the effects on power flows in the event the Interconnection Agreement was modified. These studies indicate that the increase of 20 MW at Western's Wildhorse Creek Switching Station would not adversely affect transmission system operation or reliability, or impact power deliveries to existing customers.

CHW's PROPOSED PROJECT DESCRIPTION: CHW would like to expand its existing Colorado Highlands Wind Farm by adding up to 11 WTGs on land adjoining the existing Project. The additional 20 MW of electricity produced by the 11 WTGs would be transferred to Western's Sterling-Frenchman Creek Transmission Line at Western's Wildhorse Creek Switching Station, along with the currently authorized 90 MW. Other components of the wind farm expansion include additional underground electrical systems and new or upgraded access roads.

PUBLIC INVOLVEMENT: The SEA contains specific information on notifications to tribes, landowners, members of the public, and various local, State, and Federal agencies. Notification that the Draft SEA and appendices were available for review on-line was distributed to interested agencies, tribes, groups, and individuals on September 3 and 4, 2014. All correspondence is also available for review on-line at <http://go.usa.gov/yKRW>.

COMMENTS RECEIVED ON THE Draft SEA: Three comment letters were received. Two letters from the public requesting specific information regarding the additional turbines, and one letter from the United States Army reminding Western of its responsibilities under the Clean Water Act. These letters are addressed in Western's Comment and Response document which may be found online at <http://go.usa.gov/yKRW>.

ALTERNATIVES: DOE's NEPA regulations require that an EA include the proposed action and the no action alternative (10 CFR 1022.321(c)). Western proposes to modify the existing Interconnection Agreement with CHW to increase the generation allowed onto the transmission system at Western's Wildhorse Creek Switching Station from 90 MW to 110 MW. Western's proposed Federal Action is limited to the modification of the existing Interconnection Agreement with CHW and does not entail any construction or modification of federally owned or operated equipment or facilities. Under the no action alternative, Western would not modify the existing Interconnection Agreement. CHW electrical production would be limited to the currently authorized 90 MW.

ENVIRONMENTAL IMPACTS OF WESTERN'S ACTION: The proposed modification of the existing Interconnection Agreement will have no impacts to environmental resources.

ENVIRONMENTAL IMPACTS OF CHW'S PROPOSED PROJECT: The SEA evaluated the potential for CHW's proposed wind farm expansion to impact environmental resources found in the area. CHW has incorporated Western's Standard Construction Practices and Best Management Practices into the description of its proposed expansion. The analysis of environmental impacts identified no potential impacts that would be considered significant and no mitigation measures that should be implemented additional to those already embedded within the proposed expansion description.

DETERMINATION: Based on the information contained in the SEA, Western's proposed Federal Action would not result in significant environmental impacts. Western has determined that its action to modify the existing Interconnection Agreement with CHW does not constitute a major Federal Action significantly affecting the quality of the human environment within the meaning of NEPA. Therefore, preparation of an environmental impact statement is not required and Western is issuing this FONSI.

Issued at Loveland, Colorado, on December 15, 2014.



Bradley S. Warren
Senior Vice President
Rocky Mountain Regional Manager