



Department of Energy
Washington, DC 20585

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Subject: U.S. Department of Energy, Office of Energy Dominance Financing,
Completion of Environmental Review for Alabama Power Company's
Lock 5 Transmission Substation Project, Hale County, Alabama

Dear Ashley McVicar:

The United States Department of Energy (DOE), Office of Energy Dominance Financing (EDF), may provide Federal financial assistance (i.e., a loan or loan guarantee) under Title XVII of the Energy Policy Act of 2005 ("Title XVII") Public Law 109-58, title XVII (2005), as amended; 42 U.S.C. 16511 et seq.

DOE is considering whether to issue Federal financial assistance to Alabama Power Company (APC) pursuant to its authority. In its application for Federal financial assistance, APC has identified the **Lock 5 Transmission Substation Project** (Project) in Hale County, Alabama.

The proposed project consists of the following new facilities: (1) a new 1,055-foot by 1,740-foot substation (TS) and (2) a new gravel access road (30-foot-wide, approximately 0.25-mile-long) from Hale County Road 16 to the proposed TS. Additionally, the project site would be developed for space to accommodate six additional 500 kV terminals and two additional 230 kV terminals in the future. The project area does not contain any existing facilities.

The project boundary encompasses approximately 150 acres to allow for project design/siting flexibility; however, ground disturbing activities would occur on approximately 110 acres. Ground disturbing activities would include placement of fill, grading, and constructing the Lock Five TS and access road. Vegetation clearing is required for the Lock Five TS, however this is mostly agricultural vegetation with minimal tree clearing.

The eastern portion of the site may be utilized as a temporary parking area, laydown yard, and material receiving area. A permanent detention pond will be constructed immediately south of the Lock Five TS pad to manage stormwater. The access road will be located south of the

intersection of Owl Road and Hale County Road 16 and will intersect the west side, south travel lane of Hale County Road 16.

EDF, in coordination with the APC, has identified environmental statutes and Executive Orders applicable to the proposed Federal financial support for the Project include, but are not limited to:

1. Section 7 of the Endangered Species Act (16 USC 1536)
2. Section 106 of the National Historic Preservation Act (54 USC 306108)
 - a. Executive Order 13175, Consultation and Coordination With Indian Tribal Governments
3. E.O. 11988, Floodplain Management, and 10 CFR 1022, Floodplains
4. Farmland Protection Policy Act (7 USC 4201-4209)

EDF completed the environmental reviews and consultations associated with the Project, as summarized below.

Section 7, Endangered Species Act (16 USC 1536)

DOE generated an Official Species List on May 5, 2026 (USFWS project code: 2026-0085632). Five threatened, endangered, or proposed for listing species were identified as having potential to occur in the project area. The project area consists of land that has been historically used for farming/agriculture (successional field). There is no suitable habitat for these species within the project area. Using the U.S. Fish and Wildlife Service's Determination Key for the Tricolored bat, EDF reached a *no effect* determination for this species. For all other species, EDF has reached a *no effect* determination on the basis that no suitable habitat exists within the project area.

The project area does not overlap with designated Critical Habitat for any of these species.

Section 106, National Historic Preservation Act (54 USC 306108) and EO 13175

In accordance with Section 106 of the National Historic Preservation Act (NHPA), on April 30, 2026, DOE EDF initiated consultation with the Alabama State Historic Preservation Office (SHPO) and seven Native American Tribes including: Alabama-Coushatta Tribe of Texas; Alabama-Quassarte Tribal Town; Choctaw Nation of Oklahoma; Coushatta Tribe of Louisiana; Mississippi Band of Choctaw Indians; Muscogee (Creek) Nation; and Seminole Tribe of Florida.

DOE's consultation package indicated a Finding of No Adverse Effect, consistent with 36 CFR § 800.4(d)(1).

On May 26, 2026, the Alabama SHPO provided a letter of concurrence with DOE's Finding of No Adverse Effect. The Alabama SHPO's concurrence letter stipulates:

If archaeological materials are encountered during construction, the procedures

codified at 36 CFR 800.13(b) will apply. Archaeological materials consist of any items, fifty years old or older, which were made or used by man. These items include but are not limited to, stone projectile points (arrowheads), ceramic sherds, bricks, worked wood, bone and stone, metal, and glass objects. The federal agency or the applicant receiving federal assistance should contact [SHPO's] office immediately. If human remains are encountered, the provisions of the Alabama Burial Act (Code of Alabama 1975, §13A-7-23.I, as amended Alabama Historical Commission Administrative Code Chapter 460-X-10 Burials) should be followed. This stipulation shall be placed on the construction plans to ensure contractors are aware of it.

The Choctaw Nation provided comments to EDF on May 31, 2026. The Choctaw Nation requested that an inadvertent discovery clause be added to the Borrower's construction documents. This is consistent with the Alabama SHPO's stipulation, noted above. EDF has responded and resolved all other Choctaw Nation comments.

No objections were received within 30 days of receipt of DOE's Finding; therefore, in accordance with 36 CFR § 800.4(d)(1)(i), DOE EDF's responsibilities under section 106 are fulfilled.

E.O. 11988, Floodplain Management, and 10 CFR 1022, Floodplains

The Project is partially sited within a Zone A Special Flood Hazard Area (SFHA) along the Black Warrior River and has been designed to comply with the Hale County and Federal Emergency Management Agency (FEMA) National Flood Insurance Program (NFIP) requirements (Schoel 2026).

Schoel Engineering completed a Flood Zone A Engineering Analysis of the site in August 2026. EDF has reviewed the engineering analysis and concurs with the findings. EDF's final statement of findings is based on the engineering report conclusions, summarized here:

The base flood elevation for the project site is 100.8. All proposed structures and mechanical equipment located on the project site will be elevated at least one foot above the 100.8 base flood elevation per the Hale County Flood Damage Prevention ordinance. In addition, a floodway was modeled for the Zone A reach. The proposed project was located outside of the modeled floodway, therefore no floodway related requirements apply to the proposed project site (Schoel 2026).

The proposed Lock Five transmission station project results in a negligible increase in model elevations at two cross sections but are equal to the revised effective (existing conditions) model elevations at all other locations. APC's site plan sets indicate that the work can be completed in conformance with the requirement for development in the SFHA, per the Hale County Flood Damage Prevention ordinance (Schoel 2026).

EDF published a Notice of Floodplain Action and Floodplain Assessment (Notice), including a Proposed Statement of Findings, on August 11, 2026. Additionally, EDF notified FEMA Region 4 and Hale County emergency and engineering departments of the Notice. The Notice

was available for a 15-day review and comment period. No comments were received.

Farmland Protection Policy Act (7 USC 4201-4209)

The 150-acre project site contains approximately 29 acres of prime and unique farmland. On May 5, 2026, EDF consulted the U.S. Department of Agriculture, Natural Resources Conservation Service (NRCS) under the Farmland Protection Policy Act. On May 11, 2026, NRCS returned the Land Evaluation to EDF. Ultimately, APC's project site was selected and NRCS has been notified of the selection.

Conclusion

EDF notes that APC is responsible for obtaining permits, approvals, and/or authorizations required for the construction and/or operation of the Project.

With this letter, EDF confirms that it has completed the environmental reviews and consultations required by the applicable and relevant environmental statutes and EOs associated with its proposed Federal financial support.

Respectfully,

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Office of Energy Dominance Financing

cc: Denis O'Meara, EDF Vertical Lead and Deal Captain
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