



**Department of Energy
Washington, DC 20585**

September 11, 2017

RECORDS OF CATEGORICAL EXCLUSION DETERMINATION

Order No. 202-17-4

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 electric transmission system in the North Hampton Roads area." The emergency order would require Virginia Electric and Power Company (Dominion Energy Virginia), the public utility serving the area, to operate its two coal-fired units at its Yorktown Power Station (Yorktown Unit 1 and Yorktown Unit 2) to react to electricity reliability emergencies.

On June 16, 2017, the Secretary of Energy, on behalf of the DOE, issued Order No. 202-17-2, determining that an electricity reliability emergency exists in the Commonwealth of Virginia, and ordering Dominion Energy Virginia to operate Units 1 and 2 of the Yorktown Power Station from June 16, 2017 to September 14, 2017 only when called upon for electricity reliability emergency issues.

On August 24, 2017, PJM filed a *Request for reissuance of DOE Order No. 202-17-2*, with DOE "to preserve the reliability of the bulk power transmission system in the North Hampton Roads area." Reissuance of *DOE Order No. 202-17-2* would require Dominion Energy Virginia, to operate Yorktown Unit 1 and Yorktown Unit 2 to react to reliability emergencies from September 15, 2017 to December 14, 2017.

PROPOSED ACTION: The DOE proposed Federal action would be the reissuance of DOE Order No. 202-17-2, as DOE Order No. 202-17-4, an emergency order targeted to prevent uncontrolled power disruptions and shedding of critical load in the North Hampton Roads area on the Virginia Peninsula for 90 days.

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.

BACKGROUND: 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.

By letters dated December 14, 2011 and April 11, 2014, PJM notified Dominion Energy Virginia that the deactivation of Yorktown Units 1 and 2 respectively would adversely affect the PJM transmission system absent the installation of certain transmission upgrades necessary to address the reliability impacts. PJM included the required transmission upgrade known as the Skiffes Creek Transmission Project a new 500kV transmission line across the James River as an upgrade.

PJM load flow studies indicate that generation from Yorktown Units 1 and 2 will 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.

Dominion Energy Virginia developed, an automated controlled load shed scheme known as the Remedial Action Scheme (“RAS”) or as the “North Hampton RAS” to address deactivation of the Yorktown Units. The North Hampton RAS” would result in a forced interruption of service to load on the Peninsula. During certain high load conditions, this power interruption could result in power loss effecting over 150,000 customers in the North Hampton Roads^a area of Virginia. In addition to residential customers, hospitals, nursing homes, schools, commercial, industrial, and national defense facilities would be without power during those peak load conditions on the Peninsula.

CX TO BE APPLIED: The proposed action identified above fits within the classes listed in Appendix B to Subpart D, of 10 CFR 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.

^a The North Hampton Roads load area includes the following: Charles City County, James City County, York County, Williamsburg, Yorktown, Newport News, Poquoson, Hampton, Essex County, King William County, King and Queen County, Middlesex County, Mathews County, Gloucester County, the City of West Point, King George County, Westmoreland County, Northumberland County, Richmond County, Lancaster County, and the City of Colonial Beach.

REGULATORY REQUIREMENT: The DOE proposed action is the reissuance of DOE Order No. 202-17-2, as DOE Order No. 202-17-4. The DOE Order reissuance will continue the operational limitations described for electricity reliability emergency issues.

The expected combined operation of Yorktown Units 1 and 2 reacting to electricity reliability emergencies under DOE Order No. 202-17-4 will be well below normal operating capacities and limits of Yorktown Units 1 and 2.

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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: September 11, 2017