

FINDING OF NO SIGNIFICANT IMPACT

Arizona Peaking Capacity Energy Storage Project,
Maricopa County, Arizona
DOE/EA-2123

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

ACTION: Finding of No Significant Impact

BACKGROUND: U.S. Department of Energy (DOE), Western Area Power Administration (WAPA) prepared an Environmental Assessment analyzing the Proposed Action and a No Action Alternative for the AES Energy Storage, LLC's (AES) Arizona Peaking Capacity Energy Storage Project (Project) in Maricopa County, Arizona. WAPA's Proposed Action consists of considering providing funding in response to a request from AES for project financing under the Transmission Infrastructure Program for their Project. WAPA could provide project financing from the United States Treasury under authority granted to WAPA under Section 402 of the Recovery Act of 2009 (Public Law 111-5), which amended the Hoover Power Plant Act of 1984 (Public Law 98-381). The environmental review helps inform WAPA's consideration of any loan application under its borrowing authority. During the environmental review, WAPA was the lead Federal agency, and the U.S. Bureau of Reclamation (Reclamation) was a cooperating agency.

Reclamation plans to respond to AES's application for interconnection by approving and signing a Large Generator Interconnection Agreement (LGIA) with AES. The approval of the LGIA by Reclamation and other participants would allow AES to interconnect to the Arizona Public Service (APS) Westwing Substation. Because Reclamation is a Federal agency and owner of a share of the Navajo Southern Transmission System, interconnections are subject to environmental review under the National Environmental Policy Act (NEPA). Therefore, Reclamation's underlying purpose was to analyze the effect of the interconnection to the surrounding transmission system. Reclamation's decision to interconnect the proposed Project is independent of WAPA's consideration of project financing.

AES plans to build, operate, maintain, and decommission an approximately 100-megawatt (MW) battery energy storage facility on approximately 6 acres of a 10-acre parcel per their agreement with APS. Construction of the battery energy storage facility would include battery storage enclosures, inverters/transformers, communications equipment, switchgear, heating, ventilation, and air conditioning (HVAC) units, all of which will be enclosed by a solid 8-foot-tall perimeter wall. In addition, transmission poles and associated electricity transmission facilities would connect the facility to the APS's Westwing Substation to the south.

The facility would be located on private land approximately 7 miles west of the city of Phoenix, 1 mile south of the Village of Vistancia and the City of Peoria, and 0.7 miles west of State Route 303. The entire project area would be located in Section 1, Township 4 North, Range 1 West, Maricopa County, Arizona.

WAPA prepared a Final Environmental Assessment analyzing the Proposed Action and a No Action Alternative. It is titled "*Arizona Peaking Capacity Energy Storage Project, Final*

Environmental Assessment, DOE/EA-2123” and is dated August 2021. WAPA incorporates this EA by reference.

The Project will not affect listed species or designated critical habitat protected by the Endangered Species Act. WAPA consulted with the Arizona State Historic Preservation Officer (SHPO) and consulting parties under Section 106 of the National Historic Preservation Act. On September 1, 2020, the SHPO concurred with WAPA’s finding of no historic properties affected (SHPO-2020-1181(155468)).

DETERMINATION: Based on the analysis contained in DOE/EA-2123, WAPA finds that the evaluation of potential environmental impacts will help inform WAPA’s consideration of project financing. WAPA has determined that its Proposed Action 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 WAPA issues this Finding of No Significant Impact (FONSI).

FOR FURTHER INFORMATION, CONTACT: Additional information and copies of the Final EA and FONSI are available to all interested parties and the public from the following contact:

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The Final EA and FONSI can be downloaded from WAPA’s or DOE’s website at:
<https://www.wapa.gov/transmission/EnvironmentalReviewNEPA/Pages/AZ-Energy-Storage-Project.aspx>
<https://www.energy.gov/nepa/nepa-documents>

For further information on DOE’s NEPA process, contact:

Mr. Brian Costner, Director
U.S. Department of Energy, Office of NEPA Policy and Compliance
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Issued in Lakewood, Colorado on September 17, 2021.

Tracey A. LeBeau
Administrator