

**Record of Categorical Exclusion**  
**for**  
**Georgia Power Company's**  
**Nacoochee Development Generating Units 1 and 2**  
**Loan Application #EIR0045**

**Description of Categorically Excluded Action**

The United States Department of Energy (DOE), Loan Programs Office (LPO) may provide loan guarantees for energy infrastructure projects under section 1706 of Title XVII of the Energy Policy Act of 2005 (Energy Policy Act), as amended by the Inflation Reduction Act of 2022 (42 U.S.C. 16517) (the EIR Program). The purpose of the EIR Program is to finance projects and facilities in the U.S. that retool, repower, repurpose, or replace energy infrastructure that has ceased operations or enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases (42 U.S.C. 16517(a)(2)).

LPO is considering whether to issue a loan guarantee of a funding facility to the Georgia Power Company (GPC) pursuant to its authority under the EIR Program. In its application, GPC has identified the Nacoochee Development Generating Units 1 and 2 project (Project), on the Talullah River in Rabun County, Georgia, for inclusion in the funding facility that is the subject of DOE's loan guarantee. GPC may request inclusion of multiple individual projects with independent utility in the funding facility that is the subject of the DOE loan guarantee; accordingly, DOE will complete an environmental review pursuant to the National Environmental Policy Act (NEPA) for these projects prior to their inclusion in the funding facility that is the subject of DOE's loan guarantee.

The Project, replacing and upgrading generating units 1 and 2, will allow the Nacoochee Development to continue to meet the operational requirements of its existing hydropower license. Accordingly, the Proposed Action considered in this record of categorical exclusion is LPO's issuance of Federal financial support for the Unit 1 and 2 upgrades.

**Project Description**

The Nacoochee Development is located on the Tallulah River in Rabun County, Georgia approximately 4.8 miles downstream from Burton dam. The 2-unit, 4.8-MW Nacoochee powerhouse is located at 44 Low Gap Road, Lakemont, Georgia, 30552. Georgia Power owns the Nacoochee Development land, which includes the Nacoochee dam, the project works, and the designated work areas. The Project does not occupy any federal or tribal lands.

The Nacoochee Development operates in a modified run-of-river mode and consists of: (a) a 73-foot-high concrete gravity dam, with a left non-overflow section, an intake section, a sluiceway section, a free-crested spillway, and a right non-overflow section; (b) a 260-acre reservoir (Lake

Seed); (c) two steel penstocks; (d) a powerhouse at the toe of the dam containing two generating units with a total installed capacity of 4.8 MW; (e) a tailrace; (f) and other appurtenances.

In its April 3, 2023, license amendment application to FERC, Georgia Power proposed to upgrade the two generating units at the Nacoochee Development by replacing the turbine runners and generators. Upgrading the generating units would allow the Nacoochee Development to continue to meet the operational requirements of its existing license. For Unit 1, the maximum hydraulic capacity would increase from 617 cubic feet per second (cfs) to 629 cfs; and Unit 2 would decrease from 765 cfs to 629 cfs. The license amendment was approved by a FERC Order issued November 7, 2024.

The project upgrades would not require new facilities to be constructed and would take place inside the powerhouse, on major project works, and within designated work areas. Ground disturbance would be limited to five designated work areas that are located on previously disturbed lands. The work areas would be utilized for laydown areas, trailers for construction workers, and parking. Existing roads will be utilized to access the powerhouse and work areas associated with the Project. The project upgrades would not require a drawdown of Lake Seed and Georgia Power would operate the Nacoochee Development according to the existing license conditions during the upgrade work period and following the upgrade. Unit 1 construction is planned to begin June 2025 and Unit 2 is planned to begin July 2025.

In accordance with the Endangered Species Act, LPO's review of the Project found that there would be *no effect* to Federally threatened, endangered, proposed, and candidate species or to designated critical habitat.

The Nacoochee Development was completed in 1925 and is eligible for listing in the National Register of Historic Places (NRHP) individually, and as part of the North Georgia Project under NRHP Criterion A and Criterion C. On January 23, 2023, GPC provided an overview and assessment of the Project to the Georgia SHPO, represented by the Georgia Department of Community Affairs – Historic Preservation Division (HPD). In a letter dated February 20, 2023, the Georgia HPD concurred that the Project would cause an adverse effect on historic properties (the NRHP-eligible Nacoochee Development). FERC, Georgia SHPO, and GPC developed a memorandum of agreement (MOA) to resolve adverse effects, stipulating the completion of Level II Historic American Engineering Record (HAER) documentation and the installation of interpretive signage to inform the public about the history of the project and the region. Execution of the MOA (August 2024) fulfilled the FERC's obligations under the National Historic Preservation Act (NHPA).

GPC's application for a Federal loan guarantee from DOE LPO for the Project introduces an additional Federal nexus triggering a review of this undertaking under Section 106 of the NHPA. FERC remains the lead federal agency for the undertaking. DOE LPO consulted with the FERC and the Georgia SHPO to document DOE LPO's concurrence with the terms of the MOA as well as FERC's and SHPO's concurrence that the MOA resolves the adverse effects on historic properties inclusive of the proposed Federal financial support from DOE LPO for the undertaking.

The project area is located within the 100-year floodplain. However, since all project activities would occur within the powerhouse, on existing project works, or are temporary developments (e.g., laydown and parking areas), there is no potential to affect base flood elevations or the floodplain.

No permits are required to be obtained by GPC prior to initiating construction of the Project.

#### **Number and Title of Categorical Exclusion(s)**

The actions being considered under the Proposed Action are consistent with and covered by DOE categorical exclusions in 10 Code of Federal Regulations (CFR) Part 1021, Appendix B4, Categorical Exclusions Applicable to Electric Power and Transmission, respectively. This Project is covered by DOE Categorical Exclusion B1.3.

*B1.3 Routine Maintenance Routine maintenance activities and custodial services for buildings, structures, rights-of-way, infrastructures (including, but not limited to, pathways, roads, and railroads), vehicles and equipment, and localized vegetation and pest control, during which operations may be suspended and resumed, provided that the activities would be conducted in a manner in accordance with applicable requirements. Custodial services are activities to preserve facility appearance, working conditions, and sanitation (such as cleaning, window washing, lawn mowing, trash collection, painting, and snow removal). Routine maintenance activities, corrective (that is, repair), preventive, and predictive, are required to maintain and preserve buildings, structures, infrastructures, and equipment in a condition suitable for a facility to be used for its designated purpose. Such maintenance may occur as a result of severe weather (such as hurricanes, floods, and tornadoes), wildfires, and other such events. Routine maintenance may result in replacement to extent that replacement is in-kind and is not a substantial upgrade or improvement. In-kind replacement includes installation of new components to replace outmoded components, provided that the replacement does not result in a significant change in the expected useful life, design capacity, or function of the facility. Routine maintenance does not include replacement of a major component that significantly extends the originally intended useful life of the facility (for example, it does not include the replacement of a reactor vessel near the end of its useful life). Routine maintenance activities include, but are not limited to:*

- (a) Repair or replacement of facility equipment, such as lathes, mills, pumps, and presses;*
- (b) Door and window repair or replacement;*
- (c) Wall, ceiling, or floor repair or replacement;*
- (d) Reroofing;*
- (e) Plumbing, electrical utility, lighting, and telephone service repair or replacement;*
- (f) Routine replacement of high-efficiency particulate air filters;*

- (g) Inspection and/or treatment of currently installed utility poles;*
- (h) Repair of road embankments;*
- (i) Repair or replacement of fire protection sprinkler systems;*
- (j) Road and parking area resurfacing, including construction of temporary access to facilitate resurfacing, and scraping and grading of unpaved surfaces;*
- (k) Erosion control and soil stabilization measures (such as reseeding, gabions, grading, and revegetation);*
- (l) Surveillance and maintenance of surplus facilities in accordance with DOE Order 435.1, "Radioactive Waste Management," or its successor;*
- (m) Repair and maintenance of transmission facilities, such as replacement of conductors of the same nominal voltage, poles, circuit breakers, transformers, capacitors, crossarms, insulators, and downed powerlines, in accordance, where appropriate, with 40 CFR part 761 (Polychlorinated Biphenyls Manufacturing, Processing, Distribution in Commerce, and Use Prohibitions) or its successor;*
- (n) Routine testing and calibration of facility components, subsystems, or portable equipment (such as control valves, in-core monitoring devices, transformers, capacitors, monitoring wells, lysimeters, weather stations, and flumes);*
- (o) Routine decontamination of the surfaces of equipment, rooms, hot cells, or other interior surfaces of buildings (by such activities as wiping with rags, using strippable latex, and minor vacuuming), and removal of contaminated intact equipment and other material (not including spent nuclear fuel or special nuclear material in nuclear reactors); and*
- (p) Removal of debris.*

#### **Regulatory Requirements Defined in 10 CFR § 1021.410(b)**

The Proposed Action was subjected to an environmental due diligence review by DOE LPO staff to ensure it is consistent with the specific category of actions (categorical exclusion) contained in Appendix B of 10 CFR Part 1021 and the conditions for applying categorical exclusions specified in Section 410 of Part 1021. To ensure the requirements of Appendix B were met, LPO staff reviewed project-related documents obtained between March and June 2025 and participated in conference calls with GPC staff to ensure a complete understanding of the activities associated with the project.

The environmental due diligence review determined that there is no controversy regarding the potential environmental impacts of the Proposed Action, and that the activities associated with the Federal financial support would not adversely affect any physical, biological, or socio-cultural resources associated with the deployment of the project. The environmental due diligence review determined the Proposed Action has not been segmented to meet the definition of a categorical exclusion.

The Comment section below is provided for any necessary clarifications concerning the findings listed above. Signature by GPC's designated representative in the Corporate Validation section is an indication of GPC's concurrence with the findings and determinations presented above.

**Comment(s)**

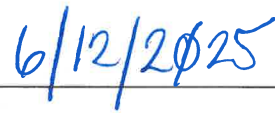
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**Corporate Validation**

Jennifer McNelly  
Vice-President, Environmental Affairs  
Georgia Power Company

**Determination**

Based on my review of information conveyed to me and in my possession concerning the actions associated with the proposed 1706 loan guarantee described above, as NEPA Compliance Officer (as prescribed in DOE Policy Directive 451.1), I have determined that the actions involve no extraordinary circumstances and fit within the specified category of actions in Appendix B of 10 CFR Part 1021 described above, and are hereby categorically excluded from further review under the National Environmental Policy Act (42 United States Code 4321, as amended).

**Signature and Date**

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Todd Stribley  
NEPA Compliance Officer  
Loan Programs Office