

Record of Categorical Exclusion
for
Alabama Power Company's
Sunny South Switching Station Expansion Project
Loan Application #EIR0044

Description of Categorically Excluded Action

The United States Department of Energy (DOE) Title XVII Energy Infrastructure Reinvestment (EIR, 1706) Program was established pursuant to the Inflation Reduction Act of 2022 (42 U.S.C. 16517), which amended Title XVII of the Energy Policy Act of 2005 to include the EIR Program. The EIR Program provides loan guarantees for projects that either: (1) retool, repower, repurpose, or replace energy infrastructure that has ceased operations; provided that if the project involves electricity generation through the use of fossil fuels, it is required to have controls or technologies to avoid, reduce, utilize, or sequester air pollutants and anthropogenic emissions of greenhouse gases; or (2) projects that 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)).

The DOE Loan Programs Office (LPO) is considering whether to issue a loan guarantee of a funding facility to the Alabama Power Company (APC) pursuant to its authority under the EIR 1706 Program. In its application, APC has identified the Sunny South Switching Station (SS) Expansion project (Project), in Pine Hill, Wilcox County, Alabama, for inclusion in the funding facility that is the subject of DOE's loan guarantee. APC 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 Sunny South SS serves industrial interests, customers, and the community and provides reliable electrical service to southwest Alabama. The key output of the Sunny South SS project will be an additional capacitor bank and substation breaker which will provide additional voltage support for the transmission system in the area. Accordingly, the Proposed Action considered in this record of categorical exclusion is LPO's issuance of Federal financial support for the Sunny South SS Expansion Project.

Project Description

Sunny South SS is an existing 2.8-acre facility on APC-owned property. The facility services the APC North Thomasville Sunny South SS 115kV transmission line (TL), Sunny South SS – Bassett Creek 115kV TL and Mitchell Dam – Sunny South SS 115kV TL, that supports the electrical grid. Alabama State Highway 5 is located approximately 4,300 feet north of the site. The site is

accessible via Leroy Randolph Road and gravel access through Wilcox County Industrial Development Authority property.

APC proposes to build an additional capacitor bank at the existing Sunny South SS. The additional capacitor bank will provide 15MVAR for voltage support for the transmission system in the area. In addition to the new capacitor bank, the project will include a new breaker, fence modification, and additional grounding, which will require expanding the existing SS footprint to the north, 45 linear feet and 250 feet wide, encompassing an additional 0.25 acres to accommodate the new capacitor bank.

Currently, the 2.8-acre Sunny South SS site includes access roads, stormwater drainage, transmission right-of-way (ROW), and parking areas. The existing fenced footprint of electrical equipment is 1.20 acres and will be expanded to 1.45 acres within the existing site boundary; the site boundary will not be expanded. The existing project is comprised of the 1.20-acre fenced electrical switching substation, constructed on an earthen and gravel foundation pad. Additional vegetation removal or ground disturbance is not anticipated due to the relatively small (0.25 Acre) footprint required for expansion and equipment installation.

Construction activities are anticipated to be minor and will involve minimal ground disturbance, installation of electrical equipment and appurtenances, such as new fencing. No additional infrastructure needs, such as electricity, natural gas, water, or wastewater usage, are necessary for the Project. Construction is currently planned for September 2, 2025, with a December 16, 2025, completion date. Typical lifetime for substations is 100 years. There are no plans to retire the substation.

In accordance with the Endangered Species Act, LPO's review of the Project found that there would be *no effect* to designated critical habitat. Additionally, for four Federally threatened, endangered, proposed, and candidate species with potential to occur in the Project area (southern clubshell, alligator snapping turtle, black monarch butterfly, and Georgia), LPO has reached a *no effect* determination based on the results of desktop and field-based assessments indicating no suitable habitat on site for these species. The 0.25-acre expansion area is currently covered by a gravel and fill pad and does not support habitat for these species.

In accordance with the National Historic Preservation Act (NHPA), LPO consulted with the Alabama State Historic Preservation Office (SHPO). On June 17, 2025, the Alabama SHPO concurred with LPO's finding of no historic properties affected for this project. DOE identified and contacted six federally recognized Native American Indian Tribes (Tribes) that may have an interest in the Project area (Alabama-Coushatta Tribe of Texas; Alabama-Quassarte Tribal Town; Coushatta Tribe of Louisiana; Mississippi Band of Choctaw Indians; Muscogee (Creek) Nation; and Seminole Tribe of Florida). No comments were received from these Tribes. If human remains are encountered during construction, the provisions of the Alabama Burial Act (*Code of Alabama* 1975 §13A-7-23.1, as amended; Alabama Historical Commission Administrative Code Chapter 460-X-10 Burials) would be followed. This stipulation would be included in construction plans.

Potential jurisdictional wetlands are located adjacent to the Project; however, the expansion activities are not located in the wetlands and the wetlands will not be subject to regulated activity.

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 Exclusions B4.6.

B4.6. Additions and Modifications to Transmission Facilities

Additions or modifications to electric power transmission facilities within a previously disturbed or developed facility area. Covered activities include, but are not limited to, switchyard rock grounding upgrades, secondary containment projects, paving projects, seismic upgrading, tower modifications, load shaping projects (such as reducing energy use during periods of peak demand), changing insulators, and replacement of poles, circuit breakers, conductors, transformers, and crossarms. (See B4.14 of this appendix for energy storage systems.)

Regulatory Requirements Defined in 10 CFR § 1021.410(b)

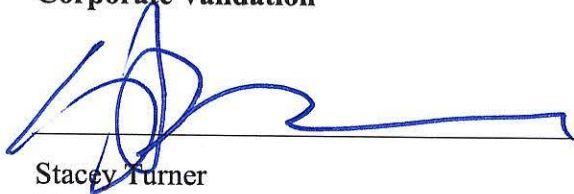
The Proposed Action was subjected to an environmental due diligence review by DOE LPO staff to ensure it is consistent with the specific category of actions (categorical exclusion) contained in Appendix B of 10 CFR Part 1021 and the conditions for applying categorical exclusions specified in Section 410 of Part 1021. To ensure the requirements of Appendix B were met, LPO staff reviewed project-related documents obtained between May 2024 and March 2025 and participated in conference calls with APC 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 APC's designated representative in the Corporate Validation section is an indication of APC's concurrence with the findings and determinations presented above.

Comment(s)

Corporate Validation



Stacey Turner
Vice President, Environmental Affairs
Alabama 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

Todd Stribley
NEPA Compliance Officer
Loan Programs Office