



**Department of Energy**  
Washington, DC 20585

June 18, 2026

Scott Osterholt, Managing Director  
American Electric Power  
1 Riverside Plaza  
Columbus, OH 43215  
[ssosterholt@aep.com](mailto:ssosterholt@aep.com)

**Subject:** U.S. Department of Energy, Office of Energy Dominance Financing  
Completion of Environmental Review for a Proposed Federal Loan  
Guarantee to American Electric Power for the East Munday Greenfield  
138kV Station Project in Knox County, Texas

Dear Scott:

As provided in the letter dated May 8, 2026, the United States Department of Energy (DOE), Office of Energy Dominance Financing (EDF), is considering whether to provide Federal financial assistance (i.e., a loan or loan guarantee) to American Electric Power (AEP) for the East Munday Greenfield 138 kilovolt (kV) Station Project (the Project) pursuant to its authority 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.

In its application for Federal financial assistance, AEP has identified the East Munday Greenfield 138 kilovolt (kV) Station Project (the Project) located in Knox County, Texas for inclusion in the loan facility. The Project includes the construction of a new 138 kV East Munday Station and completing associated T-line re-terminations for five (5) short T-line tie-ins east of the town of Munday. A new greenfield station is required because of the obsolete condition, safety risks, and operational constraints associated with the existing East Munday Station. The current station contains aging oil breakers, electromechanical relays, and deteriorated components that cannot be replaced or rebuilt in place because the station cannot be cleared for construction without violating N-1 reliability criteria. As a result, the replacement station will be constructed west of the existing Station Yard.

The Project will include installing six (6) new 40 kA 3000 A breakers, modern protective relays, a new DICM control building, and 28.8 MVAR capacitor bank inside the station. The Project also encompasses the transmission line scope necessary to re-terminate all five existing lines into the new station. Work includes installing nine (9) new 138 kV dead-end structures and three (3) new 138 kV tangent structures, along with four (4) substation monopole dead-end structures

and associated foundations. The existing lines are predominately built with wood H-Frame structures and shielded with 7#10 wire; these segments will be rebuilt to accommodate the new station configuration and updated structural and electrical performance requirements. Temporary access roads will not be required for this Project. Existing roads and Right-of-way (ROW) will be used for construction. Construction activities consistent with transmission lines typically include erosion and sediment control, crane pad grading, foundation installation, structure assembly and erection, conductor and shield wire installation, and restoration activities following construction completion.

EDF conducted the environmental reviews and consultations required by the applicable and relevant environmental statutes and Executive Orders (EOs) associated with its proposed Federal financial support. The applicable and relevant environmental statutes and EOs included:

1. Section 7 of the Endangered Species Act (16 USC 1536)
2. Section 106 of the National Historic Preservation Act (54 USC 306108)
  - a. EO 13175, Consultation and Coordination With Indian Tribal Governments

### **Applicable and Relevant Environmental Review(s)**

#### ***Section 7, Endangered Species Act***

On May 14, 2026, DOE obtained from the U.S. Fish and Wildlife Service an Official Species List (Project Code 2026-0089985), which resulted in the following species identified as occurring or potentially occurring in the Project area: the threatened piping plover and rufa red knot; the endangered sharpnose shiner, smalleye shiner, and whooping crane; and the proposed threatened monarch butterfly. No designated critical habitat was identified in the Project area. On May 14, 2026, DOE completed the Texas Statewide Determination key (Texas Dkey) in IPaC, which returned a result of *no effect* for the piping plover, rufa red knot, sharpnose shiner, smalleye shiner, and whooping crane.

DOE understands that as a proposed species under ESA, the monarch butterfly has a different threshold of analysis and the Federal action agency is required to determine if their action would be likely to jeopardize the continued existence of the species, and if so, request a Conference Consultation with the USFWS. DOE does not believe the Project would be likely to jeopardize the continued existence of the species given the low potential for habitat and disturbed nature of the existing Project area and associated ROW. In addition, DOE does not anticipate a USFWS decision on whether to formally list the monarch butterfly any time soon; as reflected in the Trump Administration's [Unified Agenda of Regulatory and Deregulatory Actions](#), the final listing determination for the monarch butterfly is included as a "long-term action."

#### ***Section 106, National Historic Preservation Act***

In accordance with the National Historic Preservation Act (NHPA), EDF consulted with the Texas State Historic Preservation Office (SHPO). On June 4, 2026, the Texas SHPO concurred with EDF's finding of no historic properties affected for this project. DOE identified and contacted four federally recognized Native American Indian Tribes (Tribes) that may have an interest in the Project area (Apache Tribe of Oklahoma; Comanche Nation, Oklahoma; Tonkawa Tribe of Indians of Oklahoma; and Wichita and Affiliated Tribes (Wichita, Keechi, Waco, and

Tawakonie), Oklahoma). No comments were received from these Tribes.

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

**Conclusion**

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

Respectfully,

**MOLLY**

**COBBS**

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by MOLLY COBBS

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Environmental Project Manager  
Office of Energy Dominance Financing

cc: Denis O'Meara, EDF Utilities Vertical Lead  
Todd Stribley, Director, EDF Environmental Programs  
Karin Olsen, EDF Environmental Project Manager  
Marla Waters, Project Manager, American Electric Power

Attachments: Letter Dated May 8, 2026 from EDF to AEP



**Department of Energy**  
Washington, DC 20585

May 8, 2026

Scott Osterholt, Managing Director  
American Electric Power  
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**Subject:** U.S. Department of Energy, Office of Energy Dominance Financing  
Initiation of Environmental Review for a Proposed Federal Loan  
Guarantee to American Electric Power for the East Munday Greenfield  
138kV Station Project in Knox County, Texas

Dear Scott:

Pursuant to its authority under Title XVII of the Energy Policy Act of 2005 (Public Law 109–58, Title XVII (2005), as amended; 42 U.S.C. 16511 et seq) which established a Federal loan guarantee program, the U.S. Department of Energy (DOE) Office of Energy Dominance Financing (EDF) is evaluating whether to provide a Federal financial assistance (i.e. a loan or loan guarantee) to American Electric Power (AEP, or the Applicant) for the East Munday Greenfield 138 kilovolt (kV) Station Project (the Project) located in Knox County, Texas.

In its application for Federal financial assistance, American Electric Power has identified the East Munday Greenfield 138kV Station Project (Project) in Knox County, Texas. The Project includes the construction of a new 138 kV East Munday Station and completing associated T-line re-terminations for five (5) short T-line tie-ins east of the town of Munday. A new greenfield station is required because of the obsolete condition, safety risks, and operational constraints associated with the existing East Munday Station. The current station contains aging oil breakers, electromechanical relays, and deteriorated components that cannot be replaced or rebuilt in place because the station cannot be cleared for construction without violating N-1 reliability criteria. As a result, the replacement station will be constructed west of the existing Station Yard.

The Project will include installing six (6) new 40 kA 3000 A breakers, modern protective relays, a new DICM control building, and 28.8 MVAR capacitor bank inside the station. The Project also encompasses the transmission line scope necessary to re-terminate all five existing lines into the new station. Work includes installing nine (9) new 138 kV dead-end structures and three (3) new 138 kV tangent structures, along with four (4) substation monopole dead-end structures and associated foundations. The existing lines are predominately built with wood H-Frame structures and shielded with 7#10 wire; these segments will be rebuilt to accommodate the new

station configuration and updated structural and electrical performance requirements. Temporary access roads will not be required for this Project. Existing roads and Right-of-way (ROW) will be used for construction. Construction activities consistent with transmission lines typically include erosion and sediment control, crane pad grading, foundation installation, structure assembly and erection, conductor and shield wire installation, and restoration activities following construction completion.

EDF is initiating its environmental review to assist and inform its decision on whether to provide Federal financial assistance to American Electric Power for the Project. The environmental review will include reviews of the: (1) permitting, authorization, and/or approval status of American Electric Power's project(s), (2) status and scope of any NEPA reviews being completed by other Federal agencies (as applicable); (3) applicable land use and/or zoning approvals; and (4) nature and extent of any contamination at, in, under or from the Project site and potential liability. In addition, EDF will complete the environmental consultations required by the applicable and relevant environmental statutes and Executive Orders (EOs) associated with its proposed Federal financial support.

EDF, in consultation with American Electric Power, has identified that the following environmental statutes and EOs are associated with the proposed Federal financial support for the Project:

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

During the due diligence process and in consultation with American Electric Power, EDF may revise the list of applicable and relevant environmental statutes and EOs associated with its proposed Federal financial support.

Respectfully,  
**MOLLY**  
**COBBS**  
Molly Cobbs  
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by MOLLY COBBS  
Date: 2026.05.11  
09:19:23 -04'00'  
Environmental Project Manager  
Office of Energy Dominance Financing

cc: Denis O'Meara, EDF Utilities Vertical Lead  
Todd Stribley, Director, EDF Environmental Programs  
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Marla Waters, Project Manager, American Electric Power