



Department of Energy
Washington, DC 20585

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Scott Osterholt, Managing Director
American Electric Power
1 Riverside Plaza
Columbus, OH 43215
ssosterholt@aep.com

Subject: U.S. Department of Energy, Office of Energy Dominance Financing
Completion of Environmental Review for a Proposed Falfurrias to King
Ranch Transmission Line Rebuild Project in Brooks, Jim Wells, and Kleberg
Counties, Texas

Dear Scott:

The United States Department of Energy (DOE), Office of Energy Dominance Financing (EDF) has issued a Federal loan guarantee to American Electric Power (AEP) pursuant to DOE's authority under Title XVII of the Energy Policy Act of 2005, as amended. The loan guarantee to AEP is intended to provide financing for many projects over the life of the Federal loan guarantee. Each project is reviewed and considered individually prior to being approved for financing under the Federal loan guarantee. This letter confirms that EDF has completed the environmental review of AEP's **Falfurrias to King Ranch Transmission Line Rebuild Project** (Project), in Brooks, Jim Wells, and Kleberg Counties, Texas, prior to approving the Project for financing under the Federal loan guarantee. A description of the Project and EDF's environmental review findings follows.

The Project includes rebuilding approximately 20.5 miles of the existing Falfurrias to King Ranch Transmission Line generally within its existing 100-foot-wide right-of-way (ROW) between the Falfurrias substation and King Ranch substation. The existing 100-foot-wide ROW is currently cleared to varying widths (35, 65, or 100 feet), and the Project would extend the cleared area in the remaining existing ROW to 100 feet throughout. The Project is within an existing ROW easement and is situated within an overall existing disturbed landscape with existing access roads and other developed lands.

The Project would replace 184 existing wood pole structures with monopole steel structures that would vary in height between 83 and 124 feet. The replacement structures would generally be installed within 10 feet of existing structures within the existing ROW centerline, but no more than 25 feet from existing structures. The Project includes the use temporary workspaces (i.e., pulling pockets) and the installment of a 16-foot-wide gravel path within the existing ROW. AEP will use existing public roads (e.g., U.S. Highway 281) and private roads for construction, operations, and maintenance access; no new access roads are proposed. The project will also use existing lay-down yards for staging equipment, materials, and fuel; no additional temporary workspaces are proposed. The general construction process would entail erosion and sediment control installation, access road work, crane

pad grading, foundation installation, structure assembly and erection, conductor/wire installation, and restoration once construction is completed. Construction is anticipated to begin in late July 2026.

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 June 11, 2026, EDF submitted to the U.S. Fish and Wildlife Service (USFWS) a biological assessment that assessed the Project's potential effects on thirteen (13) federally listed threatened, endangered, and proposed species that occur or potentially occur in the Project area (Project Code 2026-0062384). EDF determined that that the Project *may affect* and is *not likely to adversely affect* the endangered ocelot (*Leopardus* (= *Felis*) *pardalis*), threatened cactus ferruginous pygmy-owl (*Glaucidium brasilianum cactorum*), endangered northern aplomado falcon (*Falco femoralis septentrionalis*), endangered black lace cactus (*Echinocereus reichenbachii* var. *albertii*), and endangered South Texas ambrosia (*Ambrosia cheiranthifolia*). EDF also determined the Project *may affect* the proposed tricolored bat (*Perimyotis subflavus*) and proposed monarch butterfly (*Danaus Plexippus*) but concluded the Project would be *unlikely to jeopardize the continued existence* of these proposed species.

EDF further determined the Project would have *no effect* on the threatened piping plover (*Charadrius melodus*), threatened rufa red knot (*Calidris canutus rufa*), endangered whooping crane (*Grus americana*), threatened green sea turtle (*Chelonia mydas*), endangered hawksbill sea turtle (*Eretmochelys imbricata*), and endangered slender pea-rush (*Hoffmannseggia tenella*).

On July 16, 2026, the USFWS concurred with EDF's *may affect*, *not likely to adversely affect* and *unlikely to jeopardize the continued existence* determinations based on the implementation of the following conservation measures (see table) and cactus ferruginous pygmy-owl best management practices(following table). As such, these are binding conservation measures and best management practices (BMPs) that AEP must implement to ensure EDF compliance with ESA Section 7.

Proposed Conservation Measure	Anticipated Benefit
Ocelot (<i>Leopardus</i> (= <i>Felis</i>) <i>pardalis</i>)	
Biological Monitor & Stop Work Order: An individual with stop work authority would be on-site during construction activities. If an ocelot is observed within the Project Area during construction activities by any field personnel performing Project-related work, the field personnel would immediately notify the Applicant, and the Applicant would	Having a trained environmental monitor with stop work authority on-site ensures that construction activities would immediately pause if an ocelot were observed within the Project Area. This allows the animal to move through the area without pressure from construction noise, equipment, or human activity, reducing the risk of harassment or injury. Overall, this

Proposed Conservation Measure	Anticipated Benefit
immediately halt work until the ocelot leaves the area. The Applicant would not harass the ocelot and would document the sighting. The Applicant would contact the U.S. Fish and Wildlife Service (USFWS) during normal business hours. The Applicant would only resume construction activities once the ocelot leaves the Project Area. An environmental monitor familiar with the local habitat and implementing Project-specific conservation measures would be present during construction activities and would have authority to temporarily suspend construction if appropriate conservation measures are not being properly implemented.	measure helps avoid potential adverse effects to ocelots should an individual occur within the Project Area during construction.
Tricolored Bat (<i>Perimyotis subflavus</i>) (TCBA)	
Seasonal Tree Clearing & Trimming Windows: The Applicant would clear trees outside of the TCBA pupping season (May 1–July 15).	Avoiding tree clearing or maintenance activities (trimming) during the TCBA pupping season would avoid direct injury or mortality of nonvolant TCBA.
Cactus Ferruginous Pygmy-owl (<i>Glaucidium brasilianum cactorum</i>) (CFPO)	
Biological Monitor & Stop Work Order: An environmental monitor would be present during construction in areas of suitable habitat to monitor for presence of individuals during the breeding season (February 15 – August 30). If a CFPO nest is observed within the Project Area or suspected to occur within 300 feet of the Project Area, construction activities within 300 feet of the nest or suspected nest would be suspended until the end of the breeding season (August 30) or until it has been determined that the nest has been vacated, as determined by a qualified biologist.	Implementing this measure would minimize the potential for disturbance to CFPO during the breeding season. Suspending construction activities near active or suspected nests reduces the likelihood of nest abandonment, stress to adult birds, or injury to eggs and nestlings, thereby helping support successful reproduction if CFPO are present near the Project Area.
Seasonal Tree Clearing Windows: To the extent possible, the Applicant would clear trees outside of the breeding season and work would be minimized during the peak calling period of February 15 to April 15. In addition, tree clearing would be avoided during the peak calling period in areas confirmed or assumed to be occupied.	Implementing seasonal tree clearing windows, when feasible, would minimize the potential for disturbance to CFPO during sensitive breeding and peak calling periods. Avoiding or limiting tree clearing during these times reduces the likelihood of disrupting courtship, nesting, or territory establishment, which helps support successful breeding if CFPO are present in or near the Project Area.
Listed Flowering Plants	

Proposed Conservation Measure	Anticipated Benefit
Biological Monitoring & Translocation: In areas of suitable habitat which are likely to be occupied by listed species, an environmental monitor would be present during construction to monitor the presence of individuals within the Project Area. If species are present, the Applicant would coordinate with FWS to establish a plan for translocation of individuals present as feasible	Having an environmental monitor present in areas of suitable habitat increases the likelihood that individuals would be detected prior to disturbance. If plants are identified within the Project Area, coordination with USFWS to develop a translocation plan allows for the relocation of individuals to suitable habitat when feasible, thereby minimizing potential loss of individuals and helping conserve local populations
General Conservation Measures, Benefit to Multiple Evaluated Species	
Existing ROW Easement: The Project is within an existing ROW easement and is situated within an overall existing disturbed landscape with existing access roads and other developed lands	Implementing the Project within an existing ROW easement minimizes the need for new disturbance to previously undisturbed habitat for all Evaluated Species. Because the area is already developed and contains existing access roads and other disturbed lands, conducting construction within this corridor reduces the extent of additional habitat clearing and fragmentation. This approach helps limit potential impacts to Evaluated Species and habitats by concentrating Project activities within areas that have already been altered.
Use of Existing Laydown Yards (LDYs): The Applicant would use the existing Lon Hill LDY and BMH Rental Group, LP/Johnson Construction LDY for staging equipment, materials, and fuel.	Using existing LDYs eliminates the need for additional temporary workspaces in the Project Area, thus avoiding and minimizing impacts to Evaluated Species habitat. Since no fuel would be stored within the Project Area, and would instead be stored at existing LDYs, this also limits the potential for spills in Evaluated Species habitat.
Use of Existing Access Roads: The Applicant would use existing access roads, primarily US 281, SH 285, FM 2191, FM 1418, CR 433, 2200, 418, and 401, and private roads within King Ranch and surrounding the Falfurrias Substation for access to site during construction, operations, and maintenance. No new access roads are proposed for the Project.	By designing the Proposed Project to use only existing access roads, this eliminates the need to construct additional roads that would remove habitat for Evaluated Species.
Alternating Current (AC) Line Design: The Applicant has designed the Proposed Project so that minimum conductor-to-ground clearance is well above the height known to incur frequent avian collisions (see Section 2.1). This is	Implementing this design measure would reduce the risk of avian collisions (particularly CFPO and northern aplomado falcon [NAPFA]) with the AC Line. By maintaining conductor-to-ground clearance above heights commonly

Proposed Conservation Measure	Anticipated Benefit
consistent with measures described in Avian Powerline Interaction Committee (APLIC) (2006, 2012) to minimize avian collision.	associated with frequent avian collisions, the Project aligns with APLIC (2006, 2012) guidance intended to minimize bird interactions with power lines. This design approach helps reduce the likelihood of birds flying at typical heights colliding with the conductors, thereby lowering potential impacts to avian species in the area.
Bird Flight Diverters: The Applicant would install bird flight diverters on Optical Ground Wires (OPGWs), following APLIC (2006, 2012) and best industry standards for AC transmission lines. Diverters would be placed every 15 feet along OPGWs.	Installing bird flight diverters on OPGWs would avoid or reduce the potential for avian collisions for species, including the CFPO and NAPFA.
Lowering of Construction Equipment: During the construction phase, the Applicant would lower all construction equipment that is taller than 15 feet, when this equipment is not in use and at night.	Lowering tall construction equipment would avoid or reduce the potential for avian collision, including for the CFPO and NAPFA.
Luminescent Equipment Marking: In addition to lowering construction equipment, the Applicant would also install luminescent, glow-in-the-dark markings to crane booms to increase visibility to birds.	Installing these markings would further benefit avian species, such as the CFPO and NAPFA, by minimizing or reducing the potential for avian collision.
Site Restoration: Following construction, the Applicant would restore site contours and revegetate with a native seed mix which includes pollinator plants, from the Texas Native Seeds Program out of Texas A&M University – Kingsville.	Restoring site contours ensures the hydrology of the Project Area is not altered, and revegetating with native vegetation ensures that habitat would regrow and be available for future use by Evaluated Species. The use of native plant species in revegetation efforts would minimize the possibility of an invasive plant species outcompeting native vegetation and protecting suitable habitat for Evaluated Species. Using a seed mix that contains pollinator plants would be particularly beneficial for the monarch and other local pollinator species (bees, butterflies).
Spill Prevention and Response: The Applicant would inspect its field equipment and vehicles daily for signs of fuel leaks and would repair any such leaks promptly. The Applicant would ensure that its contractors have on-site access to emergency spill kits capable of addressing small releases of petroleum products or other hazardous materials (e.g., small fuel or hydraulic fluid spills from vehicles or	Preventing and promptly addressing spills would avoid or minimize the likelihood of unanticipated or unintended loss or degradation of habitat for all Evaluated Species.

Proposed Conservation Measure	Anticipated Benefit
equipment). Additionally, no refueling or maintenance of equipment would be allowed within 100 feet of aquatic resources. Furthermore, there would be no storage of fuels and/or lubricants within 100 feet of aquatic resources. All on-site fuel storage required for refueling of helicopters located at the Post Isabel Laydown Yard would have secondary containment. The Applicant would inspect fuel storage regularly and would remediate any containment failure promptly in accordance with the Project's Spill Prevention, Control, and Countermeasure (SPCC) Plan.	
Erosion and Sediment Control: The Applicant would develop a Stormwater Pollution Prevention Plan (SWPPP) detailing specific steps for managing stormwater runoff during construction and preventing sediment and other pollutants from entering aquatic resources. The SWPPP would be prepared in compliance with the existing Texas Pollutant Discharge Elimination System Construction General Permit, regulated by Texas Commission on Environmental Quality (TCEQ). As part of each SWPPP, an erosion and sediment control plan would be prepared showing the location and type of each erosion and sediment BMPs to be used. The Applicant would implement appropriate parts of the SWPPP before vegetation-clearing activities begin, such as installing silt curtain around each aquatic resource. Other measures generally include the installation of storm drain inlet protection, construction entrances, sediment basins, filter logs, silt fences, straw bales, rolled erosion control products, and seeding (U.S. Environmental Protection Agency 2007).	Implementing erosion and sediment control practices would avoid or minimize impacts to aquatic resources which would also avoid increased sedimentation, and thus decreased water quality, to sensitive aquatic features.
Disturbance Minimization Lighting: The Applicant would turn off all construction lighting during nighttime when not in use, except for what is needed for overnight site security. When in use, lighting would be downcast or otherwise shielded. No nighttime work is proposed within the Project Area.	Minimizing light emissions should avoid or minimize effects on any Evaluated Species present and exposed to the Project's activities.

Proposed Conservation Measure	Anticipated Benefit
Speed Limits: The Applicant would implement a 25-mile-per-hour speed limit within the Action Area for construction, operations, and maintenance activities	Implementing speed limits would reduce the likelihood of Evaluated Species colliding with vehicles used during Proposed Project activities, primarily benefiting the ocelot. Reducing vehicular speeds would also decrease the amount of dust emissions, which could indirectly affect Evaluated Species
Targeted Herbicide Applications: The Applicant would apply all herbicides within the Project Area by spot spraying woody vegetation (i.e., broadcast applications would not be used).	Targeted spot application of herbicides is expected to minimize the likelihood of unanticipated or unintended exposure of plants or animals to chemicals that may result in death or injury. Eliminating the use of broadcast methods would minimize the likelihood of death or injury to Evaluated Species, particularly monarch eggs and larvae, which are not able to flee localized disturbances. Targeted application would also minimize the likelihood unanticipated or unintended loss or degradation of habitat for all Evaluated Species and direct loss of endangered flowering plant species.
Environmental Awareness Training: The Applicant would ensure that all field personnel performing work related to the Proposed Project receive the appropriate environmental awareness training, particular to their job description, prior to starting work; this training would include general information about the identification and habitats of the ocelot, TCBA, CFPO, NAPFA, monarch, and flowering plant species, as well as the Applicant-proposed conservation measures described herein. Furthermore, these same topics would be included in pre-job meetings held with the contractors.	Training would help ensure that the Applicant-proposed conservation measures are properly implemented for the duration of the Proposed Project.

Proposed Conservation Measure	Anticipated Benefit
Restoration, Reclamation, and Maintenance: Final cleanup will be completed as soon as practicable after the rebuild is complete. Woody material and construction debris would be removed from the Project Area. Pulling pockets may be reseeded with native herbaceous species of grasses, forbs, and pollinator species by the Applicant. The use of native plant species in the revegetation efforts would minimize the risk of introducing and/or spreading an invasive plant species that may lead to additional adverse effects within or near the Project Area. Broadcast and aerial applications of herbicide and pesticide would be avoided. The Applicant would implement targeted application of pesticides in accordance with pesticide label instructions. Targeted application of pesticides minimizes the likelihood of unanticipated or unintended exposure of plants or animals to chemicals that may result in death or injury.	Implementation of these measures would support recovery of disturbed areas and minimize long-term impacts to vegetation and wildlife. Removal of construction debris and revegetation with native species would help restore habitat and reduce the risk of introducing invasive plants. Limiting pesticide use to targeted applications also reduces the potential for unintended exposure of Evaluated Species to harmful chemicals.

Cactus ferruginous pygmy-owl (CFPO) Best Management Practices (BMPs)

- 1) Minimize work in suitable habitat from February 15 thru August 30 (paying special attention to CFPO peak calling period of February 15-April 15) or buffer the area with a 1,000-foot radius to the extent possible, construction schedule permitting.
- 2) Coordinate with the King Ranch Range and Wildlife Manager to make sure that a breeding pair's nest is not within close proximity (1,000-foot radius) of the ROW. If there is a known nest within the 1000-foot radius, please work between September 1st to January 31st, or conduct CFPO surveys during the peak calling period between February 15 to April 15th.
- 3) During construction activities, an environmental monitor will ensure that activities stay within designated project areas, evaluate individual species responses near the project site, and implement the appropriate BMPs.
- 4) Removal of wetland habitat or riparian vegetation beyond the design parameters should be avoided. Removal of dense thorn scrub will be minimized and restricted to the design parameters.
- 5) Identify pygmy-owl habitat in or adjacent to the project area and assume species presence.
- 6) Identify and minimize impacts to wooded areas and riparian habitat.
- 7) Look for suitable nesting trees (greater than 10-inches diameter at breast height) and cavities and avoid removal

In addition, to aid AEP in complying with the Migratory Bird Treaty Act, the USFWS recommended AEP conduct bird surveys no more than five days prior to ground disturbing activities or mechanical clearing of brush and trees that occur between March 15 and September 15. Surveys should include

searches for birds, nests, and eggs. The USFWS recommended leaving a buffer of vegetation ≥ 100 feet around songbird nests detected until young have fledged or the nest is abandoned. Other species such as water birds or raptors require larger buffer distances of 0.5 miles.

Section 106, National Historic Preservation Act

In accordance with Section 106 of the National Historic Preservation Act (NHPA), EDF consulted with the Texas State Historic Preservation Officer from the Texas Historical Commission (THC). On July 16, 2026, the THC concurred with EDF's determination that the following properties are listed in, or eligible for listing in, the National Register of Historic Places: King Ranch Historic District, the Los Olmos Cemetery, the Don Pedrito Jamarillo Shrine and Cemetery, and the La Gloria Butane Company. THC also concurred with EDF's Finding of No Adverse Effect to Historic Properties. If cultural materials are encountered during construction or disturbance activities, work should cease in the immediate area and EDF and THC should be notified to consult.

EDF 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
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