



Department of Energy
Washington, DC 20585

July 31, 2026

Ashley McVicar, P.E.
Water Compliance Manager
Environmental Affairs
Alabama Power Company
600 18th Street North
Birmingham, AL 35291-0040

Subject: U.S. Department of Energy, Office of Energy Dominance Financing,
Completion of Environmental Review for the #27 South Bessemer
Substation Expansion, Bibb County, Alabama

Dear Ashley McVicar:

The United States Department of Energy (DOE), Office of Energy Dominance Financing (EDF) has issued a Federal loan guarantee to Alabama Power Company (APC) pursuant to DOE's authority under Title XVII of the Energy Policy Act of 2005, as amended. The loan guarantee to APC 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. APC has identified the #27 South Bessemer Substation Expansion project (Project) for potential inclusion in the loan guarantee.

The Project site is located southwest of Birmingham in Bibb County, Alabama (Section 9, Township 21 South, Range 5 west). Most of the surrounding properties consist of rural residential, farming, grazing pasture and forested areas.

APC proposes to expand the existing South Bessemer Transmission Substation (TS), a 500/230/115kV substation, by approximately eight (8) acres to construct an eight-terminal breaker and a half gas-insulated switchgear scheme enclosed in a concrete building. For this expansion, four (4) acres of the existing developed substation property will be utilized for new equipment, and an additional four (4) acres of new property will be graded. The total project area consists of 21 acres that is comprised of the 8-acre expanded substation (with 4 acres of new grading) and the remaining acreage for an access road, laydown yard and stormwater pond which are still in design. Additional infrastructure, such as off-site parking areas, railroad links, docks, water outfalls and intakes, pipelines, and waste treatment facilities are not anticipated to be required for this project.

This expansion will service two existing 500kV transmission lines and one existing

500/230kV autobank. This expansion will also service one new 500kV transmission line as well as the capacity for three future 500kV transmission lines and one future 500/230kV autobank. The expansion to South Bessemer TS will alleviate existing system challenges, provide network operational flexibility, and offer a forward-looking solution to sustain reliability.

The project is expected to begin construction on September 8, 2026, with an anticipated completion date of May 2030.

EDF, in coordination with the APC, has identified environmental statutes and EOs applicable to the proposed Federal financial support for the Project include, but are not limited to:

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
3. Farmland Protection Policy Act (7 USC 4201-4209)

EDF completed the environmental reviews and consultations associated with the Project, as summarized below.

Section 7, Endangered Species Act

In accordance with Section 7(a)(2) of the Endangered Species Act (ESA), EDF reviewed its proposed action, Federal financial support for the Project, to ensure that such action would not be likely to jeopardize the continued existence of federally listed threatened or endangered species, or result in the destruction or adverse modification of designated critical habitat.

On June 30, 2026, EDF received the Official Species List for the project. There is no designated critical habitat present on the site. For all species identified in the Official Species list, there is no suitable habitat within the project area. As such, EDF determined that its action would have *no effect* on federally listed species or designated critical habitat.

Section 106, National Historic Preservation Act

In accordance with Section 106 of the National Historic Preservation Act (NHPA), on June 29, 2026, DOE EDF initiated consultation with the Alabama State Historic Preservation Office (SHPO) and six (6) federally recognized Tribes to see if they have an interest in the Project: 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 Tribes responded.

DOE's consultation package indicated a Finding of No Effect to Historic Properties, consistent with 36 CFR § 800.4(d)(1).

On July 20, 2026, the Alabama SHPO provided a letter of concurrence with DOE's Finding of

No Effect to Historic Properties. The Alabama SHPO's concurrence letter stipulates:

If archaeological materials are encountered during construction, the procedures codified at 36 CFR 800.13(b) will apply. Archaeological materials consist of any items, fifty years old or older, which were made or used by man. These items include but are not limited to, stone projectile points (arrowheads), ceramic sherds, bricks, worked wood, bone and stone, metal, and glass objects. The federal agency or the applicant receiving federal assistance should contact [SHPO's] office immediately. If human remains are encountered, the provisions of the Alabama Burial Act (Code of Alabama 1975, §13A-7-23.I, as amended Alabama Historical Commission Administrative Code Chapter 460-X-10 Burials) should be followed. This stipulation shall be placed on the construction plans to ensure contractors are aware of it.

No objections were received from these parties within 30 days of receipt of DOE's Finding; therefore, in accordance with 36 CFR § 800.4(d)(1)(i), DOE EDF's responsibilities under section 106 are fulfilled.

Farmland Protection Policy Act (7 USC 4201-4209)

On July 31, 2026, NRCS determined that the Project is exempt from review under the Farmland Protection Policy Act.

Conclusion

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

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

Respectfully,

Molly R. Cobbs
Environmental Project Manager
Office of Energy Dominance Financing

cc: Denis O'Meara, EDF Utilities Vertical Lead
Giulio Areinamo-Duque, EDF Portfolio Management Division
Todd Stribley, Director, EDF Environmental Programs