



Department of Energy
Washington, DC 20585

August 31, 2026

Tony L. Reese, Treasurer
Wisconsin Electric Power Company
213 W. Michigan St.
Milwaukee, WI 53203

Subject: U.S. Department of Energy, Office of Energy Dominance Financing
Completion of Environmental Review for a Proposed Federal Loan
Guarantee to Wisconsin Electric Power Company for the Oak Creek
Combustion Turbine Project in the City of Oak Creek, Milwaukee and
Racine Counties, Wisconsin

Dear Mr. Reese:

The United States Department of Energy (DOE), Office of Energy Dominance Financing (EDF), may provide Federal financial assistance (i.e., a loan or loan guarantee) under Title XVII of the Energy Policy Act of 2005, as amended (42 U.S.C. §§ 16511 et seq.).

As noted in EDF's July 28, 2026, letter, the DOE is considering whether to issue Federal financial assistance to Wisconsin Electric Power Company (WEPCO, or "the Applicant") pursuant to its authority. In its application for Federal financial assistance, WEPCO has identified the Oak Creek Combustion Turbine Project (Oak Creek CT Project, or Project) located in the City of Oak Creek, Milwaukee and Racine Counties, Wisconsin.

The Project includes construction of a new electric generating facility located on a 16-acre parcel within the existing Oak Creek Generating Site directly west of the existing Oak Creek Power Plant and Elm Road Generating Station on land owned by WEPCO in the City of Oak Creek, Wisconsin. The new facility includes five (5) combustion turbine (CT) generators, each with a nominal capacity of 220 megawatts (MW), for a total capacity of approximately 1,100 MW.

In June 2024, prior to any Federal involvement in the Project, WEPCO applied to the Public Service Commission of Wisconsin (PSCW) for a Certificate of Public Convenience and Necessity to construct and operate the Project (PSCW Docket # 6630-CE-317). After PSCW issued its approval of the Project in July 2025, WEPCO began construction of the Project that same month. Separately, WEPCO applied for a DOE EDF loan for a portfolio of projects, and this Project, specifically, was identified in January 2026.

The ground-disturbing site preparation and construction activities that occurred prior to September 2026, such as grading, filling, underground utilities, foundations, concrete slabs, and building installation, are not included in the application for Federal financial assistance.

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. In addition, DOE relied upon the information and analysis contained in the completed Oak Creek CT Project Environmental Assessment, jointly prepared by the PSCW and Wisconsin Department of Natural Resources pursuant to the requirements of the Wisconsin Environmental Policy Act (December 2024, PSCW Docket 6630-CE-317). The applicable and relevant environmental statutes and EOs included:

1. Section 7 of the Endangered Species Act (16 U.S.C. § 1536)
2. Section 106 of the National Historic Preservation Act (54 U.S.C. § 306108)
 - a. EO 13175, Consultation and Coordination With Indian Tribal Governments
3. Clean Air Act – Conformity Determination (40 CFR Part 93, Subpart B)

Summary of Applicable and Relevant Environmental Reviews

Section 7, Endangered Species Act

On July 22, 2026, EDF obtained an official species list (Project Code 2026-0120001) from the U.S. Fish and Wildlife Service (USFWS), which identified six species as occurring or potentially occurring in the Project area: the endangered piping plover, the threatened rufa red knot, the proposed threatened monarch butterfly, the endangered rusty patched bumble bee, the proposed threatened western regal fritillary, and the threatened eastern prairie fringed orchid. Designated critical habitat for the rusty patched bumble bee was identified in the Project area.

On July 22, 2026, EDF used the Minnesota-Wisconsin Endangered Species Determination Key (DKey) to reach “not likely to adversely affect” determinations for the piping plover and rufa red knot. These determinations were based on site-specific evaluations indicating that the Project area lacks suitable shoreline or beach habitat for the piping plover and will not modify coastal mudflats, dunes, or foraging habitat for the rufa red knot during migration. The USFWS concurred with EDF’s determinations on August 22, 2026.

For the rusty patched bumble bee, EDF initially used the Rusty Patched Bumble Bee Range Wide DKey on July 22, 2026, yielding a “not likely to adversely affect” determination based on prior coordination by WEPCO and implemented conservation measures (Project Code 2024-0051155). Following a USFWS update to the Range Wide DKey on July 30, 2026, which incorporated newly designated critical habitat, EDF re-ran the DKey on August 4, 2026. EDF reached a "no effect" determination for rusty patched bumble bee designated critical habitat, as the essential physical and biological features required for nesting, foraging, and overwintering are not present within the active industrial project footprint. The updated DKey yielded a "may affect" determination for the species itself and EDF sought USFWS’ concurrence on its initial July 22, 2026, determination of “not likely to adversely affect.” USFWS issued written concurrence on August 25, 2026, confirming the “not likely to adversely affect” determination for the species based on pre-season vegetation mowing, invasive species management, post-construction native pollinator restoration, and the fact that remaining federal activities involve no new ground disturbance.

For the proposed threatened monarch butterfly and western regal fritillary, EDF determined that the Project is not likely to jeopardize the continued existence of either species. The Project area consists of an existing industrial brownfield and decommissioned coal pile that lacks the high-quality native prairie, abundant nectar sources, or host plants required to support significant populations of these species. Furthermore, a USFWS final listing decision for these proposed species remains a "long-term action" under the current [Unified Agenda of Regulatory and Deregulatory Actions](#), making formal conference consultation unnecessary at this time.

Section 106, National Historic Preservation Act and EO 13175

In accordance with the National Historic Preservation Act, EDF formally initiated consultation with the Wisconsin State Historic Preservation Office (SHPO) on July 29, 2026. On August 24, 2026, the Wisconsin SHPO concurred with EDF's finding that no eligible historic properties will be adversely affected by the Project.

On July 29, 2026, DOE identified and contacted ten federally recognized Native American Indian Tribes (Tribes) that may have an interest in the Project area and invited them to consult on historic properties of religious or cultural significance: the Citizen Potawatomi Nation, Oklahoma; Forest County Potawatomi Community, Wisconsin; Fort Belknap Indian Community of the Fort Belknap Reservation of Montana; Lac Vieux Desert Band of Lake Superior Chippewa Indians of Michigan; Little Traverse Bay Bands of Odawa Indians, Michigan; Match-e-be-nash-she-wish Band of Pottawatomi Indians of Michigan; Menominee Indian Tribe of Wisconsin; Miami Tribe of Oklahoma; Ottawa Tribe of Oklahoma; and Prairie Band Potawatomi Nation. No comments were received from these Tribes.

Clean Air Act – Record of Non-Applicability for General Conformity Analysis

EDF has determined that its proposed Federal financial assistance at the Oak Creek CT Project facility is exempt from the Clean Air Act General Conformity requirements pursuant to 40 CFR Part 93, Subpart B. Although the project is located within an area designated by the U.S. Environmental Protection Agency as nonattainment for the 8-hour ozone (O_3) National Ambient Air Quality Standards, Section 176(c) of the Clean Air Act (42 U.S.C. Paragraph 7506(c)) and 40 CFR 93.153(d)(1) explicitly exempt the portion of any Federal action that includes new or modified stationary sources requiring a permit under the New Source Review (NSR) or Prevention of Significant Deterioration (PSD) programs.

All operational, combustion, and testing emissions associated with the Project's stationary sources were evaluated and authorized by the Wisconsin Department of Natural Resources (WDNR). These sources were issued Minor PSD Construction Permit 24-JAM-065 on June 17, 2025, and subsequently incorporated into Title V Operation Permit 24100769A-P43 on August 5, 2025. Consequently, all stationary source emissions resulting from this action are fully exempt from a General Conformity analysis under 40 CFR 93.153(d)(1).

An evaluation of the project scope confirms that there are no non-exempt direct or indirect operational or construction emissions that fall outside the regulatory scope of the WDNR-issued NSR/PSD permits. Because all emissions originating from the Federal action are either legally exempt under 40 CFR 93.153(d)(1) or non-existent, the total non-exempt emissions of criteria pollutants and precursors are zero and do not exceed the applicable *de minimis*

thresholds established under 40 CFR 93.153(b). Therefore, a formal General Conformity Determination is not legally required for this action, and EDF has satisfied all federal compliance requirements.

Conclusion

EDF notes that WEPCO 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,

Christina Gomer
Environmental Project Manager
Office of Energy Dominance Financing

cc: Denis O'Meara, EDF Utilities Vertical Lead
Todd Stribley, EDF Environmental Programs Director
Mark Santangelo, EDF Deal Lead
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