

Headquarters, 1625 K Street N.W., Washington, D.C. An additional Coordinating Subcommittee meeting has also been tentatively scheduled for Friday, September 12, 1980, also at the NPC Headquarters.

The National Petroleum Council provides technical advice and information to the Secretary of Energy on matters relating to oil and gas or the oil and gas industries. Accordingly, the Committee on Refinery Flexibility has been requested by the Secretary to undertake an analysis of the factors affecting crude oil quality and availability and the ability of the refining industry to process such crudes into marketable products. This analysis will be based on information and data to be gathered by the Oil Supply, Demand, and Logistics Task Group and the Refinery Capability Task Group, whose efforts will be coordinated by the Coordinating Subcommittee. The tentative agendas of the meetings are as follows:

Agenda for the Refinery Capability Task Group meeting, Tuesday, August 19, 1980, beginning at 9:00 a.m.:

1. Review and approve summary minutes of the July 1, 1980 meeting of the Task Group.
2. Review and discuss progress of study groups A, B, and C.
3. Discuss plans for the final phase of the Refinery Flexibility report.
4. Discuss any other matters pertinent to the overall assignment of the Task Group.

Agenda for the Coordinating Subcommittee Meeting, to be conducted on either September 5 or September 12, 1980, beginning at 10:00 a.m.:

1. Review and discuss the progress of the Refinery Capability Task Group.
2. Review and discuss the progress of the Oil Supply, Demand and Logistics Task Group.
3. Review and discuss introductory materials for the overall report on refinery flexibility.
4. Discuss any other matters pertinent to the overall assignment of the Coordinating Subcommittee.

All meetings are open to the public. The Chairmen of the Task Group and the Subcommittee are empowered to conduct the meetings in a fashion that will, in their judgment, facilitate the orderly conduct of business. Any member of the public who wishes to file a written statement with either the Task Group or the Subcommittee will be permitted to do so, either before or after the meetings. Members of the public who wish to make oral statements at any of the meetings should inform Joan Walsh Cassidy, National Petroleum

¹ Note.—Interested parties should contact NPC Headquarters prior to September 5 to confirm which meeting date(s) are confirmed.

Council, (202) 393-8100, prior to the meeting, and provision will be made for their appearance on the respective agendas. Transcripts of the Coordinating Subcommittee meeting will be available for public review at the Freedom of Information Public Reading Room, Room 5B180, Department of Energy, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C., between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued at Washington, D.C. on August 6, 1980.

Robert H. Lawton,
Acting Deputy Assistant Secretary for
Resource Development and Operations.
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Compliance With the National Environmental Policy Act; Amendment to Guidelines

AGENCY: Department of Energy.

ACTION: Notice of proposed amendments to guidelines to provide for a categorical exclusion for certain exemptions under the Fuel Use Act.

SUMMARY: Section D of the Department of Energy guidelines for compliance with the National Environmental Policy Act (NEPA) identifies classes of DOE action which normally do not require either an environmental impact statement or an environmental assessment. These are termed "categorical exclusions." Classification of an action as a categorical exclusion raises a rebuttable presumption that any such actions will not significantly affect the quality of the human environment. In the NEPA guidelines, it was specified that DOE might add or remove, after an opportunity for public review, actions identified as categorical exclusions based on experience gained during implementation of the guidelines.

On the basis of recent experience, DOE has determined that certain exemptions authorized under the Fuel Use Act normally are not major Federal actions significantly affecting the quality of the human environment with respect to the provisions of NEPA and therefore are eligible for categorical exclusion status. The actions considered eligible for a categorical exclusion are the grant or denial of a permanent exemption to any electric powerplant or major burning installation for limited use, i.e., fuels mixture of 25 percent or less petroleum or natural gas; peakload powerplants; certain scheduled equipment outages; emergency purposes, and automatic exemptions based on cost for units operated no

more than 600 hours per year. DOE proposes to add these exemptions to its list of categorical exclusions in Subpart D of its NEPA guidelines. Public comment is invited on this proposal. Pending final adoption or rejection of this proposal DOE will utilize the categorical exclusion process for these actions on an interim basis.

COMMENTS BY: September 15, 1980.

ADDRESS COMMENTS TO: Dr. Robert J. Stern, at the address listed below.

FOR FURTHER INFORMATION CONTACT: Dr. Robert J. Stern, Acting Director, NEPA Affairs Division, Office of Environmental Compliance and Overview, Office of the Assistant Secretary for Environment, Forrestal Building, Room 4G-064, 1000 Independence Avenue SW., Washington, D.C. 20585, (202) 252-4600.

Stephen H. Greenleigh, Esq., Assistant General Counsel for Environment, Forrestal Building, Room 6D-033, 1000 Independence Ave. SW., Washington, D.C. 20585, (202) 252-6947.

SUPPLEMENTARY INFORMATION:

A. Background

On March 28, 1980 (45 FR 20695), the Department of Energy (DOE) published in the Federal Register final guidelines for implementing the procedural provisions of the National Environmental Policy Act (NEPA) as required by the Council on Environmental Quality (CEQ) regulations (40 CFR 1500-1508). The guidelines are applicable to all organizational units of DOE, except the Federal Energy Regulatory Commission which is not subject to the supervision or direction of the other parts of DOE.

Section D of the DOE NEPA guidelines identified typical classes of DOE action which normally do not require either an environmental impact statement or an environmental assessment. These classes of action were identified pursuant to Section 1507.3(b)(2)(ii) of the CEQ regulations referenced above and are termed "categorical exclusions." Section 1508.4 of the CEQ regulations defines a categorical exclusion as a category of actions which do not individually or cumulatively have a significant effect on the human environment and for which, therefore, neither an environmental assessment nor an environmental impact statement is required. An agency may decide in its procedures or otherwise to prepare environmental assessments even though it is not required to do so. Further, allowance must be provided by an agency for extraordinary circumstances in which a

normally excluded action may have a significant environmental effect.

The DOE NEPA guidelines state that DOE may add to or remove actions from the categories in Section D based on experience gained during the implementation of the CEQ regulations and the guidelines. Pursuant to the guidelines, substantive revisions are to be published in the Federal Register and adopted only after opportunity for public review.

This notice proposes to revise the guidelines by adding certain classes of actions to the list of categorical exclusions in Section D of the guidelines. Those actions are as follows:

1. The grant or denial of a permanent exemption from the prohibitions of Title II of the Powerplant and Industrial Fuel Use Act of 1978 (Act) (Pub. L. 95-620) for any new electric powerplant or major fuel burning installation to permit the use of certain fuel mixtures containing natural gas or petroleum. This exemption is authorized by Section 212(d) of the Act.

2. The grant or denial of a permanent exemption from the prohibitions of Title II of the Act for any new peakload powerplant. This exemption is authorized by Section 212(g) of the Act.

3. The grant or denial of a permanent exemption from the prohibitions of Title II of the Act for any new electric powerplant or major fuel burning installation to permit operation for emergency purposes only. This exemption is authorized by Section 212(e) of the Act.

4. The grant or denial of a permanent exemption from the prohibitions of Titles II and III of the Act for any new or existing major fuel burning installation for purposes of meeting scheduled equipment outages not to exceed an average of 28 days per year over a three-year period. These exemptions are authorized by Section 212(j) and 312(l) of the Act.

5. The grant or denial of a permanent exemption from the prohibitions of Title II of the Act for any new major fuel burning installation which, in petitioning for an exemption due to lack of alternate fuel supply at a cost which does not substantially exceed the cost of using imported petroleum, certifies that it will be operated less than 600 hours per year. This exemption is authorized by Section 212(a)(1)(A)(ii) of the Act, and DOE by regulation has refined this section to provide for an automatic exemption for facilities which are operated only for the stated amount of time.

The listing of certain classes of actions which are categorically excluded from NEPA only raises a

presumption that any such actions will not significantly affect the quality of the human environment. For those circumstances where DOE has reason to believe that a significant impact could arise from the grant or denial of one of the above exemptions, DOE's NEPA guidelines provide that individual proposed actions will be reviewed to ascertain whether an environmental assessment or environmental impact statement would be required for any individual action which is listed in Subpart D of the guidelines as categorically excluded from NEPA. To assist DOE in making this determination, DOE has required in the regulations covering applications for permanent exemptions that: (1) a petitioner for any of these exemptions certify that he will comply with all applicable environmental permits and approvals prior to operating the facility; and (2) he complete an environmental checklist designed to determine whether the facility in question will have an impact in certain areas regulated by specified laws which impose consultation requirements on DOE (10 CFR 403.15). This will allow DOE to verify that no significant impact will result, or that the categorical exclusion does not apply. The typical environmental impacts of each of the proposed categorical exclusion exemptions are discussed below.

B. Mixtures Exemptions

To date, petitions for fuels mixture exemptions from 10 companies have been accepted or are in the process of being reviewed. In all cases reviewed thus far, it has been determined that neither an environmental assessment nor an environmental impact statement was required in order to satisfy NEPA requirements.

Key to all cases has been the fact that the Federal action in question (proposal to grant the exemption) results in an insignificant impact as compared to a *baseline*. In the replacement boiler situation, for example, the baseline is formed by the existing conditions, such as air and water emissions, surrounding the facility as it currently operates. In this situation, the resulting environmental impact either above or below the baseline is very small.

In the case of a totally new facility, the baseline becomes that action which the petitioner could take and not be subject to the Fuel Use Act prohibitions. This action would involve constructing the facility with units which use only alternate fuel. Since petroleum and natural gas are ordinarily cleaner-burning than other fuels, use of up to 25 percent of those regulated fuels will

result in impacts slightly below the baseline level.

Based on DOE's experience to date with mixture exemption petitions, the following generalities can be drawn in each of four main categories of impact.

Air Quality

In all cases, the proposed action (granting the mixtures exemption) has resulted in air quality that is improved over baseline levels. This is because replacement boilers are generally more efficient than existing boilers and must meet New Source Performance Standards (NSPS) if they are large enough to come within NSPS jurisdiction. New facilities burning a fuel mixture also will result in cleaner emission than would result from combustion of an alternate fuel (coal in most cases). In the majority of mixtures cases to date, the petitioners have already received the appropriate air quality permits, thus indicating that the responsible state and Federal agencies consider the potential effects of the new units to be acceptable.

Water Quality

In the case of a replacement boiler, the existing water treatment system and the plant's National Pollutant Discharge Elimination (NPDES) permit usually is sufficient so that no new permit or treatment is necessary. In the case of a new facility, there is little difference from the baseline if coal is part of the mixture exemption, and there is a net benefit if the petitioner's non-option would have involved coal and the mixture in question does not (due to coal pile runoff related impacts).

Land Use

Little additional land has been required in the case of replacement units, because the area already is industrialized and owned by the company. In the case of a new facility, the difference in impact is dependent upon whether coal would have been used with the base case, the same as with water quality.

Other Areas

Other potential impact categories (e.g., socioeconomic, sociocultural) have never been a significant issue in any case to date.

C. Peakload Exemptions

Petitions for peakload powerplant exemptions from eight utilities have been accepted by DOE; of that number, four have been reviewed for NEPA requirements. Each case has involved some added impact; however, key in all cases is the fact that the new unit is only

a small addition to the existing environmental baseline, both in size (peakload units normally are about 75 megawatt units and are often located at the larger existing baseload powerplants, e.g., 500 to 1000 megawatts) and in extent of usage (peakload units can operate no more than 1500 hours per year, which equates to a capacity factor of only 17.1 percent). Impact categories for peakload powerplants can be described as follows:

Air Quality

In general, oil or gas firing has resulted in only minor increases in ambient concentrations of air pollutants (less than 15 percent). Often the increases are below the "levels of significance" established by the Environmental Protection Agency. In each case, the petitioners either have already secured or are in the process of securing the required air permits.

Water Quality

As in the case of mixtures exemptions, the existing systems and NPDES permits usually are sufficient to cover any increase in effluents from the new unit. In some other cases, whatever controls have been required by new permits make the resultant impacts insignificant.

Land Use

The area to be used in building a new peakload unit usually has already been industrialized. Normally a peakload unit requires only two to three acres of additional land.

D. Scheduled Equipment Outages, Emergencies, and Automatic Cost Exemptions

To date, no petitions for scheduled equipment outages exemptions or automatic cost exemptions have been filed with DOE. One emergency exemption petition has been accepted and a memorandum for the file demonstrating the insignificance of the action has been prepared. Common to these exemptions, however, is the fact that the new unit only will be operating when a larger existing unit or units are shut down—either in the case of a true emergency or a scheduled shutdown for maintenance, or other reasons.

The impact categories for these exemptions are characterized as follows:

Air Quality

In every case there will be a positive impact, as compared with existing emissions, because of the shutdown situation mentioned above.

Water Quality

Normally the existing system and permit will be sufficient to cover the new unit.

Land Use

Normally the area will already be industrialized and the new unit will usually be constructed within existing plant boundaries. If the unit is not to be built within existing boundaries, little extra land will be needed, probably less than one acre.

Other Areas

There is no reason to believe that any significant impacts will occur in other areas.

Proposals to deny an exemption would result in no net change to the environmental baseline.

Issued in Washington, D.C., August 5, 1980.

Ruth C. Clusen,

Assistant Secretary for Environment.

[FR Doc. 80-24081 Filed 8-9-80, 2:43 a.m.]

BILLING CODE 6450-01-M

[OFC Case No. 55381-2900-01-12; Docket No. ERA-FC-80-020]

Economic Regulatory Administration

Availability of Tentative Staff Analysis

AGENCY: Economic Regulatory Administration.

ACTION: Notice of availability of tentative staff analysis.

SUMMARY: On January 16, 1980, Republic Steel Corporation (Republic) filed a petition with the Economic Regulatory Administration (ERA) of the Department of Energy (DOE) for an order exempting one major fuel burning installation (MFBI) from the provisions of the Powerplant and Industrial Fuel Use Act of 1978 (FUA or the Act) (42 U.S.C. 8301 *et seq.*), which prohibit the use of petroleum and natural gas as a primary energy source in new MBFIs. Republic requested a permanent fuel mixtures exemption for the MFBI in order to use a fuel mixture of blast furnace gas, natural gas and/or oil. The natural gas or oil is to be used as a supplemental fuel for pilot, flame stabilization and process requirements.

The MFBI for which the petition is filed is a field-erected boiler (identified as unit No. 3 high pressure (HP) boiler) to be installed at Republic's Mohoning Valley District, Warne, Ohio facility. The proposed boiler will have a design heat input rate of 487 million Btu's per hour with a steam generating capacity of 300,000 pounds per hour and will be capable of burning blast furnace gas, coke oven gas, natural gas and residual fuel oil.

ERA accepted the petition February 15, 1980, and published notice of its acceptance, together with a statement of the reasons set forth in the petition for requesting the exemption, in the Federal Register on February 26, 1980 (45 FR 12478). Publication of the notice of acceptance commenced a 45-day public comment period pursuant to Section 701 of FUA. During this period, interested persons were afforded an opportunity to request a public hearing. The period expired April 11, 1980. No comments were submitted. No hearing was requested.

Based upon ERA's review and analysis of the information presently contained in the record of this proceeding, a Tentative Staff Determination has been made recommending that ERA issue an order which would grant the requested permanent exemption to use a mixture of blast furnace gas, with natural gas and/or residual fuel oil in which the amount of natural gas and/or oil would not exceed 25 percent of the total annual Btu heat input in the MFBI.

The public file containing a copy of the Tentative Staff Determination and other documents and supporting materials on this proceeding is available upon request at: ERA, 2000 M Street, NW, Room B-110, Washington, DC, Monday through Friday, 8:00 AM-4:30 PM.

ERA will issue a final order granting or denying the petition for permanent exemption from the prohibitions of the Act within six months after the end of the public comment period provided for in this notice, unless ERA extends such period. Notice of any extension, together with a statement of reasons for such extension, will be published in the Federal Register.

DATES: Written comments on the Tentative Staff Determination are due on or before August 25, 1980.

ADDRESSES: Fifteen copies of written comments shall be submitted to the Department of Energy, DOE Case Control Unit, Box 4629, Room 3214, 2000 M Street, NW, Washington, DC 20461. Docket Number ERA-FC-80-020 should be printed clearly on the outside of the envelope and the document contained therein.

FOR FURTHER INFORMATION CONTACT: William L. Webb, Office of Public Information, Economic Regulatory Administration, Department of Energy, 2000 M Street, NW, Room B-110, Washington, DC 20461, (202) 653-4055.

Constance L. Buckley, Chief, New MFBI Branch, Office of Fuels Conversion, Economic Regulatory Administration,