Record of Categorical Exclusion for

Optimization of Microwave Telecommunication System

ON Line Nevada Transmission Project, f.k.a Southwest Intertie Project – South

Description of Proposed Action:

The Department of Energy (DOE) proposed action is to support the upgrade and optimization of the microwave telecommunication system being used for the One Nevada Transmission Line Project (ON Line), formerly known as the Southwest Intertie Project – South, using loan guaranteed funds. The ON Line project consists of a 500-kilovolt transmission line that will run 235 miles from Ely, Nevada to just North of Las Vegas. The ON Line project is the first 600 megawatt (MW) phase of a larger project that when completed is expected to carry approximately 2000 MW of electricity generated by renewables resources in Wyoming, Idaho and Nevada to power the Southwest and California markets. ON Line's design includes dual redundant communication pathways. The primary pathway is provided by a fiber optic cable located within one of the shield wires supported by the project's transmission towers. The fiber optic system is backed up by interconnecting a network of existing and new microwave sites located throughout Eastern and Northern Nevada.

The microwave facilities for the ON Line project were assessed by the US Bureau of Land Management (BLM) during their land use permitting (lease/grant) process for the ON Line microwave project. However, efforts to minimize environmental impacts and optimize the system lead to a proposed new microwave site known as Stony Point. This site was not previously considered by BLM in their environmental analysis. In addition, certain microwave facility upgrades associated with the ON Line project are proposed within the fence line of existing microwave sites and a substation.

The proposed Stony Point microwave facility is located on private land in northern Lander County, Nevada, in Township 33 North, Range 46 East, Section 21, Mount Diablo Base and Meridian. The microwave equipment would be located within a fenced site that is 80 feet by 72 feet (approximately 0.1 acre). An adjacent 50 ft by 50 ft temporary laydown area would be utilized during construction and a 50 ft. fire break would be cleared around the fence line to protect the facility from fire danger. In addition, approximately 1,900 feet of an existing dirt road (15 ft wide) would require improvements and approximately 1,900 feet of new overhead electrical distribution line would be installed to power the facility.

Within the fence line of the Stony Point facility, the following components would be constructed: a 150 foot tall communication tower; a 14 ft by 20 ft communications shelter to house electronics; a backup power generator (propane fueled); two 1000-gallon propane tanks; and all of the related foundations, microwave dishes and antennas, hardware, electronics, conduit, wiring, grounding, and other materials.

The communications upgrades to take place at existing microwave facilities include the installation of 4 new microwave dish antennas on the existing tower, new waveguide to connect the new antennas to the communications shelter, the addition of electronics within the communications shelter, and replacement of the existing propane tank at the East Twin site located approximately seven miles north of Elko, NV. At the existing 10-acre Gonder site located approximately 6 miles north of Ely, NV, the construction of a 100 ft tall tower, installation of 4 new microwave dish antennas, a new waveguide and cable bridge to the existing communications shelter, and installation of the related tower foundations, hardware, electronics, conduit, wiring, and grounding are proposed. At six other existing sites, the replacement of electronics cards is proposed.

A DOE loan guarantee for financing the ON Line project was issued in February 2011, to Great Basin Transmission, LLC (Great Basin). The loan guarantee was authorized under title XVII of the Energy Policy Act of 2005. A DOE Record of Decision (ROD) for the conditional commitment to issue the loan guarantee for ON Line was published in the *Federal Register* on October 26, 2010. DOE prepared the ROD in accordance with the Council on Environmental Quality regulations (40 CFR parts 1500-1508) for implementing the National Environmental Policy Act (NEPA), and DOE's NEPA Implementing Procedures (10 CFR Part 1021).

Number and Title of Categorical Exclusion:

The new construction and upgrades of existing microwave facilities for the ON Line project's backup microwave communications system that is proposed to be conducted using loan guaranteed funds is consistent with and covered by categorical exclusions B1.19 and B4.6. The full text of the categorical exclusions is as follows:

> B1.19, as provided in 10 CFR § 1021, Appendix B to Subpart D: Siting, construction, modification, operation, and removal of microwave, radio communication, and meteorological towers and associated facilities, provided that the towers and associated facilities would not be in a governmentally designated scenic area (see B(4)(iv) of this appendix) unless otherwise authorized by the appropriate governmental entity.
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> B4.6, as provided in 10 CFR § 1021, Appendix B to Subpart D: Additions or modifications to electric power transmission facilities within a previously disturbed or developed facility area. Covered activities include, but are not limited to, switchyard rock grounding upgrades, secondary containment projects, paving projects, seismic upgrading, tower modifications, load shaping projects (such as the installation and use of flywheels and battery arrays), changing insulators, and replacement of poles, circuit breakers, conductors, transformers, and crossarms.

Regulatory Requirements defined in 10 CFR § 1021.410 (b):

The loan guarantee and related actions described above were subjected to an environmental due diligence review by DOE Loan Programs Office (LPO) staff to ensure they are consistent with the specific categories of actions (categorical exclusions) contained in Appendix B of 10 CFR Part 1021 and the conditions for applying categorical exclusions specified in Section 410 of Part 1021. To ensure that the requirements of Appendix B were met, LPO Environmental Compliance Division staff reviewed information submitted by Great Basin on May 9, 2012, and other descriptive information provided in email exchanges and telephone conversations between LPO staff and ON Line representatives. The information provided included detailed descriptions of the sites, including pictures, and the work to be performed.

The ON Line project owners engaged two environmental consulting firms to evaluate the Stony Point site for the presence of environmental and cultural resources. Letter reports from the consultants confirmed that no cultural resources would be affected, and that there were no concerns regarding potential impacts to flora and fauna, government recognized viewsheds, or connections to waters of the United States.

In addition to the environmental documentation reviewed, LPO staff has visited the areas in NV in the vicinity of the proposed work (Ely, Battle Mountain and Elko, NV) at various times during 2010 and 2011 and are familiar with the landscapes and potential environmental concerns. The results of the environmental due diligence review produced the following findings:

- The project does not threaten a violation of applicable statutory, regulatory or permit requirements for environmental, safety and health, including DOE and /or Executive Orders;
- The project does not require siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities;
- The proposed action is not a connected action as set forth in 40 CFR § 1508.25(a)(2)); and
- The proposed action is not part of a DOE proposal for which an EIS is being prepared and therefore a categorical exclusion is not precluded by 40 CFR § 1506.1 or 10 CFR § 1021.211.

The environmental due diligence review also determined that the proposed project associated with the loan guarantee does not adversely affect any environmentally sensitive resources, including the following:

- Property of historic, archaeological, or architectural significance designated by Federal, state, or local governments or property eligible for listing on the National Register of Historic Places;
- Federally-listed threatened or endangered species or their habitat (including critical habitat), Federally-proposed or candidate species or their habitat, or state-listed endangered species or their habitat;
- Wetlands regulated under the Clean Water Act (33 U.S.C. 1344) and floodplains; or
- Special sources of water (such as sole source aquifers, wellhead protection areas, and other water sources) that are vital in a region.

The Comment section below is provided for any necessary clarifications concerning the findings listed above. Signature by Great Basin's designated representative in the Corporate Validation section is an indication of Great Basin's concurrence with the findings and determinations presented above.

Comment:_____

Corporate Validation:

Name and Title (Print): MARK D MILBURN, ASST. V.P.

Signature: _____ Date: 5/23/12

Determination:

Based on my review of information conveyed to me and in my possession concerning the proposed action, as NEPA Compliance Officer (as prescribed by DOE Order 451.1B), I have determined that the proposed loan guarantee and associated actions involve no extraordinary circumstances (10 CFR 1021.410(b)) and fit within the specified categories of actions in Appendix B of 10 CFR 1021 described above, and are hereby categorically excluded from further review under the National Environmental Policy Act (42 USC 4321, as amended).

Signature
Matthew McMillen
NEPA Compliance Officer
Loan Programs Office

5-29-12
Date