



TENNESSEE VALLEY AUTHORITY

Sugar Camp Energy, LLC Mine No. 1 Environmental Impact Statement

AGENCY: Tennessee Valley Authority.

ACTION: Record of decision.

SUMMARY: The Tennessee Valley Authority (TVA) has decided to adopt the preferred alternative identified in the Sugar Camp Energy, LLC Mine No. 1 Boundary Revision 6 Final Environmental Impact Statement (EIS), which was made available to the public on October 2, 2020. A Notice of Availability of the Final EIS was published in the *Federal Register* on October 9, 2020. The purpose and need of the Proposed Action is to recover TVA's investment by approving the proposed SBR No. 6 mining plan under the terms of the coal lease agreement made with Sugar Camp in 2002. TVA's preferred alternative, analyzed in the EIS as the Action Alternative, consists of TVA approving the plan to extract TVA-owned coal reserves within a 12,125-acre portion of the overall Significant Boundary Revision No. 6 shadow area.

FOR FURTHER INFORMATION CONTACT: Elizabeth Smith, Tennessee Valley Authority, 400 West Summit Hill Drive, WT11B-K, Knoxville, Tennessee 37902; telephone (865) 638-2252, or by email esmith14@tva.gov. The Final EIS, this Record of Decision (ROD) and other project documents are available on TVA's website at <https://www.tva.gov/nepa>.

SUPPLEMENTARY INFORMATION: This notice is provided in accordance with the Council on Environmental Quality's regulations and TVA's procedures for implementing the National Environmental Policy Act (NEPA).

TVA is a corporate agency and instrumentality of the United States that, among several mission responsibilities, provides electricity for business customers and local power distributors serving more than 10 million people in a roughly 80,000 square mile area comprised of most of Tennessee and parts of Virginia, North Carolina, Georgia, Alabama, Mississippi, and Kentucky. TVA receives no taxpayer funding, deriving virtually

all of its revenues from sales of electricity. In addition to operation of its power system, TVA provides flood control, navigation and land management for the Tennessee River system and assists local power companies and state and local governments with economic development and job creation.

In 2002, TVA leased its Illinois Basin coal reserves to Sugar Camp, under condition that any proposed mining plan must be subject to environmental review and TVA approval. The proposed mining plan is subject to review and approval by the State of Illinois, which has regulatory authority delegated by the U.S. Department of the Interior, Office of Surface Mining Reclamation and Enforcement under the Surface Mining Control and Reclamation Act of 1977. TVA has prepared an EIS pursuant to NEPA to assess the potential environmental impacts of the proposed action to approve the plan to extract TVA-owned coal reserves within a 12,125-acre portion of the overall Significant Boundary Revision No. 6 shadow area.

In 2008, Sugar Camp obtained Underground Coal Mine Permit No. 382 from the Illinois Department of Natural Resources (IDNR), Office of Mines and Minerals (OMM), Land Reclamation Division, referenced hereafter as IDNR-OMM, for Sugar Camp Mine No. 1. Underground Coal Mine Permit No. 382 originally authorized underground longwall mining operations under approximately 12,125 acres in Franklin and Hamilton counties. UCM Permit No. 382 also included a surface effects area to process, store and transport the coal, where the existing Coal Preparation Plant is located. Since then, Sugar Camp has received authorization from the state for permit revisions to expand underground longwall mining operations for Sugar Camp Mine No. 1, and TVA has prepared multiple environmental assessments for the extraction of TVA-owned coal in these additional areas.

Alternatives Considered

TVA considered two alternatives in the Draft EIS and Final EIS. These alternatives are: *No Action Alternative*. Under the No Action Alternative, TVA assumes that Sugar Camp would continue the previously approved mining of approximately 25,847 acres of TVA-

owned coal and privately owned coal. In addition, Sugar Camp would continue processing, storing, and transporting the previously approved TVA-owned and privately owned coal.

Action Alternative – The Action Alternative would consist of TVA approving the plan to extract TVA-owned coal reserves within a 12,125-acre portion of the overall SBR No. 6 shadow area (hereafter, the Shadow Area). The Action Alternative would involve the associated construction and operation of five Bleeder Shaft Facilities in different locations within the Shadow Area, together totaling approximately 27 acres. Planned subsidence (controlled sinking of the ground at the surface) of approximately 10,549 acres within the Shadow Area would result. Connected actions include processing of the extracted TVA-owned coal at an existing Coal Preparation Plant within an existing 2,420-acre surface effects area; treatment of the byproducts at both existing facilities and one new facility, known as the East Refuse Disposal Area; surface storage of coal; and offsite transport of processed coal via an existing rail loop. These facilities also process, store, and transport privately owned coal mined without TVA approval. Together, the 12,125-acre Shadow Area and the 2,420-acre surface effects area compose the Project Area. TVA's analysis of the Action Alternative takes into account the proposed mining plan in addition to the effects associated with ongoing mining operations.

The purpose and need of the Proposed Action is to recover TVA's investment by approving the proposed SBR No. 6 mining plan under the terms of the coal lease agreement made with Sugar Camp in 2002. TVA's Preferred Alternative is the Action Alternative, which consists of TVA approving the plan to extract TVA-owned coal reserves within a 12,125-acre portion of the overall SBR No. 6 shadow area. The Action Alternative is preferred because it is the most economical way to meet TVA's purpose and need. Other alternatives are not economically feasible, are expected to have similar environmental impacts, and do not meet the purpose and need.

Coal mining activities would occur under either the No Action Alternative or the Action Alternative. Reasonably foreseeable greenhouse gas emissions, including downstream

emissions, are quantified. Other environmental consequences associated with either alternative, including the Action Alternative, have been deemed not significant and, for the most part, would be temporary due to minimization and mitigation efforts required in IDNR permit conditions.

Minor, temporary impacts to soils, groundwater, floodplains, surface waters and wetlands, vegetation, wildlife, and aquatic life would occur with either alternative. Other resources that would be temporarily affected under either alternative include prime farmland, water quality and supply, natural areas, land use, transportation, utilities, noise, and visual. These impacts would be minimized or mitigated per IDNR permit requirements.

Under either alternative, permanent changes to geology would occur due to the removal of a portion of the Herrin No. 6 coal seam. Construction of the East Refuse Disposal Area, which constitutes an expansion of the existing surface effects area under either alternative, would result in permanent impacts to utilities, North Bobtail Road, wetlands, and land use. These impacts would be offset through required minimization and mitigation efforts.

Solid and hazardous waste and human health and safety impacts would be avoided due to compliance with relevant regulations and avoidance and mitigation measures under either alternative. Relative beneficial effects on socioeconomics would occur with either alternative. Environmental justice impacts would be avoided due to compliance with IDNR permit requirements to avoid, minimize, or mitigate the adverse effects of mining operations.

Under the Action Alternative, TVA would require appropriate consultations with the pertinent federal and state agencies to ensure impacts associated with the Bleeder Shaft Facilities to cultural resources and to federally and state-listed species are avoided, minimized, or mitigated, once siting locations for the Bleeder Shaft Facilities are determined. Generally, these consultations are also required under the No Action Alternative, per IDNR permit conditions.

Under the Action Alternative, TVA would require appropriate consultations with the pertinent federal and state agencies to ensure impacts associated with the Bleeder Shaft Facilities to cultural resources and to federally and state-listed species are avoided, minimized, or mitigated, once siting locations for the Bleeder Shaft Facilities are determined. Generally, these consultations are also required under the No Action Alternative, per IDNR permit conditions.

Decision

TVA has decided to implement the preferred alternative of the EIS and approve the plan to extract TVA-owned coal reserves within a 12,125-acre portion of the overall SBR No. 6 shadow area. This alternative would achieve the purpose and need of the project. The Proposed Action would implement the terms of the existing coal lease agreement and recoup TVA's investment. Minor, temporary impacts to soils, groundwater, floodplains, surface waters and wetlands, vegetation, wildlife, and aquatic life would occur with either alternative. Other resources that would be temporarily affected under either alternative include prime farmland, water quality and supply, natural areas, land use, transportation, utilities, noise, and visual. These impacts would be minimized or mitigated per IDNR permit requirements.

Public Involvement

On August 12, 2019, TVA published a Notice of Intent (NOI) in the *Federal Register* announcing that it planned to prepare an EIS to address the potential environmental effects associated with mining 12,125 acres of TVA-owned coal in the Project Area located in Franklin and Hamilton counties, Illinois. The NOI initiated a 30-day public scoping period, which concluded on September 11, 2019. In the NOI, TVA solicited public input on other reasonable alternatives and environmental resources that should be considered in the EIS.

During the public scoping period, TVA received comments from the U.S. Environmental Protection Agency (EPA), the Sierra Club, and one private citizen. Comments were received regarding permits and agency coordination, alternatives analysis, the action

alternative, and several resource categories, including water resources, air quality and greenhouse gases, human health and safety, and socioeconomics and environmental justice. In their comments, EPA requested to participate in the NEPA process as a cooperating agency.

TVA released the Draft EIS for public review in April 2020. A Notice of Availability (NOA) for the Draft EIS was published in the *Federal Register* on April 13, 2020. Publication of the NOA in the *Federal Register* opened the 45-day comment period, which ended on May 27, 2020. To solicit public input, the availability of the Draft EIS was announced in regional and local newspapers serving the Project Area and on TVA's social media accounts. A news release was issued to the media and posted on TVA's web site. The Draft EIS was posted on TVA's website, and hard copies were made available by request. TVA accepted comments submitted through mail, email and a comment form on TVA's public website. TVA received comments from the EPA, Sierra Club and one private citizen. Some of the comments warranted changes in the Final EIS.

The NOA for the Final EIS was published in the *Federal Register* on October 9, 2020. TVA received additional comments from the EPA on the Final EIS on November 9, 2020. The EPA commented that the site-specific analysis of impacts to wetlands and aquatic life in the Final EIS could have been more detailed. TVA notes that in the Final EIS information and analyses about water resources in the project area were compiled based on topographic maps, aerial photographs, soil surveys, the National Wetland Inventory, literature, mail surveys, and onsite observations during field surveys. This information was the basis for TVA's analysis of potential impacts anticipated by the proposed action and alternatives. The information and analysis about water resources and aquatic life in the proposed project area was and is adequate to support TVA's decisionmaking process, the underlying purpose of NEPA's procedural requirements. TVA notes that the U.S. Army Corps of Engineers (Army Corps) will also review available resource data and information when considering permit applications associated with the mine plan under Sections 401 and 404 of the Clean Water Act. During their

review, the Army Corps will identify impacts to the Waters of the U.S. and require that they be mitigated. The discharge of dredged or fill material into Waters of the U.S. is prohibited unless authorized by the Army Corps, the IDNR-Office of Water Resources, and the Illinois Environmental Protection Agency (IEPA).

In addition, impacts to aquatic life, streams or other waterbodies would be subject to Sugar Camp's integrated fish and wildlife habitat reclamation plan. Per the IDNR-OMM permit requirements, implementation of the plan would avoid or mitigate permanent impacts to biological resources associated with the Action Alternative and other mining actions within 20 miles of the Project, including the activities associated with the No Action Alternative. TVA anticipates that these permit requirements will be sufficiently detailed to mitigate anticipated impacts to the watershed and associated aquatic life. As acknowledged in the Final EIS, certain site-specific information is currently unknown, pending final mine component design. Bleeder shaft facilities would be located to avoid Waters of the U.S. to the maximum extent practicable. Construction on the site of the East Refuse Disposal Area would potentially impact 27,806 linear feet of ephemeral and intermittent streams, 1.4 acres of wetlands, and one pond totaling 0.2 acres. These waterbodies likely contain aquatic life, which has been or would be temporarily disturbed by surface disturbances and coal extraction-related effects. However, displaced species would likely return with completion of reclamation activities. Such effects to aquatic life resulting from mining operations are subject to mitigation under integrated fish and wildlife habitat reclamation plans.

The EPA identified a typographical error in TVA's response to Comment 18 in Appendix C of the Final EIS. In the response, TVA incorrectly identified IDNR as the state agency with authority for enforcement of the National Pollutant Discharge Elimination System (NPDES) permit for the mine. In fact, the IEPA is the authorized agency. TVA notes that IEPA was correctly identified as the authorized agency in section 1.5.1 of the Final EIS. The EPA also commented that TVA's response to Comment 18 in Appendix C should have noted that NPDES permit limits for categorical standards cannot allow for instream

mixing for achieving effluent limits and that the description of the instream dissipation of chloride is not relevant to the discussion about effluent exceedances because the mixing zone and receiving water conditions are taken into account when the effluent limit is established. TVA agrees that the current permit does not contain authorizations for discharges in exceedance of the NPDES permit effluent limits. Finally, as pointed out by EPA, TVA acknowledges that the current permit (IL0078565) does not authorize acid mine drainage.

Mitigation Measures

Permit conditions would be enforced by the State of Illinois; TVA does not regulate the mining activities of Sugar Camp. State of Illinois mitigation measures include:

1. The implementation of sediment and erosion control practices (e.g., silt fences, straw, mulch, or vegetative cover) and fugitive dust minimization (e.g., wetting roads prior to heavy use).
2. The implementation of water quality protection measures (e.g., sediment pond treatment, water quality monitoring, or establishment of riparian zone buffer zones).
3. The repair or compensation of any damage to buildings or other structures caused by subsidence.
4. The minimization of invasive species transmission per the requirements of the Illinois Noxious Weed Law.
5. Compensation for any interruption to well water quality or quantity caused by subsidence until the groundwater is restored.
6. The repair of any damage to roads caused by subsidence.
7. The repair of any drainage alteration caused by subsidence.
8. The compensatory mitigation of wetlands and streams impacted by subsidence, if necessary. This condition would also be enforced by the United States Army Corps of Engineers.
9. The repair of any damage to utilities caused by subsidence.

Robert M. Deacy, Sr.,

Senior Vice President,

Generation Construction, Projects and Services.

[FR Doc. 2020-25972 Filed: 11/24/2020 8:45 am; Publication Date: 11/25/2020]