



TENNESSEE VALLEY AUTHORITY

Sugar Camp Energy LLC Mine No. 1 Significant Boundary Revision 8

Environmental Impact Statement

AGENCY: Tennessee Valley Authority.

ACTION: Notice of intent.

SUMMARY: The Tennessee Valley Authority (TVA) intends to prepare an Environmental Impact Statement evaluating the proposed expansion of mining operations (proposed mine expansion) by Sugar Camp Energy, LLC (Sugar Camp) to extract TVA-owned coal reserves in Franklin, Hamilton, and Jefferson counties, Illinois. The proposed 22,414-acre expansion area contains 21,868 acres of coal reserves owned by TVA that are under a coal lease agreement with Sugar Camp. TVA will consider whether to approve Sugar Camp's application to mine TVA-owned coal reserves within the project area. Additionally, TVA will evaluate the divestiture of TVA's mineral rights and associated land rights in Franklin, Hamilton and Jefferson counties, Illinois.

DATES: To ensure considerations, comments on the scope, alternatives being considered, and environmental issues must be received or postmarked, emailed, or submitted online no later than October 2, 2023.

ADDRESSES: Written comments should be sent to Elizabeth Smith, NEPA Specialist, TVA, 400 W. Summit Hill Drive #WT11B, Knoxville, Tennessee 37902. Comments may be sent submitted online at <https://www.tva.gov/NEPA> or by email at NEPA@tva.gov.

FOR FURTHER INFORMATION CONTACT: Elizabeth Smith by phone at 865-632-3053, by email at esmith14@tva.gov, or by mail at the address above.

SUPPLEMENTARY INFORMATION: This notice is provided in accordance with the Council on Environmental Quality regulations (40 CFR parts 1500 to 1508) and TVA procedures for implementing the National Environmental Policy Act (NEPA). TVA is a

federal corporation and instrumentality of the United States government, created in 1933 by an act of Congress to foster the social and economic well-being of the residents of the Tennessee Valley region. As part of its diversified energy strategy, TVA completed a series of land and coal mineral acquisitions from the 1960s through the mid-1980s that resulted in the ownership of approximately 65,000 acres of coal reserves. These reserves consist of approximately 1.35 billion tons of Illinois coal, including portions of the Springfield (also known as Number [No.] 5) and Herrin (also known as No. 6) coal seams. TVA executed a coal lease agreement with Sugar Camp in July 2002 to mine portions of the TVA Illinois coal reserves in an environmentally sound manner, as subject to environmental reviews in accordance with NEPA and other applicable laws and regulations. Based in part on TVA's evolving electricity generation priorities, and TVA's diminishing need for coal to supply TVA's electricity generating portfolio, TVA is considering divesting itself of these same land and mineral acquisitions.

Background

On January 4, 2023, Sugar Camp submitted Permit 382 Significant Boundary Revision (SBR) 8 application to Illinois Department of Natural Resources (IDNR) proposing to expand its underground longwall mining operations at its Sugar Camp Mine No. 1 in Franklin, Hamilton, and Jefferson counties, Illinois, by approximately 22,414 acres (the project area). TVA-owned coal reserves underlie approximately 21,868 acres of the project area. Under the proposal, Sugar Camp would extract approximately 122 million raw tons of TVA-owned coal over a 25-year period (this excludes 45M tons currently permitted). Underground mining would be performed using room and pillar and continuous mining techniques during a development period, followed by longwall mining and associated planned subsidence (controlled settlement of the ground surface). Planned subsidence would occur within the project area once the coal has been removed through longwall mining methods. Sugar Camp would utilize its existing Sugar Camp Mine No. 1

facilities to process and ship the extracted coal, and expansion of these facilities is not needed to support the proposed mine expansion. Sugar Camp would also construct approximately six bleeder ventilation shafts (bleeder shafts, which ventilate the underground mine area) and install associated utilities needed to operate the bleeder shafts within the project area.

Under the terms of the lease agreement, Sugar Camp cannot commence mining of TVA-owned coal reserves until completion of all environmental reviews required under applicable laws and regulations have been finalized. TVA intends to prepare an Environmental Impact Statement (EIS) to consider whether to approve Sugar Camp's application to mine the TVA-owned coal reserves underlying the project area and/or divest all remaining TVA-owned mineral reserves in Illinois.

The EIS initiated by TVA will assess the environmental impact of approving the mining of TVA-owned coal under the mine plan and/or divesting all TVA-owned mineral reserves in IL. In doing so, TVA will address the cumulative impacts from other coal mining activities and identified federal and private actions. The cumulative impacts considered will include approved or completed activities associated with Sugar Camp Mine No. 1.

The operations of Sugar Camp Mine No. 1 have previously been subject to TVA review and approval. In 2008, Sugar Camp obtained Underground Coal Mine (UCM) Permit No. 382 from IDNR for underground longwall mining operations within approximately 12,103 acres in Franklin and Hamilton counties; the original permit did not include TVA-owned coal reserves. In 2010, Sugar Camp applied to IDNR for an expansion associated with UCM Permit No. 382 to mine TVA-owned coal under an additional 817-acre area. The permit was issued in May 2010. In 2011, TVA prepared an Environmental Assessment (EA) to document the potential effects of Sugar Camp's proposed mining of TVA-owned coal underlying a 2,600-acre area.

In November 2017, Sugar Camp obtained approval from IDNR to expand Sugar Camp Mine No. 1 by 37,972 acres. This proposal included the expansion of operations along the northern perimeter of the original mine perimeter, into a 2,250-acre area referred to as Viking District No. 2. In November 2018, TVA completed an EA that addressed expansion of mining operations into Viking District No. 2. In May 2019, TVA supplemented this EA to consider Sugar Camp's proposal to expand its mining into a 155-acre area within the Viking District No. 3, adjacent to Viking District No. 2. In August 2019, TVA issued a Notice of Intent in the Federal Register to complete an EIS for the mining of approximately 12,125 acres of TVA-owned coal reserves associated with SBR No. 6 of UCM Permit No. 382. In October 2020, TVA issued the Final EIS outlining the analysis of alternatives associated with this additional mining of TVA coal reserves. In November 2020, TVA published a Record of Decision and approved Sugar Camp's application to mine the additional TVA-owned coal reserves under the IDNR-approved SBR No. 6.

Alternatives

TVA has initially identified four alternatives for evaluation in the EIS associated with the proposed purpose and need. These include a No Action Alternative and three Action Alternatives. Under the No Action Alternative, TVA would not approve the requested expansion to mine TVA-owned coal within the project area. Under Action Alternative A, TVA would implement the terms of the existing coal lease agreement, evaluate, and potentially approve the plan to mine 21,868 acres of TVA-owned coal as submitted by Sugar Camp in the current SBR of UCM Permit No. 382. Under Action Alternative B, TVA would implement the terms of the existing coal lease agreement, evaluate, and potentially allow mining of the 21,868 acres of TVA-owned coal, and consider divesting the remaining TVA-owned mineral rights/reserves including coal, oil, and gas in IL, and all associated surface rights. Under Action Alternative C, TVA considers divesting all

remaining TVA-owned mineral rights/reserves including coal, oil, and gas in IL, and all associated surface rights, and would not approve Sugar Camp's expansion request as detailed under UCM Permit No. 382.

The EIS will evaluate ways to mitigate impacts that cannot be avoided. The description and analysis of these alternatives in the EIS will inform decision makers, other agencies, and the public about the potential for environmental impacts associated with the proposed mine expansion and/or divesting TVA-owned mineral rights. TVA solicits comment on whether there are other alternatives that should be assessed in the EIS. TVA also requests information and analyses that may be relevant to the project.

Resource Areas and Issues to be Considered

Public scoping is integral to the process for implementing NEPA and ensures that (1) issues are identified early and properly studied, (2) issues of little significance do not consume substantial time and effort, and (3) the analysis of identified issues is thorough and balanced. This EIS will identify the purpose and need of the Action Alternatives and will contain descriptions of the existing environmental and socioeconomic resources within the area that could be affected by the proposed mine expansion. Evaluation of potential environmental impacts to these resources will include, but not be limited to, air quality and greenhouse gas emissions, surface water, groundwater, wetlands, floodplains, vegetation, wildlife, threatened and endangered species, land use, natural areas and parks and recreation, geology, soils, prime farmland, visual resources, noise, cultural resources, socioeconomic and environmental justice, solid and hazardous waste, public and occupational health and safety, utilities, and transportation. The EIS will analyze measures that would avoid, minimize, or mitigate environmental effects.

The final range of issues to be addressed in the environmental review will be determined, in part, from scoping comments received. TVA is particularly interested in public input on the scope of the EIS, alternatives being considered, and environmental issues that

should be addressed as part of this EIS. The preliminary identification of reasonable alternatives and environmental issues in this notice is not meant to be exhaustive or final.

Public Participation

The public is invited to submit comments on the scope of the EIS no later than the date identified in the **DATES** section of this notice. Federal, state, and local agencies and Native American Tribes are also invited to provide comments. Information about this project is available on the TVA web page at www.tva.gov/nepa, including a link to an online public comment page. Any comments received, including names and addresses, will become part of the administrative record and will be available for public inspection. After consideration of comments received during the scoping period, TVA will develop a scoping document that will summarize public and agency comments that were received and identify the schedule for completing the EIS process. Following analysis of the resources and issues, TVA will prepare a draft EIS for public review and comment tentatively scheduled for fall 2024; the final EIS and decision is tentatively scheduled for completion in early 2025. In finalizing the EIS and in making its final decision, TVA will consider the comments that it receives on the draft EIS.

Authority: 40 CFR 1501.9.

Rebecca Tolene,

Vice President, Environment and Sustainability.

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