

REVISED FINDING OF NO SIGNIFICANT IMPACT
TENNESSEE VALLEY AUTHORITY
MEMPHIS REGIONAL MEGASITE POWER SUPPLY -
500-KILOVOLT SUBSTATION AND ASSOCIATED TRANSMISSION LINES
FAYETTE AND HAYWOOD COUNTIES, TENNESSEE

The Tennessee Valley Authority (TVA) proposes to provide power supply infrastructure to the State of Tennessee's (State) Memphis Regional Megasite ("Megasite") to support future economic development opportunities in the Stanton, Tennessee area of Fayette and Haywood counties between Memphis and Jackson. In 2016, TVA completed the *Memphis Regional Megasite Power Supply Environmental Assessment and Finding of No Significant Impact* ("2016 EA") to analyze potential transmission line routes capable of supporting a 161-kilovolt (-kV) transmission line and/or a 500-kV transmission line that would be constructed to provide power to the 4,100-acre Megasite. The scope of the 2016 EA included construction, operation, and maintenance of approximately 6.5-miles of 161-kV transmission line and approximately 3.4-miles of 500-kV transmission line. TVA purchased about 158 acres of transmission line right-of-way (ROW) easements for the purpose of constructing these two future transmission lines following the completion of the 2016 EA. No transmission line construction was undertaken at that time in the absence of final plans for the Megasite.

In 2021, the Ford Motor Company (Ford) announced plans to locate an electric vehicle and battery plant manufacturing facility ("BlueOval City") on roughly 1,800 acres of the 3,600 BlueOval City Campus on the Megasite. In addition to the proposed construction of the two transmission lines addressed in the 2016 EA, TVA proposes the construction of a new 500-kV substation on an approximately 67-acre parcel as well as two new 161-kV transmission lines on the Megasite parcel providing the BlueOval City Delivery Point between a planned new Southwest Tennessee Electric Membership Corporation (STEMC) 161-kV substation and the proposed TVA 500-kV substation. TVA is also considering economic incentives to support Ford's capital investment of \$5.6 billion and the creation of about 6,000 new jobs in the west Tennessee area. A final award decision is dependent on the company commencing commercial operations.

The proposed actions are the subject of a supplemental EA prepared by TVA to supplement the 2016 EA. The supplemental EA and the 2016 EA are incorporated by reference.

Alternatives

Two alternatives are addressed in this supplemental EA. Under Alternative A, the No Action Alternative, TVA would not implement the proposed action. Under Alternative B, the Action Alternative (Provide Incentives and a Power Supply for BlueOval City and the Stanton, Tennessee Megasite), TVA would provide Ford with both infrastructure and economic incentives to locate in TVA's power service area at the Megasite.

Alternative A: Under the No Action Alternative, TVA would not incentivize Ford or provide a power supply to serve the Megasite in Haywood County. Electing to take no action on the incentives or the power supply would be contrary to TVA's statutory mission to support economic development across the Valley and TVA power service area. Under this alternative, Ford may decide not to locate BlueOval City on the Megasite property. As a result, the State may or may not identify a tenant that could provide the benefits to the local and state economy that BlueOval City could provide.

Should Ford or another tenant decide to locate at the Megasite regardless of TVA-taking any actions relating to the BlueOval City project, then it is possible the appropriate power supply could potentially be provided by other sources. The local power company, the State, or the tenant could take action to purchase property and build transmission lines between the Megasite and a TVA power source, and then request a connection point from TVA. However, should the transmission service needed to power the Megasite for BlueOval City be constructed by other sources, the potential environmental effects of implementing the No Action Alternative would likely be comparable to those of the Action Alternative described below. Likewise, the local power company could construct the 500-kV substation needed to convert the power supply to a useable voltage for BlueOval City. However, TVA expects some variability of the significance of impacts as the effects of the construction process by other sources would be dependent upon various factors, such as the route chosen, precautionary measures taken, and construction methods used.

Considering TVA's statutory obligation to support economic development and to provide reliable electric service while minimizing environmental effects, TVA does not consider the No Action Alternative a reasonable alternative. However, the potential environmental effects of adopting the No Action Alternative are considered in the supplemental EA analysis to provide a baseline for comparison with respect to the potential effects of implementing the proposed action.

Alternative B: Under the Action Alternative, TVA would provide a unique range of economic incentives to Ford in support of the planned BlueOval City project from start-up to long-term success. In partnership with the State, TVA would provide Ford with an economic development incentive package to help promote job creation and retention and capital investment in the TVA region. TVA Valley Incentive Programs consider both economic and power-system metrics to create a profile of prospective company's value to the region, and that, in turn, determines appropriate funding levels.

Further, TVA proposes to provide an infrastructure incentive for Ford's planned BlueOval City by constructing, operating, and maintaining both a 161-kV and a 500-kV transmission line (2016 EA) as well as a new 500-kV substation and two associated 161-kV transmission lines on the Megasite. TVA would also perform various modifications to TVA's existing transmission system to support TVA's new 500-kV substation and STEMC's new 161-kV substation.

TVA's proposed 500-kV substation site would encompass approximately 67 acres, for the construction of the substation and transmission line connections. To provide power to TVA's and STEMC's new substations, TVA, as described in the 2016 EA, would construct both an approximate 6.5 mile 161-kV double-circuit transmission line and an approximate 3.4-mile double-circuit 500-kV transmission line. The proposed 161-kV transmission line would connect to the Yum Yum-South Jackson 161-kV Transmission Line (previously referred to as the Cordova-South Jackson 161-kV Transmission Line), located in Fayette County. The proposed 500-kV transmission line would connect to the Haywood-Cordova 500-kV Transmission Line,

also located in Fayette County. These transmission line routes as well as TVA's construction, operation, and maintenance methods have previously been described in the 2016 EA.

The new 500-kV transmission line is proposed to terminate at TVA's proposed new 500-kV substation. The 161-kV transmission line would continue further north along a 187.5-foot-wide ROW along the east side of Tennessee State Route 222. After crossing over to the west side of SR 222, the proposed routes would encompass two separate 100-foot-wide ROW easements located within the Megasite property and ending at STEMC's planned BlueOval City 161-kV Substation. A new fiber path would be installed on the new transmission lines from the Haywood-Cordova 500-kV transmission line to the new TVA and STEMC substations.

Additionally, to facilitate the operation of the new transmission lines and substations, TVA would provide STEMC necessary relay protection and the standard metering package to install in their planned substation. Communication upgrades and relay protection would be required at the existing TVA Cordova 161-kV and South Jackson 161-kV substations. The TVA map board displays at TVA's System Operations Center and Regional Operations Center would be updated to reflect the new transmission assets. The scheduled in-service date for this project would be fall of 2023 or as soon as possible after that date.

Implementation of the Action Alternative would enable TVA to meet the State's requested timeline for delivering a power supply to the Megasite by taking advantage of using the previously purchased ROW easements which provide TVA with the rights to construct, operate, and maintain a new transmission line. Likewise, implementing the Action Alternative would allow BlueOval City to become operational in Ford's planned timeframe. Additionally, the new substation and power supply would ensure a continuous, reliable source of electric power to the Megasite as well as in Fayette and Haywood counties and the surrounding areas.

Impacts Assessment

The supplemental EA documents potential effects to the following resources: water quality (groundwater and surface water); aquatic ecology; vegetation; wildlife; endangered and threatened species (aquatic animals, terrestrial animals, and plants) and their critical habitats; floodplains; wetlands; prime farmland; visual resources and noise; archaeological and historic resources; recreation, parks, and managed areas; socioeconomics and environmental justice; and transportation.

Potential effects related to air quality, global climate change, solid waste, hazardous and nonhazardous wastes, and health and safety were considered. Potential effects on these resources were found to be minimal or absent because of the nature of the action.

Based on the relatively limited nature of TVA's proposed economic development incentives as compared to the total anticipated investment by Ford, and the contingency on Ford's ability to meet the terms and conditions based on future performance, any environmental impacts associated with the economic incentives would be speculative and were not discussed further in the supplemental EA.

Under the No Action Alternative, urbanization and environmental changes within the area would still occur, and activities occurring because of the State's Megasite would likely continue. Ford has committed to construction of the BlueOval City facility on the Megasite; however, delays in providing a power supply to the site would impact their anticipated operational schedule. The amount of such economic impact resulting from TVA not providing a power supply cannot be quantified accurately due to the speculative nature of future conditions. No changes in current

land uses along the existing or proposed ROW are anticipated within the foreseeable future under the No Action Alternative. Thus, implementation of this alternative is not expected to directly cause any effects to current land uses or to prime farmlands. Because the proposed construction, operation, and maintenance of new facilities would not occur under the No Action Alternative, no direct effects to those environmental resources listed above are anticipated.

There would be no direct impacts to surface water features within the proposed substation project area as none are present. Proposed construction activities would involve ground disturbance resulting in the potential for increased erosion and sediment release, which may temporarily affect local surface water and aquatic ecology via stormwater runoff. Aquatic ecology could also be affected by alteration of stream habitat conditions. With the use of standard best management practices (BMPs) and streamside management zones (SMZs) to minimize disturbance of riparian areas, potential effects to surface water, groundwater and aquatic ecology would be minor and insignificant.

Vegetation in the project area is composed of cultivated agricultural fields, pastures, forest, maintained power line ROWs, or disturbed sites in various stages of residential development. The forested areas in the 2016 EA and the supplemental EA project areas are deciduous in composition and total approximately 85 acres. The construction of the proposed substation and associated transmission line ROWs would require changes in land use from the approximately 85 acres of forest to early successional habitats. No uncommon plant communities are known from the vicinity of the project area and no rare plant communities were observed in the project area during the field survey. Clearing and grading of the site and construction of the proposed substation and transmission line ROWs would result in an unavoidable alteration of habitats that would result in long-term impacts to localized species composition and wildlife habitat for the lands immediately affected. However, due to the abundant habitat of similar quality within the vicinity of the project area, the overall impact to vegetation and wildlife is considered minor. In addition, TVA would integrate on-going standard BMPs, SMZs, and procedures that are designed to avoid and minimize impacts to federally or state-listed species, including minimization of potential impacts to foraging bat habitat as described and in accordance with TVA's Programmatic Consultation on Bats on routine actions. With the use of BMPs and identified conservation measures in Appendix G of the supplemental EA, proposed actions would not significantly impact Indiana bat or northern long-eared bat.

The proposed location of TVA's 500-kV substation would be outside of the 100-year floodplain. By implementing the routine mitigation measures described in the supplemental EA, and the use of standard BMPs, the proposed transmission line and access roads would have no significant impact on floodplains and their natural and beneficial values and would be consistent with EO 11988 (Protection of Floodplains). ROW construction would involve tree clearing and conversion of 5.28 acres of forested wetland to emergent or scrub-shrub wetland habitat. In compliance with EO 11900 (Protection of Wetlands), TVA has determined that there is no practicable alternative to completely avoiding all wetland impacts. These wetland impacts would be mitigated through adherence to Clean Water Act permit requirements and implementation of applicable compensatory mitigation measures identified through the permitting process. Wetland impacts would be minor on a watershed scale and TVA's proposed action is consistent with the requirements of EO 11990.

The proposed substation would result in a loss of approximately 26.3 acres of prime farmland. Prime farmland soils within the proposed substation site comprise approximately 0.1 percent of the total prime farmland soils found within a 5-mile radius. This loss of prime farmland is minor when compared to the amount of land designated as prime farmland within the surrounding region and would not impact regional agriculture or crop production. The proposed transmission lines would not affect prime farmland soils as the ROW easements would not be taken out of production.

Potential effects associated with the proposed project consist of temporary disturbances during construction (i.e., noise, traffic, and fugitive dust) as well as long-term visual and property value impacts, all of which are limited to communities in the immediate vicinity of the project footprint. Because construction of the proposed project would take place over a short period, potential effects to local noise would be minor and insignificant. Potential effects to local visual quality would be minor. Construction, operation, and maintenance of the proposed transmission line could cause shifts in local informal recreation, but these would be minor.

TVA determined the archaeological and historic resources in the proposed project area to be ineligible for listing in the National Register of Historic Places and found no integrity of archaeological deposits within the project footprint. TVA also determined that construction of the proposed 500-kV substation and transmission line structures would not extend into 40HD180's site boundary, and therefore, 40HD180 would be avoided. TVA finds that the undertaking would have no adverse effect to archaeological and historic resources.

The proposed project would allow TVA to meet the foreseeable power demand for BlueOval City to locate on the Megasite and would ensure a continuous, reliable source of electric power in Fayette and Haywood counties, resulting in long-term indirect economic benefits to the area. There is a potential for a decrease in property value near the transmission lines and related facilities such as substations. However, most new construction would take place in agricultural or forested areas; residential properties have been avoided to the greatest extent possible.

The proposed project could result in minor impacts to nearby residents in environmental justice communities, including temporary impacts such as increased traffic, noise, fugitive dust, and air emissions during the construction period, as well as long-term visual impacts and the potential for decreased property values. The proposed project would not result in any substantial long-term emissions or releases of air pollutants, noise, or hazardous materials that would have a direct impact on human health or welfare. These impacts are similar to impacts experienced by communities (EJ and non-EJ communities) living along TVA's transmission line networks across the Valley. Implementation of the proposed project would also support the development of the Megasite, which is anticipated to bring many jobs and revenue to the area, benefiting the economy of local communities. Thus, overall, any adverse impacts would be minor and would be largely offset by beneficial economic impacts.

Potential effects on traffic would likely be minor and short-term in nature. Potential effects from electromagnetic fields would be minor, and the proposed substation and associated transmission lines would not pose an increased hazard for electric shock or from lightning.

Reasonably foreseeable actions include the construction of the Megasite, associated infrastructure, and potential urbanization of the area due to increased employment in the vicinity. These actions are anticipated to occur in the vicinity of the proposed 500-kV substation and transmission lines. Because of the small scale of the proposed substation and transmission line project in relation to the greater Megasite development, neither the physical nor economic

impacts of substation and transmission line construction/operation would meaningfully contribute to cumulative socioeconomic or environmental justice impacts. Based on the analyses in the 2016 EA and the supplemental EA, there would be no significant cumulative adverse environmental impact from the construction and operation of the proposed 500-kV substation, and associated transmission lines when considered together with these other past, present, and reasonably foreseeable future actions in the area.

Public and Intergovernmental Review

The draft supplemental EA was released for public review and comment for 30 days beginning on April 26, 2022. As described in the SEA, additional considerations were made to ensure the environmental justice communities were sufficiently notified. TVA received four comment letters from members of the public. TVA considered all comments received on the draft supplemental EA and has responded to them in the final supplemental EA. In addition, TVA notified local, state, and federal agencies and federally recognized Indian tribes of its availability through their required consultations. Pursuant to Section 106 of the National Historic Preservation Act, TVA consulted with the Tennessee State Historic Preservation Officer (SHPO) and federally recognized tribes requesting concurrence that the proposed 500-kV substation and associated transmission lines would have no effect on cultural resources and that the transmission line construction would have no adverse effect to archaeological resources and historic properties pursuant to 36 CFR § 800.11. The SHPO concurred with these determinations in a letter dated May 18, 2022, and no tribe objected or raised concerns.

Several activities associated with the proposed project were addressed in TVA's programmatic consultation with the U.S. Fish and Wildlife Service on routine actions and federally listed bats in accordance with the Endangered Species Act § 7(a)(2). This consultation was completed in April 2018.

Mitigation

TVA would implement the standard practices and routine BMPs described in the supplemental EA to avoid or reduce the potential for adverse environmental effects during the construction, operation, and maintenance of the proposed 500-kV substation, associated transmission lines, and access roads.

Conclusion and Findings

Based on the findings in the supplemental EA, TVA concludes that implementing Alternative B – Provide Incentives and a Power Supply for BlueOval City and the Stanton, Tennessee Megasite, would not be a major federal action significantly affecting the environment. Accordingly, an environmental impact statement is not required.



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Date Signed