

**RURAL UTILITIES SERVICE**

**FINDING OF NO SIGNIFICANT IMPACT**

**related to**

**NORTH CAROLINA ELECTRIC MEMBERSHIP CORPORATION.**

**regarding the**

**ANSON COUNTY ELECTRIC GENERATION FACILITY  
AND  
RICHMOND COUNTY ELECTRIC GENERATION FACILITY**

**Prepared by:**

**ENGINEERING AND ENVIRONMENTAL STAFF  
RURAL UTILITIES SERVICE**

**February 2005**

North Carolina Electric Membership Corporation (NCEMC) has requested financing assistance from the Rural Utilities Service (RUS) to finance the construction of two simple-cycle combustion turbine projects. The first project will involve the construction and operation of a 336 MW electric generation facility at a site located approximately 4 miles east of Lilesville just north of Blewett Falls Road (SR 1745) and south of McCoy Creek in Anson County, North Carolina. Approximately 20 acres of the 178 acre site will be needed for the generation facility. The facility will be made up of 6 Pratt and Whitney FT-8 twin combustion turbine units requiring twelve 60-foot tall exhaust stacks. The second project will involve the construction of a 280 MW electric generation facility at a site approximately 2.5 miles southwest of Hamlet, west of Airport Road, and south of Marks Creek in Richmond County, North Carolina. Approximately 20 acres of the 258 acre site will be needed for the generation facility. This facility will consist of 5 Pratt and Whitney FT-8 twin combustion turbine units requiring ten 60-foot tall exhaust stacks. This project will also require the construction of 7.8 miles of 230 kV transmission line between the Rockingham Substation and the Richmond Substation. The transmission line will be constructed and operated by Progress Energy. NCEMC is expected to finance the cost of the both projects through an RUS loan guarantee. Additional information on the facilities to be constructed and their locations are provided in the environmental assessment.

RUS considered the alternatives of no action, purchase power, conservation, demand-side management, rate structure and off-peak rates, renewable resources, distributed generation, fossil fuel generation, repowering existing generation facilities, new transmission capacity, and alternative site locations for the proposed peaking facilities. Under the no action alternative, RUS would not provide financing for the proposed projects. RUS believes that the proposed projects are justified and meet NCEMC's need for additional generation resources.

NCEMC submitted an environmental analysis to RUS which addresses the potential environmental impacts of the two projects. RUS conducted an independent evaluation of the environmental analysis and concurs with its scope and content. In accordance with RUS' Environmental Policies and Procedures at 7 CFR 1794.53, RUS has accepted NCEMC's environmental analysis as its environmental assessment of the proposed projects.

The availability of the environmental assessment for public review was announced in newspapers in Anson, Richmond, Person, and Wake Counties and in the *Federal Register*. Alternative sites were considered in Person and Wake Counties. A 30-day comment period was given for the interested parties to contact RUS. The only comments received by RUS during this comment period were from the U.S. Geological Survey (USGS) and the North Carolina Wildlife Resources Commission (NCWRC). The USGS was concerned that invasive plants might enter the two project sites during construction and operation activities. The NCWRC was concerned that construction activities could impact important aquatic resources and thus affect water quality in the vicinity of both sites and the transmission line corridor associated with the Richmond County site. Both agencies recommended measures to mitigate potential impacts. Many

of these recommendations are requirements of the U.S. Army Corps of Engineers 404 Permits, the North Carolina Division of Water Quality Section 401 Certifications, and the Erosion and Sedimentation Control Plans to be submitted to the North Carolina Division of Land Resources.

Based on the environmental assessment, RUS has concluded that the construction and operation of the two proposed electric generation facilities would have no significant impact to land use, vegetation, fish and wildlife resources, water quality, air quality, social or economic concerns in the projects areas, aesthetics, human health and safety, transportation, or ambient noise levels. The projects would have no impact to the 100-year floodplain, prime farmland, federally listed threatened or endangered species, or cultural resources. The proposed projects would not have a disproportionate adverse environmental or human health impact to low-income or minority populations.

No other potential significant impacts resulting from the projects have been identified. Therefore, RUS has determined that this finding of no significant impact fulfills its obligations under the National Environmental Policy Act, as amended (42 U.S.C. 4321 *et seq.*), the Council on Environmental Quality Regulations (40 CFR §§ 1500-1508), and RUS' Environmental Policies and Procedures (7 CFR Part 1794) for its action related to the project.

RUS is satisfied that the environmental impacts of the proposed projects have been adequately addressed and, therefore, finds no reason why North Carolina Electric Membership Corporation's request for RUS assistance to finance the cost of the projects should not be considered.

Since RUS' Federal action would not result in significant impacts to the quality of the human environment, it will not prepare an environmental impact statement for its action related to the projects.

Approved by: \_\_\_\_\_ Date \_\_\_\_\_  
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Assistant Administrator-Electric  
Rural Utilities Service