

FINDING OF NO SIGNIFICANT IMPACT

Name of Action: New Operating Agreement between the U.S. Army Corps of Engineers, the Southeastern Power Administration, and Duke Energy Carolinas, LLC

1. Description of the Proposed Action

The proposed action (Alternative 3) consists of a new Operating Agreement between the U.S. Army Corps of Engineers, the Southeastern Power Administration, and Duke Energy Carolinas, LLC. Duke Energy would modify the Oconee Nuclear Station to allow operations to continue at Lake Keowee elevations down to 790 feet AMSL. A3 would modify the 1968 Agreement as follows:

- Incorporate additional storage capacity in Duke Energy's Bad Creek Reservoir and USACE's Richard B. Russell Reservoir into the calculations determining the remaining usable storage and weekly water release requirement from Lake Keowee. As a result, A3 equalizes the percentage of combined remaining usable storage capacity at USACE's Hartwell, RBR, and J. Strom Thurmond Reservoirs with the percentage of combined remaining usable storage capacity at Duke Energy's Bad Creek Reservoir and Lakes Jocassee and Keowee.
- Revise the Lake Keowee minimum elevation for calculating usable storage to elevation 790 feet AMSL (enabling a 10-foot drawdown of Lake Keowee).
- Lower the Lake Jocassee minimum reservoir elevation six feet (from 1086 feet AMSL to 1080 feet AMSL) and eliminate the allowance for pumping volume in the weekly water release calculation.
- Incorporate the USACE July 2012 Drought Plan operating protocols.
- Incorporate Duke Energy's Low Inflow Protocol (LIP) which provides rules for how they will operate their reservoirs during droughts, including minimum lake elevations and water use conservation for existing and future water intake owners located on Keowee-Toxaway Project Reservoirs.

A3 includes the following provisions to enhance drought tolerance in the Upper Savannah River Basin:

- Duke Energy will require owners of Large Water Intakes on the Duke Energy Projects to comply with its Low Inflow Protocol.
- USACE will require any owner of a Large Water Intake (i.e., water intake with a maximum capacity greater than or equal to one million gallons per day) who is allocated water from the USACE Projects after the effective date of the new Operating Agreement to implement coordinated water conservation measures when the USACE Drought Plan is in effect (similar to the water conservation measures required by the Low Inflow Protocol for Large Water Intake owners on the Duke Energy Projects).
- USACE and Duke Energy will encourage all water users withdrawing water from their respective reservoirs to conserve water in a coordinated manner when the USACE Drought Plan is in effect.

- USACE and Duke Energy will require (whenever feasible) that all Large Water Intakes used for municipal, industrial and power generation purposes that are constructed, expanded or rebuilt on their projects after the effective date of the new Operating Agreement be capable of operating at their permitted capacities at reservoir elevations as low as the applicable hydroelectric station can operate.
- Duke Energy would provide \$438,000 in funding to support the next interim of the USACE Savannah River Basin Comprehensive Study (to evaluate reallocating existing storage or measures that could lead to better water management).
- Duke Energy would provide funding and/or in-kind services to USACE and other public entities to improve public boating access at Hartwell and Thurmond Reservoir facilities to fully mitigate for adverse impacts to recreational access to those reservoirs. Those impacts are presently estimated to be \$2,938,000 (FY14 price levels) over a 50-year evaluation period.
- To avoid adverse impacts to dissolved oxygen levels in Savannah Harbor, USACE will discharge 200 cubic feet per second of water above that specified in the 2012 Drought Plan from Thurmond Dam for 11 days each year when the USACE reservoirs are in drought status during the summer months. At that time, Duke Energy will continue to release water from their projects to stay in balance with the USACE reservoirs in accordance with the USACE/SEPA/Duke Energy 2014 Operating Agreement.

Duke Energy would bear the estimated \$2 Million cost to modify the Oconee Nuclear Station to enable its operations to continue down to a Lake Keowee elevation of 790 feet AMSL. Duke Energy would provide South Carolina with funds to support their participation in the next interim of the USACE Savannah River Basin Comprehensive Study. Duke Energy would provide funds and/or in-kind services to USACE and other public entities to improve public boating access at the Hartwell and Thurmond Reservoirs. USACE would manage those mitigation actions. USACE would continue to operate under the terms of its 2012 Drought Plan. Both organizations would implement the Low Inflow Protocol which describes how they will work with Large Water Intake owners within their reservoirs to conserve water during droughts.

2. Other Alternatives Considered

Alternatives to the Proposed Action were developed as part of the planning process. The alternatives that were considered include:

- a. No Action Alternative: Duke Energy and USACE would operate in accordance with the 1968 Operating Agreement
- b. Alternative 1: Duke Energy would modify its Oconee Nuclear Station to allow that facility to meet the flow requirements of the 1968 Agreement (i.e., ONS could operate down to a Lake Keowee elevation of 778 feet AMSL).
- c. Alternative 2: Duke Energy would operate the Keowee-Toxaway Project as it has since the mid- to late-1990s during drought conditions.
- d. Alternative 4 (evaluates how the Low Inflow Protocol in A3 affect reservoir levels and flow releases from the USACE Projects): Includes all features of A3 (same reservoir usable storage updates) except for the Low Inflow Protocol.

3. Coordination

Savannah District coordinated this action with Federal, State and local agencies and issued a Notice of Availability to solicit comments from the public on the Draft Environmental Assessment. Appendix Y contains the responses to each comment that was received.

4. Conclusions

Based on a review of the information contained in this Environmental Assessment (EA), I have determined that the preferred alternative is the best course of action. I have also determined that this new Operating Agreement with the Southeastern Power Administration and Duke Energy is not a major Federal action within the meaning of Section 102(2)(c) of the National Environmental Policy Act of 1969. Accordingly, the preparation of an Environmental Impact Statement is not required. My determination was made considering the following factors discussed in the EA to which this document is attached:

- a. The proposed action would not have significant adverse effects on any threatened or endangered species.
- b. The proposed action would not cause any significant long term adverse impacts to wetlands.
- c. The proposed action would not have significant adverse impacts on cultural resources.
- d. The proposed action would not cause or contribute to violations of SC or GA water quality standards.
- e. The proposed action would not adversely impact air quality.
- f. The proposed mitigation would fully compensate for adverse impacts to recreational users of the Federal reservoirs.
- g. The proposed action would not significantly affect hydropower generation at the USACE dams on the Savannah River, or the distribution or sale of that hydropower by SEPA.
- h. The proposed action would not result in unacceptable adverse cumulative or secondary impacts.
- i. The proposed action complies with Executive Order 12898, "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations."

5. Findings

The proposed action to enter into a new Operating Agreement with the Southeastern Power Administration and Duke Energy for the Savannah River Basin as described in Alternative 3 would result in no significant environmental impacts and is the alternative that represents sound natural resource management practices and environmental standards.

10 OCT 2014

Date



Thomas J. Tickner
Colonel, US Army
Commanding