

4310-05-P

DEPARTMENT OF THE INTERIOR

Office of Surface Mining Reclamation and Enforcement

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33F 13xs501520]

**Notice of Availability of the Four Corners Power Plant and Navajo Mine Energy
Project Draft Environmental Impact Statement**

AGENCY: Office of Surface Mining Reclamation and Enforcement, Interior.

ACTION: Notice of Availability.

SUMMARY: In accordance with the National Environmental Policy Act (NEPA) of 1969, as amended, the Office of Surface Mining Reclamation and Enforcement (OSMRE) has prepared a Draft Environmental Impact Statement (EIS) for the Four Corners Power Plant and Navajo Mine Energy Project (Project), in northwestern New Mexico and by this notice is announcing the opening of the comment period.

DATES: To ensure comments will be considered, the OSMRE must receive written comments on the Draft EIS no later than May 27, 2014. The OSMRE will conduct public meetings in the following locations and on the following dates:

Hotevilla, AZ: - Navajo and Hopi interpreters available

Wednesday, April 30, 5 to 8 p.m.

Hotevilla Village (Hotevilla Youth and Elderly Center), Auditorium

1 Main St., Hotevilla, AZ 86030

Cortez, CO:

Thursday, May 1, 5 to 8 p.m.

Montezuma-Cortez High School, The Commons Area

206 W. Seventh St., Cortez, CO 81321

Burnham, NM: - Navajo interpreters available

Friday, May 2, 5 to 8 p.m.

Tiis Tsoh Sikaad (Burham) Chapter House, Large Meeting Room

12 miles east of U.S. 491 on Navajo Route 5 and ½ mile south on Navajo Route 5080

Durango, CO:

Saturday, May 3, 9:30 a.m. to 12:30 p.m.

Durango Community Recreation Center

2700 Main Ave., Durango, CO 81301

Farmington, NM:

Monday, May 5, 5 to 8 p.m.

Farmington Civic Center, Exhibition Hall

200 W. Arrington St., Farmington, NM 87401

Shiprock, NM: - Navajo interpreters available

Tuesday, May 6, 5 to 8 p.m.

Shiprock High School, Commons

Highway 64 W, Shiprock, NM 87420

Nenahnezad, NM: - Navajo interpreters available

Wednesday, May 7, 5 to 8 p.m.

Nenahnezad Chapter House, Multipurpose Hall

County Road 6675, Navajo Route 365, Fruitland, NM 87416

Window Rock, AZ: - Navajo interpreters available

Thursday, May 8, 5 to 8 p.m.

Navajo Nation Museum, Resource Room

Highway 264, Postal Loop Road, Window Rock, AZ 86515

Albuquerque, NM:

Friday, May 9, 5 to 8 p.m.

Indian Pueblo Cultural Center, Silver and Turquoise Room

2401 12th St. NW, Albuquerque, NM 87104

Public meetings will be conducted in an open-house style format. The meeting rooms will be arranged into the following areas: 1) an area where attendees may view a video discussing the project and the Draft EIS findings; 2) an area containing informational displays where attendees may read and subsequently discuss the project and the Draft EIS findings with OSMRE representatives, the Bureau of Indian Affairs (BIA) and consultant personnel; 3) an area where attendees may record and submit written comments; and 4) an area where an OSMRE representative and a transcriber will record oral comments. Hopi and Navajo interpreters will be present at meetings on the Hopi and Navajo Reservations. If you require reasonable accommodation to attend one of the meetings, please contact the person listed under FOR FURTHER INFORMATION CONTACT at least one week before the meeting.

ADDRESSES: The draft EIS is available for review at http://www.wrcc.osmre.gov/Current_Initiatives/FCNAVPRJ/FCPPEIS.shtm. Paper and computer compact disk (CD) copies of the Draft EIS are available for review at the OSMRE Western Region office, 1999 Broadway, Suite 3320, Denver, Colorado 80202-5733. In addition, a paper and CD copy of the Draft EIS is also available for review at each of the following locations:

Navajo Nation Library – Highway 264 Loop Road, Window Rock, AZ 86515

Navajo Nation Division of Natural Resources – Executive Office Building 1-2636, Window Rock Blvd., Window Rock, AZ 86515

Hopi Public Mobile Library – 1 Main Street, Kykotsmovi, AZ 86039

Albuquerque Main Library – 501 Copper Ave NW, Albuquerque, NM 87102

Cortez Public Library – 202 N. Park Street, Cortez, CO 81321

Durango Public Library – 1900 E. Third Ave, Durango, CO 81301

Farmington Public Library – 2101 Farmington Ave, Farmington, NM 87401

Octavia Fellin Public Library – 115 W. Hill Ave., Gallup, NM 87301

Shiprock Branch Library – U.S. Highway 491, Shiprock, NM 87420

Tuba City Public Library – 78 Main Street, Tuba City, AZ 86045

Chinle Chapter House – Highway 191, Chinle, AZ 86503

Coalmine Canyon Chapter House – Highway 160 and Main Street, Tuba City, AZ 86045

Nenahnezad Chapter House – County Road 6675, Navajo Route 365, Fruitland, NM 87416

Shiprock Chapter House – East on Highway 64, Shiprock, NM 87420

Tiis Tsoh Sikaad Chapter House – 12 miles east of U.S. 491 on Navajo Route 5 and
½ mile south on Navajo Route 5080

Upper Fruitland Chapter House – N562 Building #006-001, North of Highway N36,
Fruitland, NM 87416

OSMRE Albuquerque Area Office - 435 Montano Road, NE, Albuquerque, NM
87107

BIA Chinle Office – Navajo Route 7, Building 136-C, Chinle, AZ 86503

BIA Eastern Navajo Office – Code Talker Street, Building 222, Crownpoint, NM
87313

BIA Fort Defiance Office – Bonita Drive, Building 251-3, Fort Defiance, AZ 86504

BIA Ramah Office – HC-61, Box 14, Ramah, NM 87321

BIA Shiprock Office – Nataani Nez Complex Building, Second Floor, Highway 491
South, Shiprock, NM 87420

BIA Southern Pueblos Office – 1001 Indian School Road, NW, Albuquerque, NM
87104

BIA Southern Ute Office – 383 Ute Road, Building 1, Ignacio, CO 81137

BIA Ute Mountain Ute Office – Phillip Coyote Sr. Memorial Hall, 440 Sunset Blvd,
Towaoc, CO 81334

BIA Western Navajo Agency – East Highway 160 and Warrior Drive, Tuba City, AZ
86045

SUPPLEMENTARY INFORMATION:

I. Background on the Project

II. Background on the Four Corners Power Plant

III. Background on Pinabete Permit and the Navajo Mine Permit Renewal

IV. Alternatives

I. Background on the Project

The purpose of the Project is to consider ongoing operations at the Four Corners Power Plant (FCPP), and on the Navajo Transitional Energy Company's (NTEC) Navajo Mine lease to potentially provide for long-term, reliable, continuous, and uninterrupted base load electrical power to customers in the southwestern United States using a reliable and readily available fuel source. The Project proposes to accomplish this while complying with tribal trust responsibilities and trust policies, including, but not limited to, a preference for tribal self-determination and promoting tribal economic development for all tribes affected. The Draft EIS evaluates the direct, indirect, and cumulative impacts of these actions at the FCPP, the proposed Pinabete Permit area, and the existing Navajo Mine Permit area, as well as the rights-of-way renewals for segments of four transmission lines that transmit power from the FCPP.

Cooperating agencies on the Draft EIS include: the BIA, the Bureau of Land Management (BLM), the U.S. Environmental Protection Agency (EPA), the U.S. Fish and Wildlife Service (USFWS), the National Park Service (NPS), the U.S. Army Corps of Engineers (USACE), the Navajo Nation, and the Hopi Tribe.

The OSMRE is complying with Section 106 of the National Historic Preservation Act (16 U.S.C. 470f) (NHPA Section 106) as provided for in 36 CFR 800.2(d)(3) concurrently with the NEPA process, including public involvement requirements and consultation with the State Historic Preservation Officer and Historic Preservation Officers with the tribal nations. Native American tribal consultations are on-going, and

have been conducted in accordance with applicable laws, regulations, and Department of the Interior (DOI) policy. Federal, tribal, state, and local agencies, along with other stakeholders that may be interested in or affected by the Federal agencies' decisions on the Project, are invited to submit comments on the Draft EIS.

As part of its consideration of impacts of the proposed Project on threatened and endangered species, the OSMRE is conducting formal consultation with the USFWS pursuant to Section 7 of the Endangered Species Act (ESA), 16 U.S.C. § 1536, and its implementing regulations, 50 CFR part 400. This formal consultation is considering direct and indirect impacts from the proposed Project, including continued operation of the FCPP, continuing operation and maintenance of existing transmission lines and ancillary facilities, and all mining and related operations within the Navajo Mine lease.

In addition to compliance with NEPA, NHPA Section 106, and ESA Section 7, all Federal actions will be in compliance with applicable requirements of the Indian Business Site Leasing Act, 25 U.S.C. § 415; the General Right-of-Way Act of 1948, 25 U.S.C. §§ 323-328; the Surface Mining Control and Reclamation Act of 1977 (SMCRA), 30 U.S.C. §§ 1201-1328; the CWA Clean Water Act, 33 U.S.C. §§ 1251-1387; the Clean Air Act, 42 U.S.C. §§ 7401-7671q; the Native American Graves Protection and Repatriation Act, 25 U.S.C. §§ 3001-3013; and Executive Orders relating to environmental justice, sacred sites, and tribal consultation, and other applicable laws and regulations.

II. Background on the Four Corners Power Plant

The FCPP, located on Navajo tribal trust lands in New Mexico, is a coal-fired electric generating station which currently includes two units generating approximately 1,500 megawatts, and provides power to more than 500,000 customers. Nearly 80

percent of the employees at the plant are Native American. Arizona Public Service (APS) operates the FCPP, and recently executed a lease amendment (Lease Amendment No. 3) with the Navajo Nation to extend the term of the lease for the FCPP an additional 25 years, to 2041. Continued operation of the FCPP is expected to require several federal actions, including:

- Approval from the BIA of Lease Amendment No.3 for the FCPP plant site, pursuant to 25 U.S.C. 415. Lease Amendment No.3 has been signed by the Navajo Nation after Navajo Nation Council approval.
- Issuance by the BIA of renewed rights-of-way, pursuant to 25 U.S.C. 323, for the continued operation of the FCPP plant site and its switchyard and ancillary facilities; for a 500 kilovolt (kV) transmission line and two 345 kV transmission lines; and for ancillary transmission line facilities, including the Moenkopi Switchyard, an associated 12 kV line, and an access road; (collectively the "Existing Facilities"). The Existing Facilities are located on the Navajo Reservation, except for the 500 kV transmission line which crosses both Navajo and Hopi tribal lands. The Existing Facilities are already in place and would continue to be maintained and operated as part of the proposed action. No upgrades to the transmission lines or ancillary transmission line facilities are planned as part of the proposed Project.
- Issuance by the BIA of renewed rights-of-way to the Public Service of New Mexico (PNM) corporation for the existing 345 kV transmission facilities. The transmission facilities are already in place, and will continue to be maintained and operated as part of the proposed action. No upgrades to these transmission lines are planned as part of the proposed Project.

In August 2012, the EPA published a Federal Implementation Plan (FIP) for the Best Available Retrofit Technology (BART) at FCPP (40 CFR § 49.5512), addressing concerns with air emissions. The EPA approved the FIP and as a result, APS removed units 1, 2, and 3 at the FCPP from service in December 2013, and pollution control upgrades will be installed on Units 4 and 5 by 2018. Actions under the Clean Air Act, such as EPA's adoption of the FIP, are exempt from NEPA under federal law [15 U.S.C. 793(c)(1)]; however, the environmental effects of continued operation of FCPP, including the APS's compliance with the FIP, are analyzed in the Draft EIS. The ash disposal area would expand in future years within the current FCPP lease boundary. There is no proposed change to the exterior boundary of the FCPP site, the switch yard, or any of the transmission lines and ancillary facilities as part of the proposed actions.

III. Background on Pinabete Mine Permit and the Navajo Mine Permit Renewal

Concurrent with the proposed FCPP lease amendment approval and renewed rights-of-way grant actions, the NTEC proposes to conduct surface coal mining and reclamation operations within a new 5,569-acre permit area, called the Pinabete permit area. This proposed permit area lies within the boundaries of the existing Navajo Mine lease, which is located adjacent to the FCPP on Navajo tribal trust lands. The NTEC proposes to conduct surface coal mining operations on an approximately 2,744-acre portion of the proposed Pinabete Permit area, with a total disturbance footprint, including staging areas, of approximately 4,100 acres. The proposed Pinabete permit area would, in conjunction with the mining of any reserves remaining within the existing Navajo Mine permit area (Federal SMCRA Permit NM0003F), supply low-sulfur coal to the FCPP at a rate of approximately 5.8 million tons per year. Development of the Pinabete

permit area and associated coal reserves would use surface mining methods and, based on current projected customer needs, would supply coal to FCPP for up to 25 years beginning in 2016. The proposed Pinabete permit area would include previously permitted but undeveloped coal reserves within Area IV North of the Navajo Mine lease, and unpermitted and undeveloped coal reserves in a portion of Area IV South of the existing Navajo Mine lease. Approval of the proposed Pinabete Permit is expected to require several other agency actions, including:

- Approval by the OSMRE of the new SMCRA permit.
- Approval by the BLM of a revised Mine Plan developed for the proposed maximum economic recovery of coal reserves.
- Approval of a Section 404 Individual Permit by the USACE for the impacts to waters of the United States from proposed mining activities. The USACE draft decision document is included as an appendix to the Draft EIS. This Notice of Availability of the Draft EIS also provides notice of the opportunity to provide comments on the USACE draft decision document. Comments received by the OSMRE on the draft USACE decision document will be forwarded to USACE for use within their individual permit evaluation process.
- Approval of a new source Section 402 National Pollutant Discharge Elimination System (NPDES) Industrial Permit by the EPA associated with the mining and reclamation operations and coal preparation facilities.
- Approval by the BIA of a proposed realignment for approximately 2.8 miles of BIA 3005/Navajo Road N-5082 (Burnham Road) in Area IV South to avoid proposed mining areas.

- Approval or grant of permits or rights-of-way for access and haul roads, power supply for operations, and related facilities by the BIA.

In addition, the OSMRE expects the NTEC to submit a renewal application in 2014 for its existing Navajo Mine SMCRA Permit No. NM00003F. Therefore, the Draft EIS also addresses alternatives and direct, indirect, and cumulative impacts of the 2014 renewal application action.

IV. Alternatives

Alternatives carried forward in the Draft EIS include three different mine plan configurations at the Navajo Mine and two different ash disposal facility configurations at FCPP. Also considered were alternatives implementing high-wall or long-wall mining techniques at the Navajo Mine; conversion of FCPP to a renewable energy or natural gas plant; implementing carbon capture and storage at FCPP; and use of an off-site coal supply option for FCPP.

PUBLIC COMMENT PROCEDURES: In accordance with the CEQ's regulations for implementing NEPA and the DOI's NEPA regulations, the OSMRE solicits public comments on the Draft EIS. Comments on the Draft EIS may be submitted in writing or by email. At the top of your letter or in the subject line of your email message, indicate that the comments are "FCPP and Navajo Mine Draft EIS Comments". Email comments should be sent to fcppnavajoenergyeis@osmre.gov. Written comments should be mailed to Marcelo Calle, the OSMRE Western Region, 1999 Broadway, Suite 3320, Denver, Colorado 80202-5733. Comments can also be made either in writing or verbally at any of the public meetings listed above. Be specific in your comments and indicate the

chapter, page, paragraph, and sentence that your comment applies to.

All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be available for public review to the extent consistent with applicable law.

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment – including your personal identifying information – may be publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. Comments submitted anonymously will be accepted and considered; however, those who submit anonymous comments may not have standing to appeal the subsequent decision.

If you would like to be placed on the mailing list to receive future information, please contact the person listed under **FOR FURTHER INFORMATION CONTACT.**

FOR FURTHER INFORMATION CONTACT: For further information contact
Marcelo Calle, Project Coordinator, telephone 303-293-5035; address 1999 Broadway,
Suite 3320, Denver, Colorado 80202-5733; email mcalle@osmre.gov.

Dated: 2/25/2014

Allen D. Klein /s/

Allen D. Klein

Regional Director, Western Region

AUTHORITY: 40 CFR 1506.6, 40 CFR 1506.1