



EXECUTIVE OFFICE OF THE PRESIDENT
COUNCIL ON ENVIRONMENTAL QUALITY
WASHINGTON, D.C. 20503

April 14, 2017

Colonel Jason E. Kelly
Commander, Norfolk District, U.S. Army Corps of Engineers
Fort Norfolk
803 Front Street
Norfolk, VA 23510-1011

**US Army Corps of
Engineers
Norfolk District
Regulatory Office
Received by: RLS
Date: April 17, 2017**

Dear Colonel Kelly:

Thank you for your letter of March 22, 2017 to the Council on Environmental Quality (CEQ) regarding Dominion Virginia Power's application for a U.S. Army Corps of Engineers (Corps) permit to construct the Surry-Skiffes Creek-Wheaton Transmission Line. I write to provide the Corps with CEQ's views relating to this pending National Environmental Policy Act (NEPA) process given your March 22, 2017 letter, the Secretary of the Interior's March 30, 2017 letter regarding this matter, and the further information and analysis developed since CEQ's January 19, 2017 letter relating to the proposed project. This letter supersedes our January 19, 2017 letter.

As a preliminary matter, CEQ commends the diligent efforts you and your staff in the Norfolk District office have made throughout the permitting process to engage with other Federal agencies, consulting parties under Section 106 of the National Historic Preservation Act (NHPA), and the general public under NEPA, including actions undertaken since CEQ's earlier letter. The review process your office has undertaken has involved extensive outreach and dialogue among interested parties. As you note, your office has issued four public notices requesting comments on the project, conducted one public hearing, met five times with over twenty consulting parties to the Section 106 NHPA process, and used a project website to provide documents that ensure informed involvement in your preparation of an environmental assessment of Dominion Virginia Power's application (<http://www.nao.usace.army.mil/Missions/Regulatory/SkiffesCreekPowerLine.aspx>).

CEQ recognizes that the Corps has now evaluated a range of alternatives to the proposed action, including alternatives identified in a presentation prepared by Tabors Caramanis Rudkevich that was submitted last Fall to your office. We further note that since our earlier letter, PJM, the regional transmission organization that coordinates the movement of wholesale electricity in 13 states including the Commonwealth of Virginia, has also completed a series of analyses of these alternatives, and found that none of these alternatives would address reliability criteria violations that are proposed to be addressed by the Surry-Skiffes Creek 500kV project. We also note that PJM has reaffirmed that the proposed project remains the most effective and

efficient solution to address the identified reliability criteria violations, and that PJM based its conclusions on its 2017 Load Forecast Report.

Ensuring continued access to affordable, reliable electricity supplies to meet current and projected demand is critically important, including for municipalities and military bases in the North Hampton Roads Load Area. We are aware that you have recently updated your Alternatives Analysis in light of expert assessment of the range of reasonable alternatives. Moreover, you have proposed a set of comprehensive mitigation measures which are now incorporated in a section of the draft Memorandum of Agreement (MOA) for the proposed Surry-Skiffes Creek transmission line project. In view of the additional information and analysis you have provided, CEQ will defer to the Corps for its assessment of need to improve transmission system reliability, recognizing the regional demand and transmission stress that will be exacerbated by deactivation of two coal-fired generators at the Dominion Yorktown facility. In light of the additional analyses and information that has been provided, and the Secretary of the Interior's March 30, 2017 letter to the Department of the Army regarding the Corps' consideration of the alternatives, impacts, and mitigation measures for the Surry-Skiffes Creek transmission line proposal, CEQ will also defer to the Corps' expert assessment regarding the need to document its analysis in an environmental impact statement or an environmental assessment.

CEQ also recognizes that the permitting process for the proposed Surry-Skiffes Creek transmission line has taken considerably longer than is typical for a transmission project that requires a permit under the Clean Water Act and the Rivers and Harbors Act, and that timely completion of the review process is important to the project applicant, the Commonwealth of Virginia, stakeholders and the public. The Norfolk District received Dominion Virginia Power's first permit application on August 9, 2013, and has managed the permit process through four modifications to the permit application. CEQ encourages you to continue to work diligently with the Consulting Parties to the MOA to conclude the Section 106 process with a memorandum of agreement that effectively mitigates the potential effects associated with the project's viewshed impacts, and CEQ supports your efforts to finalize your environmental assessment and the Section 106 MOA with the Consulting Parties.

Sincerely,



Mary B. Neumayr
Chief of Staff
Council on Environmental Quality

cc: The Honorable Douglas W. Lamont, P.E.