

**FINDING OF NO SIGNIFICANT IMPACT**

**Sunnyside Phase II Storage and Generation Project  
La Plata County, Colorado**

**Rural Utilities Service  
U.S. Department of Agriculture**

**La Plata Electric Association**

**Prepared by:  
Engineering and Environmental Staff  
Rural Utilities Service**

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## **A. INTRODUCTION**

La Plata Electric Association (LPEA) is proposing to expand an existing solar panel array in La Plata County, CO to provide additional cost-effective and sustainable energy to their surrounding service area. The adjacent property contains the existing solar array referred to hereon as Phase I. The proposed expansion will be referred to as LPEA Sunnyside Phase II Storage and Generation Project (Project) or Phase II. The site has been identified as parcel 595106400312 with a physical address of the project as 299 CR 218, Durango, CO 81303. The total area of the site is approximately 51 acres.

To support the Project, LPEA is applying for financial assistance from the Powering Affordable Clean Energy (PACE) Program. The United States Department of Agriculture's (USDA) Rural Utilities Service (RUS), pursuant to the Notice of Funding Opportunity (NOFO) published in the Federal Register May 16, 2023. LPEA submitted a Letter of Interest (LOI) and received from RUS on October 20, 2023. The term of LPEA's PACE loan is expected to be twenty (20) years. ENE has prepared this environmental assessment (EA) in accordance with 7 CFR Part 1970 – Environmental Policies and Procedures to fully comply with the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. §§ 4321-4347). The purpose of this EA is to determine existing environmental resources that may or may not exist within the project scope, assess potential impacts associated with the proposed project, and evaluate the project's potential impact on these resources. Alternatives to the proposed action, as well as the chosen action, have been considered and evaluated in the following sections of the EA

## **B. PROJECT DESCRIPTION AND PURPOSE/NEED**

The Rural Development of USDA, and specifically RUS, provide funding in an effort to expand crucial utility infrastructure in rural communities and develop new infrastructure where applicable. The goal of this funding program is to help provide economic opportunity and increase accessibility to local utilities in rural areas. RUS's action is the decision to provide financial assistance for the Proposed Action through the Electric Infrastructure Loan and Loan Guarantee Program. Under the Rural Electrification Act of 1936, as amended, the Secretary of Agriculture is authorized and empowered to make loans to nonprofit cooperatives and others for rural electrification for, in this case, the operation of generating plants for improving service to persons in rural areas (7 U.S.C. §§ 901-950cc-2).

## **C. ALTERNATIVES EVALUATED**

### **1. No Action**

Under the No Action Alternative, RUS will not provide financial assistance to LPEA, and/or the proposed Project will not be constructed. This alternative will not assist LPEA in providing service to rural residents.

## **2. Action Alternative (Preferred Alternative)**

As previously mentioned, the Project is an extension of Phase I, although it will be funded separately. LPEA is proposing to construct a grid connected solar photovoltaic system with 10,264 PV modules to deliver 6,251 kW DC and 50 inverters providing 5,000 kW AC on the 51 acre parcel of LPEA co-op owned land. This system is also equipped with 10,872 battery units, storing 39, 176 kWh at 80% Depth of Discharge (DOD). For discharging the batteries, an extra 5 MW inverter is required to supply an additional combined 10 MW of power to the grid. The project is expected to generate approximately 4,600 MWh annually. The onsite battery energy storage system (BESS) will allow any excess energy produced to be stored and dispatched during periods of high demand. All energy produced is expected to be consumed by local cooperative owners and will not be exported.

## **3. Alternatives Eliminated from Further Consideration**

In addition to the No Action Alternative and Action Alternative, LPEA considered other siting alternatives and energy production types, which are documented in the Alternatives Evaluated and Proposed Action section of the EA.

## **D. SUMMARY OF ENVIRONMENTAL EFFECTS**

The analysis in the EA documented that the proposed Project will have no adverse effects to land use, farmland, floodplains, wetlands, water resources, coastal resources, biological resources, cultural resources & historic properties, aesthetics, air quality, socioeconomic & environmental justice, noise, transportation, human health & safety, and corridors. In accordance with the requirements of § 1970.104(b), a summary of anticipated impacts on the human environment is provided below, including any mitigation measures deemed necessary to avoid, minimize, or mitigate impacts. LPEA is responsible for implementing these measures.

There are no federal lands or formally classified lands within the Project. The Project is not subject to the requirements of the Farmland Protection Policy Act. The Project will have no impact to formally classified lands or important farmland.

The Project site is outside of the 500-year floodplain. No wetlands are present at the Project site. The Project area will not impact water resources (including sole source aquifers) or

coastal resources. The Project will have no significant impact to floodplains, wetlands, water resources, or coastal resources.

The Project will have no effect to federally listed, proposed, or candidate species. There are no critical habitats or suitable eagle habitat within the Project area. The Project site is not known to have invasive species, and will have no significant impact to biological resources.

A cultural resources survey was completed in the Project Area of Potential Effect (APE). Consultation was conducted with the State Historic Preservation Officer (SHPO). Five Indian Tribes were contacted, and the Southern Ute THPO indicated that the area had previously been surveyed with no historic properties or sites were found. The Project will not affect historic properties and cultural resources.

The Project area is in attainment for criteria air pollutants. The Project may have temporary impacts during construction to aesthetics, noise, and transportation. There are no identified hazardous materials in the Project site. The Project will have no significant impact to aesthetics, air quality, socioeconomics, noise, transportation, and human health & safety.

#### **E. PUBLIC AND AGENCY INVOLVEMENT**

A local newspaper advertisement, announcing the availability of the EA and participation under Section 106 of the National Historic Preservation Act, was published three times in a three publication a week newspaper on July 2, July 4, and July 6, 2025 in the Durango Herald in Durango, CO. A copy of the EA was available for public review at <https://www.rd.usda.gov/resources/environmental-studies/assessment/sunnyside-phase-ii-storage-and-generation-project>. The 14-day comment period ended on July 16, 2025. RUS received no comments on the EA during the public review period.

#### **F. FINDING OF NO SIGNIFICANT IMPACT**

Based on its EA, RUS has concluded that the proposed Project will have no significant effects to land use, farmland, floodplains, wetlands, water resources, coastal resources, biological resources, cultural resources & historic properties, aesthetics, air quality, socioeconomic, noise, transportation, human health & safety, and corridors. The proposed Project will have no effects on historic properties listed or eligible for listing on the National Register of Historic Places and no effects to federally listed species or designated critical habitat.

In accordance with the National Environmental Policy Act, as amended, the Council on Environmental Quality Regulations, and RD's Environmental Policies and Procedures, RUS has

determined that the environmental impacts of the proposed Project have been adequately addressed and that no significant impacts to the quality of the human environment will result from construction and operation of the proposed Project. Any final action by RUS related to the proposed Project will be subject to, and contingent upon, compliance with all relevant federal and state environmental laws and regulations. Because RUS action will not result in significant impacts to the quality of the human environment, RUS will not prepare an Environmental Impact Statement for its potential federal action associated with the proposed Project.

#### **G. LOAN REVIEW AND RIGHT OF ADMINISTRATIVE REVIEW**

This FONSI is not a decision on a loan application and therefore not an approval of the expenditure of federal funds. Issuance of the FONSI and its notices concludes RUS's environmental review process. The ultimate decision on loan approval depends upon conclusion of this environmental review process in addition to financial and engineering reviews. Issuance of the FONSI and publication of notices will allow for these reviews to proceed. The decision to provide financial assistance also is subject to the availability of loan funds for the designated purpose in RUS's budget. There are no provisions to appeal this FONSI or the agency's other environmental determinations. Legal challenges to the FONSI may be filed in Federal District Court under the Administrative Procedures Act.

#### **H. APPROVAL**

This Finding of No Significant Impact is effective upon signature.

Dated:

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**CHRISTOPHER A. MCLEAN**

**Assistant Administrator**

**Electric Programs**

**Rural Utilities Service**

#### **Contact Person**

For additional information on this FONSI and EA, please contact Russell Japuntich, Environmental Protection Specialist, at [Russell.Japuntich@usda.gov](mailto:Russell.Japuntich@usda.gov).