

**FINDING OF NO SIGNIFICANT IMPACT**

**Naples Power Plant  
Morris County, Texas**

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

**Arkansas Electric Cooperative Corporation**

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

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## **A. INTRODUCTION**

Arkansas Electric Cooperative Corporation plans to submit a financing request to the U.S. Department of Agriculture, Rural Utilities Service (RUS) to construct the proposed Naples Power Plant (Project) in Morris County, Texas. RUS is considering this financing request. Prior to taking a federal action (i.e., providing financial assistance), RUS is required to complete an environmental analysis in accordance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §§ 4321–4347) and RD’s NEPA implementing regulations, Environmental Policies and Procedures (7 CFR Part 1970). After completing an independent analysis of an environmental report prepared by Arkansas Electric Cooperative Corporation and its consultant, RUS concurred with its scope and content. In accordance with 7 CFR § 1970.102, RUS will adopt the report and issue it as the Agency’s Environmental Assessment (EA) for the proposed Project. RUS finds that the EA is consistent with federal regulations and meets the standards for an adequate assessment. Arkansas Electric Cooperative Corporation published newspaper notices, announcing the availability of the EA for public review, in accordance with 7 CFR § 1970.102. In addition, RUS considers the proposed Project an undertaking subject to review under Section 106 of the National Historic Preservation Act (NHPA), 16 USC 470(f), and its implementing regulation, “Protection of Historic Properties” (36 CFR Part 800).

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

The overall purpose of the Project is to construct the Naples Power Plant in Morris County, Texas. The Project will be a new natural gas-fired electric generating facility. The Project consists of two simple-cycle gas turbine generators with a combined nominal capacity of up to 900 Megawatts (MW). The Project will have approximately 40 acres of disturbance in a 100-acre site (with approximately 90 acres fenced in) that is one mile northwest of the City of Naples. It will include power plant infrastructure, including auxiliary equipment, switchyard, buildings, roads, and 500-foot lateral gas pipeline. The project will connect to adjacent existing utility infrastructure, including a natural gas line and electric transmission line. A Bowie-Cass Electric Cooperative distribution line will be reconductored. RUS have reviewed the purpose and need for the Project and determined that the proposal will meet the RUS purpose and need.

## **C. ALTERNATIVES EVALUATED**

### **1. No Action**

Under the No Action Alternative, RUS will not provide financial assistance to Arkansas Electric Cooperative Corporation, and/or the proposed Project will not be constructed. This

alternative will not assist Arkansas Electric Cooperative Corporation in providing electricity to rural residents.

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

Under the Action Alternative, RUS will consider financing the proposed Project, and Arkansas Electric Cooperative Corporation will construct the Naples Power Plant Project. It will be a new natural gas-fired electric generating facility. The Project consists of two simple-cycle gas turbine generators with a combined nominal capacity of up to 900 Megawatts (MW). The Project will have approximately 40 acres of disturbance in a 100-acre site (with approximately 90 acres fenced in) that is one mile northwest of the City of Naples. It will include power plant infrastructure, such as auxiliary equipment, switchyard, buildings, roads, and 500-foot lateral gas pipeline. The project will connect to adjacent existing utility infrastructure, including a natural gas line and electric transmission line. A Bowie-Cass Electric Cooperative distribution line will be reconductored.

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

In addition to the No Action Alternative and Action Alternative, Arkansas Electric Cooperative Corporation considered alternative generation technologies, alternative sites, which are documented in the Alternatives 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 and historic properties, aesthetics, air quality, socioeconomics, noise, transportation, human health and 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. Arkansas Electric Cooperative Corporation is responsible for implementing these measures.

There are no federal lands or other formally classified lands within the Project. The Project site does not have prime farmland, so it is exempt under the Farmland Protection Policy Act. Therefore, the Project will have no significant impact to formally classified lands or important farmland.

The Project site is outside of the floodplain. The Project site has been selected to avoid wetlands. The Project will obtain a Nationwide Permit to install a culvert for one stream crossing for an entrance road. General daily water consumption at the Project will be low as simple-cycle gas turbines do not use water for cooling. The Project area will not impact coastal resources or sole source aquifers or significantly impact other water resources. The Project will have no significant impact to floodplains, wetlands, water resources, or coastal resources.

The Project will have no effect to four federally listed or proposed species on the official species list. The Project will not jeopardize the existence of the proposed species Tricolored Bat. Previous surveys have not detected Tricolored Bats in the Project area. Additionally, any tree clearing will be outside of the bat pup season (May 1 to July 15). There are no critical habitats or known eagles or eagle nests within the Project area. The Project will have no significant impact to biological resources.

A cultural resources survey was conducted in the Project Area of Potential Effect (APE). Consultation was conducted with the State Historic Preservation Officer (SHPO) and Indian tribes. There were no objections to the Project. The Project will not affect historic properties and cultural resources.

The Project may have temporary and minor impacts during construction to aesthetics, noise, and transportation. The Project will comply with federal and state occupational safety and health standards and design and safety standards. Therefore, the Project will have no significant impact to aesthetics, noise, transportation, and human health and safety.

The Project area is in attainment for all criteria air pollutants and in compliance with all federal clean air standards. Project air emissions during construction will be low and temporary, fall off rapidly with distance from the construction site, and will not result in long-term impacts. Fugitive dust control measures will be utilized to mitigate temporary impacts during construction, including paving or watering of roadways after completion of grading and seeding of areas after final grading.

The Project will require a Part 70 Major Source operating permit for operations. All equipment will meet all applicable limits. The Project will include a selective catalytic reduction (SCR) system to control nitrogen oxides (NO<sub>x</sub>) emissions and an oxidation catalyst to control carbon monoxide (CO) and volatile organic compounds (VOC) emissions. The Project will use good combustion practices as specified by the manufacturer, such as maintaining proper temperature and pressure, to avoid incomplete combustion byproducts and to minimize emissions. AECC has submitted an air permit application for the proposed Project to the Texas

Commission of Environmental Quality (TCEQ) and will adhere to the conditions and requirements of the issued permit during operation of the Project.

#### **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 on June 12 & 19, 2025 in the Naples Monitor, Morris County, Texas. A copy of the EA was available for public review at the agency website <https://www.rd.usda.gov/resources/environmental-studies/assessment/naples-power-plant>. The 14-day comment period ended on June 25, 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 and important farmland, floodplains, wetlands, water resources, coastal resources, biological resources, cultural resources and historic properties, aesthetics, air quality, socioeconomics, miscellaneous issues (noise, transportation), human health and 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, 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:

**CHRISTOPHER  
MCLEAN**

Digitally signed by  
CHRISTOPHER MCLEAN  
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**CHRISTOPHER A. MCLEAN  
Assistant Administrator  
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#### **Contact Person**

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