Record of Decision
Department of Agriculture, Rural Development
For the Relying on the Analysis from the Final Environmental Impact Statement for Hydropower Licenses-Grant Lake Hydroelectric Project-FERC Project No. 13212-005 Alaska

Summary
In compliance with the National Environmental Policy Act (NEPA, 42 U.S.C. § 4321-4347) and § 1b.8 Records of decision (USDA-2025-0008), this Record of Decision (ROD) documents the Rural Development (RD), Rural Utilities Service (RUS) is Relying on the previous decision by the Federal Energy Regulatory Commission (FERC) Final Environmental Impact Statement (FEIS) for Hydropower Licenses-Grant Lake Hydroelectric Project-FERC Project No. 13212-005 Alaska. FERC finalized the FEIS in May 2019 and issued Kenai Hydro, LLC an Order Issuing Original License on August 28, 2019. The FERC developed the FEIS in 2019 to evaluate a proposed 5 megawatt (MW) Grant Lake Hydroelectric Project.

The project would be located on Grant Creek and Grant Lake, near the community of Moose Pass, Alaska, in the Kenai Peninsula Borough, about 25 miles north of Seward, Alaska. The Kenai Mountain Range with elevations ranging from 4,500 to 5,500 feet surrounds Grant Lake to the east, north, and south. Inlet Creek—the predominant stream in the upper portion of the watershed—drains melting alpine glaciers and snow from the nearby mountains into Grant Lake on its eastern banks. In addition, several intermittent, snowmelt-fed streams drain the steep terrain adjacent to Grant Lake. Grant Creek runs west about 1 mile from the south end of Grant Lake draining into Trail Lake Narrows between Upper and Lower Trail Lakes. Trail River drains Lower Trail Lake, and then flows into Kenai Lake. Kenai Lake drains into the Kenai River at its west end near Cooper Landing. The Grant Lake and Grant Creek Watershed has a total drainage area of about 44 square miles. Grant Lake is located at an elevation of about 703 feet and has a maximum depth of nearly 300 feet, average depth of 91 feet, and surface area of 2.6 square miles. Lands surrounding Grant Lake are primarily U.S. Forest Service lands managed by the Chugach National Forest, with state ownership west of Grant Lake to the Seward Highway and along Grant Creek. Alaska Department of Natural Resources (Alaska DNR) manages the state lands. Limited private ownership of lands (mainly rural residential) occurs in the lower portions of the Grant Creek drainage.

The USFS, Chugach National Forest was involved with the development of the FEIS and determined that the project was approved and no Special Use Permit is needed from the Forest.

U.S. Army Corps of Engineers will be consulted as determined and analyzed in the FEIS for Section 404 of the Clean Water Act.

There are no listed species or critical habitats as defined by U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act.

RUS consulted on Section 106 under the National Historic Preservation Act using Emergency Notification in accordance with 36 CFR § 800.12(b)(2) and measures from the FEIS will be implemented to avoid and minimize adverse effects for the undertaking.

The FERC FEIS analyzed multiple alternatives for the development and use of the hydroelectric facility along with proposed environmental measures and project design features.

The FERC FEIS complies with all Council on Environmental Quality (CEQ), USDA, and RD requirements for relying on the analysis of an Environmental Impact Statement (EIS).

Hydroelectric facility and infrastructure activities analyzed and covered by FERC FEIS

The project would require the construction of the following new facilities: (1) a reinforced concrete intake with an outside dimension of 38 feet by 20 feet, intake trashracks, and a vertical turbine pump to provide base flows; (2) a 100-foot-long concrete bypass weir at the natural Grant Lake outlet with a crest elevation at 703 feet; (3) a buried, 400-foot-long, 16-inch-diameter bypass flow pipe to carry pumped flows from the intake to just below the bypass weir; (4) a 3,300-foot-long tunnel from the project intake to the powerhouse that transitions to a 6-foot-diameter, steel penstock about 150 feet from the powerhouse; (5) a 100-foot-long by 50-foot-wide powerhouse with two horizontal Francis type turbine/generator units with a total rated capacity of 5 MW; (6) a trapezoidal tailrace channel with a bottom width of 74 feet and a channel depth ranging from 13 feet at the powerhouse to 8 feet at the creek; (7) a 3.6-acre tailrace detention pond with 15 acre-feet of storage capacity; and (8) a 5,567-foot-long, 115-kilovolt transmission line. The project would bypass stream flows around 0.6 mile of Grant Creek (bypassed reach).

Decision Options Considered

1) PREFERRED ALTERNATIVE, RD relies on the analysis from the FERC FEIS and meets federal requirements for funding.
   After detailed study of the FERC FEIS, RD recognizes the effort put in by many state and federal agencies in order to fully analyze and finalize the FERC FEIS. In order for RD to issue funding to the applicant, RD must rely on the analysis from the FERC FEIS to ensure all federal laws and regulations are followed before the applicant is able to move forward using federal issued money.
2) NO-ACTION ALTERNATIVE, RD does not rely on the analysis from the FERC FEIS. Under this alternative, RUS funding could not be used for the project.

Public Comment

The draft EIS was sent to the U.S. Environmental Protection Agency (EPA) and made available to the public on October 19, 2018. Written comments on the draft EIS were due March 1, 2019. In addition, oral testimony on the draft EIS was received during two public meetings held in Moose Pass, Alaska, on November 28, 2018. Appendix A of the FEIS lists the commenters who provided written comments, summarizes the substantive comments that were filed, includes staff responses to those comments, and indicates locations in the FEIS that were revised, as appropriate. Kenai Hydro filed a response to comments on the draft EIS on March 11, 2019.

National Environmental Policy Act Compliance

RD used the NEPA process to guide the decision to rely on the FERC FEIS for the Grant Lake Hydroelectric Project. Per USDA guidelines, RD reviewed the impacts of relying on the analysis

of the FERC FEIS before making this decision. RD has relied on the analysis of the FERC FEIS and informed the public of the proposed action, alternatives to that action, the environmental impacts of the alternatives, and measures to minimize adverse environmental effects.

Authorities
This ROD was developed in accordance with NEPA (42 U.S.C. §4321-4347), and the USDA NEPA regulations (7 CFR, Part 650).

Approval
In consideration of the information above, I approve this ROD with which RD formally relies on the analysis of the 2019 FERC FEIS entitled Grant Lake Hydoelectric Project-FERC Project No. 13212-005 Alaska issued May 2019. I concur with the selection of the Preferred Alternative in the FEIS, as documented by the FERC FEIS license issuance.

This ROD is hereby approved effective as the date of this signature.

KARL ELMSHAEUSER

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Karl Elmshaeuser
Administrator
Rural Utilities Service