

FINDING OF NO SIGNIFICANT IMPACT

**Walking Horse Solar Project
Loudon County, Tennessee**

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

**Alternus Energy America, Inc
Walking Horse, LLC**

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

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A. INTRODUCTION

Alternus Energy America, Inc (Walking Horse, LLC) plans to submit a financing request to the U.S. Department of Agriculture, Rural Utilities Service (RUS) to construct and operate the proposed Walking Horse Solar Project (Project) in Loudon County, Tennessee. RUS is considering this financing request. Prior to taking a federal action (i.e., providing this financing assistance), RUS is required to complete an environmental impact analysis in accordance with the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. §§ 4231–4347), the Council on Environmental Quality’s (CEQ) regulations for implementing NEPA (40 CFR Parts 1500-1508), and Rural Development’s (RD’s) NEPA implementing regulations, Environmental Policies and Procedures (7 CFR Part 1970). After completing an independent analysis of an environmental report prepared by Walking Horse, LLC and its consultant, RUS concurred with its scope and content. In accordance with 7 CFR § 1970.102, [acronym] 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. Walking Horse, LLC published a newspaper notice, 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 provide a renewable energy source to the surrounding communities, Walking Horse, LLC has proposed the development of this facility to complement other energy sources provided in this community. The purpose of this project is to provide a solar farm as a source of renewable energy in Loudon County Tennessee and RUS has reviewed the purpose and need for the Project and determined that the Project will meet the RUS purpose and need.

Walking Horse, LLC is proposing to construct a solar facility and for the connection to Loudon Utilities’ electric grid on an approximately 42.7-acre area on a portion of one parcel identified by Loudon County Tax Assessor as parcel 040 164.00 in Loudon, Loudon County, Tennessee. The plans for the proposed facility include the installation of photovoltaic arrays, inverters, battery storage, an access road, and fencing around the site. The facility will provide a renewable energy source for Loudon County and the surrounding counties.

C. ALTERNATIVES EVALUATED

1. No Action

Under the No Action Alternative, RUS will not provide financial assistance to Walking Horse, LLC, and/or the proposed Project will not be constructed. This alternative would not assist Walking Horse, LLC in constructing Walking Horse Solar Project and for the connection to Loudon Utilities’ electric grid on an approximately 42.7-acre area providing a renewable energy source for Loudon County and the surrounding counties.

2. Action Alternative (Preferred Alternative)

Under the Action Alternative, RUS will consider financing the proposed Project, and a solar facility and for the connection to Loudon Utilities' electric grid on an approximately 42.7-acre area on a portion of one parcel identified by Loudon County Tax Assessor as parcel 040 164.00 in Loudon, Loudon County, Tennessee. The plans for the proposed facility include the installation of photovoltaic arrays, inverters, battery storage, an access road, and fencing around the site. The facility will provide a renewable energy source for Loudon County and the surrounding counties.

3. Alternatives Eliminated from Further Consideration

In addition to the No Action Alternative and Action Alternative, Walking Horse, LLC considered other siting alternatives which are documented in the Alternatives section of the EA: alternate sites.

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. Walking Horse, LLC. is responsible for implementing these measures.

There are no federal lands within the Project site. For the Farmland Conversion Impact Rating, the site scored a total site assessment value of 130, which is lower than the NRCS's threshold value of 160. For sites that score equal to or greater than 160, alternative sites of less agricultural value would be recommend. Based on the status of the site of having an impact rating of less than 160, site alternatives will not be considered, and no further action is required under the Farmland Protection Policy Act (FPPA). The Project will have no impact to formally classified lands.

The Project site is outside of the 500-year floodplain. No wetlands are present at the Project sites. 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.

For Biological Resources there were six species identified in the Information Planning and Conservation (IPaC) system was utilized to identify potential federally protected species that could potentially be affected by the construction of the project. These species included the gray bat, northern long-eared bat, tricolored bat, orange foot pimpleback, pink mucket, and Anthony's river snail. No critical habitat was identified at the site for these species, and there are no suitable rivers, streams, aquatic features, suitable eagle habitat, or known to have invasive species in the proposed development area. The BBJ Group issued a letter to the TDEC Natural Heritage Program (TN NHP) requesting a rare species database review. TN NHP responded on October 9, 2022 indicating there were no rare species that would be impacted by the proposed

solar farm. Terracon issued letters to the USFWS and TWRA requesting a statement on whether the agencies would consider if the proposed development of the site would impact any federal or state-listed endangered or threatened species. The TWRA responded on February 3, 2023 and stated that the proposed project is not anticipated to have an adverse effect on state-listed species. The USFWS responded on March 17, 2023 stating that they do not anticipate that the proposed project will have an adverse effect on federally listed species. Walking Horse, LLC will adhere to implementation of standard BMPs, the following conservation measures are considered part of the Proposed Action:

- An erosion control plan tailored to the site that follows best management practices (BMPs) to minimize erosion and prevent debris deposition and sedimentation in the project area. If at any time during construction activities, evidence of any state or federally protected species is observed, construction activities should stop and the USFWS and TDEC should be contacted in order to re-evaluate the project.
- Potential suitable summer roosting habitat for the gray bat, Indiana bat, northern long-eared bat, and tricolored bat are present at the site; and therefore, tree clearing activities at the site should occur between October 15th and March 31st. If tree clearing will be necessary outside the protective window, the USFWS recommends that acoustic and/or mist-netting surveys be conducted to determine the presence or absence of the above-listed bat species. Approximately 7.1 acres of trees will be removed on the western and central portions of the site. It is anticipated that tree clearing will be completed outside of the designated summer roosting and maternity season; and therefore, the proposed project may affect, not likely to adversely affect the gray bat, Indiana bat, northern long-eared bat, and tricolored bat.
- Chinese privet (*Ligustrum sinense*) and Japanese honeysuckle (*Lonicera japonica*) were observed at the site. measures to identify areas of the site where invasive plant species are concentrated and will take measures to prevent the spread of these species. To limit the introduction and spread of invasive plant species, disturbed areas will be restabilized with native vegetation that will propagate and establish, as necessary, for the appropriate season.

A cultural resources assessment was completed in the Project Area of Potential Effect (APE). Consultation was conducted with the State Historic Preservation Officer (SHPO). Five (5) Indian Tribes were contacted, and one Tribe responded. The Project will not affect historic properties and cultural resources.

Based on the USEPA Green Book website, Loudon County is not listed in a nonattainment area. The Nonattainment Areas Map updated December 31, 2022, is included in Appendix A. For Loudon County, PM 2.5 and 8-hour ozone pollutants have been in maintenance status since 2017. Construction-related emissions will be limited to the construction phase of the project and will be temporary and minor. The proposed project is not anticipated to produce emissions other than emissions from a limited number of vehicles that will visit the site to perform periodic maintenance. It is anticipated that emissions from these vehicles will be minor, and these emissions will not exceed de minimis levels for PM 2.5 and 8-hour ozone pollutants.

The Project will not negatively affect minority or low-income populations. 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 & environmental justice, 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 were published in the News-Herald on February 28, and March 6, 2024. A copy of the EA was available for public review at:

<https://www.rd.usda.gov/resources/environmental-studies/assessment/solar-farm-project-walking-horse-site>

The 14-day comment period ended on March 13, 2024. RUS received no comments on the EA during the public review period.

F. FINDING OF NO SIGNIFICANT IMPACT

Based on the EA, RUS has concluded that the 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 & environmental justice, 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. The proposed Project will not disproportionately affect minority or low-income populations.

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 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 Project. Any final action by RUS related to the Project will be subject to, and contingent upon, compliance with all relevant federal and state environmental laws and regulations. Because RUS's 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 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 A. McLEAN
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Contact information

For additional information on this FONSI and EA, email: RUSPublicComments@usda.gov