

FINDING OF NO SIGNIFICANT IMPACT

**Sloughhouse Solar Project
Sacramento County, California**

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

Sloughhouse Solar, LLC

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

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A. INTRODUCTION

Sloughhouse Solar, LLC plans to submit a financing request to the U.S. Department of Agriculture, Rural Utilities Service (RUS) to construct and operate the proposed Sloughhouse Solar Project (Project) in Sacramento County, California. 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). 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). The US Army Corps of Engineers (USACE) coordinated with RUS, as the lead Federal agency, to comply with Section 106 of the NHPA, as well as in the formal ESA Section 7 Consultation with the U.S. Fish and Wildlife Service (USFWS) for the Department of the Army.

After completing an independent analysis of the environmental report prepared by Sloughhouse Solar, LLC 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 Project. RUS finds that the EA is consistent with federal regulations and meets the standards for an adequate assessment. In accordance with 7 CFR §1970.102, a newspaper notice was published announcing the availability of the EA and participation under Section 106 of the National Historic Preservation Act. In accordance with Executive Order 11988, Floodplain Management; Executive Order 11990, Protection of Wetlands; and USDA Departmental Regulation 9500-3, Land Use Policy, the newspaper notice also informed the public of the proposed conversion of wetlands and effects to floodplains and requested comments concerning the proposal, alternative sites or actions that would avoid these impacts, and methods that could be used to minimize these impacts.

B. PROJECT DESCRIPTION AND PURPOSE/ NEED

Sloughhouse Solar, LLC is proposing to develop a 50-megawatt (MW) solar energy facility on approximately 372 acres in the Cosumnes community of unincorporated Sacramento County in California. The Project would result in the construction, operation, and eventual decommissioning of solar-energy generation, and electrical distribution facilities. Project parcels would be developed with solar panel arrays and ancillary facilities, energy storage facilities, an electrical substation, internal roads, retention basins, and distribution lines connecting to the regional power grid. The electrical power produced would be supplied to the Sacramento Municipal Utility District (SMUD) using existing SMUD distribution facilities.

The overall purpose of the Project is to generate and supply renewable solar electric energy to assist the regional utility, SMUD, in achieving SMUD's targets established by the 2030 Zero Net Carbon Plan, and to assist SMUD in complying with the State of California's Renewables Portfolio Standards that require at least 60 percent of electricity retail sales to come from renewable sources by 2030. RUS has reviewed the purpose and need for the Project and determined that the Project will meet the RUS purpose and need.

C. ALTERNATIVES EVALUATED

Based on SMUD's regional evaluation of the availability and feasibility of sites to locate utility-scale solar energy facilities necessary to achieve the 2030 Net Zero Plan targets, Sloughhouse Solar explored alternative site locations throughout the Sacramento region that were located adjacent to SMUD infrastructure with capacity for interconnection, with minimal land use and environmental resource constraints, and that minimize environmental impacts. A suitable site and willing landowner were identified directly adjacent to SMUD infrastructure on previously disturbed lands at the proposed Project Area.

1. No Action

Under the No Action Alternative, RUS will not provide financial assistance to Sloughhouse Solar, and/or the proposed Project will not be constructed. This alternative would not assist Sloughhouse Solar in constructing a 50 MW solar facility that would generate and supply renewable solar electric energy to assist the regional utility, SMUD, in achieving SMUD's targets established by the 2030 Zero Net Carbon Plan or assist SMUD in complying with the State of California's Renewables Portfolio Standards that require at least 60 percent of electricity retail sales to come from renewable sources by 2030.

2. Proposed Action

Under the Proposed Action Alternative, RUS will consider financing the proposed Project, and Sloughhouse Solar will construct a 50-megawatt solar energy facility on approximately 372 acres of agricultural grazing land in the Cosumnes community of unincorporated Sacramento County in California.

The Project will consist of fixed-tilt, east-west-oriented solar arrays, inverters for power conversion, transformers, underground and/or overhead electric lines to collect electricity from each transformer and transmit to the existing SMUD substation for export to the point of interconnection along Dillard Road. The Project will also include communication facilities, raw water/fire water storage, treated water storage, stormwater retention basins, water filtration buildings, equipment control buildings, battery storage facility, a small onsite septic system, parking, security lighting, and perimeter fencing. An existing power line adjacent to the Dillard Road facilities will be relocated. The solar facility will be decommissioned after the approximately 35-year operational period in accordance with the Project decommissioning plan that includes restoration to existing agricultural use.

3. Alternatives Eliminated from Further Consideration

In addition to the No Action Alternative and Proposed Action Alternative, Sloughhouse Solar considered other siting alternatives that were distantly located from SMUD infrastructure and were dismissed because these locations would increase project costs, would likely increase potential environmental impacts due to the need for a new transmission line route to interconnect the project to SMUD infrastructure, and would not be feasible to develop and permit on a timeline that meets SMUD's 2030 Net Zero Plan goals.

Distributed Power Generation, providing solar generation through rooftop solar installations, was also evaluated as an alternative technology option. The sheer number of new installations required to deliver up to an additional 50 MW of solar electricity by 2023 render this alternative infeasible from a practical timing perspective.

D. SUMMARY OF ENVIRONMENTAL EFFECTS

The analysis in the EA documented that the Project will have no significant adverse effects to cultural resources, land use or prime farmland, floodplains, wetlands, groundwater or surface water, vegetation or wildlife, aesthetics including lighting and glare, air quality, socioeconomics, environmental justice, noise, transportation, or human health and safety. A summary of anticipated impacts on the human environment is provided below, including mitigation measures deemed necessary to avoid or minimize impacts. Sloughhouse Solar, LLC is responsible for implementing these measures.

Wetlands

Sloughhouse Solar designed the Project to minimize environmental impacts to wetlands to the extent practical. It is conservatively assumed that the 0.08 acres (1.4 percent) of wetlands that will host the solar array infrastructure will be directly impacted from fill, and 3.17 acres of wetland will be temporarily and indirectly impacted during construction. Sloughhouse Solar will be responsible for any required USACE compensatory mitigation to offset loss of wetlands. No practicable action alternatives other than the Proposed Action were identified. The Proposed Action is the most practicable alternative based on the proximity of the proposed facility to SMUD infrastructure and willing landowners to support the project. The No Action Alternative is not practicable because it fails to address the project need of contributing towards meeting California's and SMUD's renewable energy goals; thus, losing the opportunity to reduce carbon emissions.

Floodplains

While Sloughhouse Solar designed the project to minimize environmental impacts to the extent practicable, approximately 73 acres of the northwestern portion of the Project area are located with the 100-year flood plain as defined by the Federal Emergency Management Agency Flood Insurance Rate Map. This portion of the project area will consist primarily of photovoltaic arrays and supporting equipment. Grading of this area will directly alter topography and drainage patterns. While the natural function of the Base Floodplain will be impacted by the Project, impacts will be minimal. Best management practices (BMPs) will be utilized throughout the life of this Project and applicable ordinances and codes will be followed to reduce and minimize impacts to the most practicable extent possible. Hydrologic studies to determine whether the placement of solar panels and fencing will impede or substantially increase flood flows will be performed as part of final design of the facility and prior to the issuance of permits for grading, buildings, or improvement plans. BMPs will be utilized to prevent erosion and sedimentation and protect other floodplain values. The implementation of appropriate mitigation measures would result in negligible to minor impact on flooding due to floodplain topography alterations during construction or runoff management during operations.

Because the Project will not significantly alter water levels nor reduce habitat in the Base Floodplain, construction and operation of the Proposed Action is practicable. The Proposed Action is the most practicable alternative based on the proximity of the proposed facility to SMUD infrastructure and willing landowners to support the project. The No Action Alternative is not practicable because it fails to address the project need of contributing towards meeting California's and SMUD's renewable energy goals; thus, losing the opportunity to reduce carbon emissions.

Threatened and Endangered Species

The Project will affect the Valley Elderberry Longhorn Beetle, Vernal Pool Fairy Shrimp and Tadpole Shrimp. The Project is not likely to adversely affect the Valley Elderberry Longhorn Beetle. The Project is likely to adversely affect Vernal Pool Fairy Shrimp and Tadpole Shrimp. The USFWS issued a Biological Opinion and Incidental Take Statement for the Sloughhouse Solar Project. Sloughhouse Solar will comply with the USFWS incidental take permit and provide compensatory mitigation. In addition to implementation of standard BMPs, the following conservation measures are considered part of the Proposed Action:

- Worker environmental awareness training to address special-status species, habitats, and protected wetlands within the action area,
- Environmentally sensitive area exclusions via buffers for aquatic resources and elderberry shrubs,
- Construction monitoring by a qualified biologist during construction activities involving ground disturbance within undeveloped portions of the project site,
- Maintaining hydrology such that there is no reduction or increase in existing surface water flow offsite,
- Avoidance of or mitigation for vernal pool branchiopod habitat, and
- Compensatory mitigation for impact to branchiopod habitat to offset impacts by purchase of 8.63 tadpole shrimp and fairy shrimp preservation credits or USFWS-approved alternative means such as offsite or onsite preservation.

As part of the Incidental Take Statement, the following reasonable and prudent measures must be undertaken as binding conditions of any grant or permit issued by RUS for the project for the exemption in Section 7(o)(2) to apply:

- Full implementation and adherence to all conservation measures described in the Sloughhouse Solar Biological Assessment as a condition of any permit from the USACE,
- RUS shall provide the Sacramento USFWS office with a copy of the completed bill of sale and payment receipt for purchase of mitigation credits at a USFWS-approved conservation or mitigation bank and/or USFWS-approved permittee-responsible mitigation, and
- RUS shall provide a precise accounting of the total acreage of habitat impacted after completion of construction.

Cultural Resources

There will be no adverse effect on cultural resources. Both the United Auburn Indian Community of the Auburn Rancheria and Wilton Rancheria requested a tribal monitoring plan while in consultation with Sacramento County under the AB 52 process in association with the California Environmental Quality Act (CEQA) review. A tribal monitoring plan will be developed and implemented in consultation with the American Indian tribes.

Additional Mitigation

Sloughhouse Solar, LLC will implement various BMPs and mitigation measures to minimize potential environmental impacts associated with the construction and operation of the Project. Measures to mitigate impacts are avoid or minimize the impact, rectify the impact by repair, rehabilitation, or restoration, reduce or eliminate the impact through preservation or maintenance, or compensating for the impact through replacement or substitution. The following list summarizes the mitigation measures Sloughhouse Solar will implement:

- Design the site to avoid sensitive resources to the extent practicable.
- Avoid and minimize aquatic and wetland resource impacts to the extent practicable.
- Return aquatic resource buffers that may be indirectly impacted to pre-existing conditions to the maximum extent practicable after construction.
- Restore all temporary habitat impacts to pre-development conditions following construction.
- Use native vegetation to establish a composition consistent with the form, line, color, and texture of the surrounding undisturbed habitat based on intact, native vegetation community reference sites and monitor success of restoration.
- Provide required compensatory mitigation through the purchase of mitigation credits from an approved wetland mitigation bank, paying an in-lieu fee, or developing conservation land as necessary, should it be required as a result of USACE wetland delineation.
- If needed, provide mitigation fee to Sacramento Metropolitan Air Quality Management District for construction activities.
- Plant hedgerows on portions of the site to screen the solar facility from nearby residents and roads.
- Design the lighting system to provide minimum illumination needed for safety and security using shielding and orientation to minimize light spillover.
- Install motion activated lighting to minimize glare and skyglow.
- Design and locate noise-generating facilities to reduce noise levels below the applicable county noise standards.
- Implement Agricultural Management Plan to mitigate effects on agricultural resources, provide for continued grazing of site, and provide wildlife benefits.

E. PUBLIC AND AGENCY INVOLVEMENT

Local newspaper advertisements announcing the availability of the EA and participation under Section 106 of the National Historic Preservation Act were published in the Sacramento Bee on October 13, 15, and 16, 2023, and the Sacramento Observer on October 13 and October 20, 2023. A copy of the EA was available for public review at:

<https://www.rd.usda.gov/resources/environmental-studies/assessment/sloughhouse-solar-project>.

The 14-day comment period ended on October 27, 2023. RUS received no comments.

F. FINDING OF NO SIGNIFICANT IMPACT

Based on the EA, RUS has concluded that the Project will have no significant effects on cultural resources, land use or prime farmland, floodplains, wetlands, groundwater or surface water, vegetation or wildlife, aesthetics including lighting and glare, air quality, socioeconomics or environmental justice communities, noise, transportation, or human health and safety. The Project will have no adverse impact on federally-designated critical habitats, but may adversely affect two federally-listed vernal pool species. As mitigation, Sloughhouse Solar, LLC will abide by the USFWS incidental take permit and provide compensatory mitigation as required. The Project will have no adverse effects on historic properties listed or eligible for listing on the National Register of Historic Places. The 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. RUS 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