

Billing Code 8120-08 (U)

TENNESSEE VALLEY AUTHORITY

Environmental Impact Statement - Koppers Coal Reserve Management Plan

AGENCY: Tennessee Valley Authority (TVA)

ACTION: Notice of Intent

SUMMARY: This notice is provided in accordance with the Council on Environmental Quality's regulations (40 CFR Parts 1500 to 1508), Section 106 of the National Historic Preservation Act (NHPA) and its implementing regulations (36 CFR Part 800), and TVA's procedures implementing the National Environmental Policy Act (NEPA). TVA will prepare an Environmental Impact Statement (EIS) to assess the impacts of various strategies for future management of TVA's mineral rights underlying 53,000 acres in Scott and Campbell Counties, Tennessee known as the Koppers Coal Reserve. TVA estimates approximately 5,000 acres of surface disturbance could occur from mining all of the identified coal reserves. Maximum recoverable coal is estimated at approximately 70 million tons, including 28 million tons from surface mining and 42 million tons from deep mining, having an estimated value of about \$140 million. TVA will select a management plan that will best guide the lease of Koppers coal over the next 50 years, with the goal of protecting both the environment and the value of TVA's assets for the benefit of its ratepayers.

LEAD AND COOPERATING AGENCIES: The Tennessee Valley Authority is the lead agency in the development of this EIS. The United States Department of Interior (USDI) Office of Surface Mining (OSM), Knoxville, TN; the Tennessee Wildlife

Resources Agency (TWRA); and the National Park Service, Big South Fork National River and Recreation Area (BSFNRRRA) will participate as cooperating agencies.

DATES: Comments on the scope of issues and alternatives to be considered in the environmental review must be received on or before June 15, 2003.

ADDRESS: Written comments should be sent to Ruth M. Horton, Sr. NEPA Specialist, Environmental Policy and Planning, Tennessee Valley Authority, 400 West Summit Hill Drive, WT 8C, Knoxville, Tennessee 37902-1499

FOR FURTHER INFORMATION CONTACT: Ruth M. Horton, Sr. NEPA Specialist, Environmental Policy and Planning, Tennessee Valley Authority, 400 West Summit Hill Drive, WT 8C, Knoxville, Tennessee 37902-1499; telephone (865) 632-3719 or e-mail rmhorton@tva.gov.

SUPPLEMENTAL INFORMATION:

Background

The Koppers Coal Reserve is a 53,000 acre area in western Campbell County and eastern Scott County, straddling Interstate 75 immediately north of the towns of Caryville and Jacksboro in upper east Tennessee. TVA acquired the rights to the Koppers Coal Reserve in 1962 as part of an effort to ensure reliable fuel supplies. The area is typical of coal properties in eastern Tennessee and eastern Kentucky, with coal seams of various thickness and quality. There are 19 seams identified on the property which vary in sulfur content from less than 1 percent to over 5 percent, and range in thickness from 1 to more than 3 feet. Total recoverable coal is estimated at

approximately 70 million tons, including 28 million tons from surface mining and 42 million tons from deep mining. This coal is presently valued at approximately \$140 million. The property was heavily surface- and underground-mined in certain areas from the 1930s through the 1950s, producing a significant quantity of coal and providing substantial employment to miners and other satellite businesses.

Since 1962, production from the Koppers Coal Reserve has been limited. During the 1970s, three coal companies conducted mining operations to provide coal to TVA facilities. There were no requests for mining coal between 1979 and 1990, possibly as a result of the implementation of the more stringent mining and reclamation requirements in the Surface Mining Control and Reclamation Act of 1977 (SMCRA). Since 1990, 10 leases have been auctioned, with mining occurring on only seven of these leases. The newest lease, issued December 18, 2002, the Cross/Adkins mine, is still under development.

TVA issued a Draft EA (DEA) in December 2002 for a proposal to mine coal at Braden Mountain which is located in the northwest corner of the Koppers Reserve. However, TVA is ending consideration of the Braden Mountain mine lease as a separate action and will include the review of Braden Mountain coal mining activity in this EIS.

Since acquiring the Koppers Coal Reserve, TVA has considered requests from the coal industry for mine leases on a case by case basis. Site specific environmental reviews of lease requests have tiered from the Office of Surface Mining's (OSM's) permitting process and its 1985 FEIS on the *Comprehensive Impacts of Permit Decisions Under Tennessee Federal Program*. Cumulative impact assessments for

these projects have focused on the Cumulative Hydrological Impacts Analyses (CHIAs) prepared for each permit application to the OSM.

In 1992, the Tennessee Wildlife Resources Agency (TWRA) bought the surface overlying most of the Koppers Coal Reserve and established the 50,000 acre Royal Blue Wildlife Management Area (WMA), with the understanding that the underlying minerals would be mined. A comprehensive management plan for the Royal Blue WMA has not yet been developed. In late 1995, TVA and TWRA reached an interim agreement to enhance communication and coordination on coal mining activities in the area. The Royal Blue WMA is adjacent to the newly created 74,000 acre Sundquist WMA. Additionally, the Smokey Mountain segment of the Cumberland Trail State Park crosses the southern portion of the Koppers Coal Reserve.

Proposed Action

TVA is undertaking the development of a plan for managing its coal reserves on the Koppers property in response to an anticipated increase in demand for this coal. The market for coal from the Koppers Coal Reserve has improved as a result of utility industry efforts to comply with the 1990 amendments to the Clean Air Act which put a cap on emissions of sulfur dioxide (SO₂) from electric utility boilers. These efforts by TVA and other electric utilities include constructing flue gas desulfurization units (scrubbers) at existing coal-fired generating plants. Due to their high SO₂ removal efficiency, the scrubbers will allow TVA and other utilities to burn higher sulfur coal from coalfields like Koppers while still meeting emissions limits and reducing the amount of SO₂ released. A management plan will help TVA manage the use of mineral resources at Koppers Coal Reserve to meet the future coal demand in a

manner that protects both the environment and the value of TVA's coal assets for the benefit of its ratepayers. This EIS will assess the environmental impacts of alternative strategies for managing the Koppers Coal Reserve.

Range of Alternatives

As required by Council on Environmental Quality (CEQ) regulations (40CFR 1502.14) TVA will evaluate a reasonable range of alternatives in this EIS. At this time, TVA anticipates the following four alternatives would be assessed in the EIS in addition to the no action alternative: managed surface and deep coal mining; deep mining only; no mining beyond current leases; and disposal of TVA's mineral rights at fair market value. The no action alternative would entail continued *ad hoc* consideration of requests for both surface and deep mine leases. The managed approach would explore different intensities and quantities of surface and deep coal mining. In the deep mining alternative, no surface mining would be considered. The no mining alternative would look at the possibility of discontinuing coal mining on the Koppers Coal Reserve beyond current leases. Under the disposal option, two scenarios are possible. TVA's mineral rights could be purchased by a coal company for the purpose of mining or by an entity that does not intend to mine. It is envisioned that the no action and the managed mining alternatives would include consideration of the potential impacts from the proposed lease of mineral rights at Braden Mountain. Other alternatives proposed by the public; local, state, and federal agencies; and cooperating agencies during scoping will also be given due consideration.

Potential Environmental Impacts

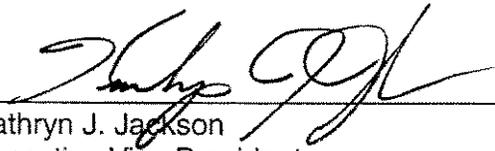
TVA anticipates that the EIS will include discussion of the potential effects of the various alternatives on the following resources: terrestrial wildlife and vegetation; aquatic ecology, endangered and threatened species; geology; surface and groundwater; wetlands; recreation and natural areas; cultural resources; socioeconomic and environmental justice issues; land use; solid waste disposal; visual resources; and transportation. Other issues that may also be discussed, depending on the potential impact of the alternatives, include noise, air quality, floodplains, and soils.

Public Participation

TVA is interested in receiving comments on issues and alternatives to be addressed in the EIS. Written comments on the scope of the environmental review should be received on or before June 15, 2003. TVA will prepare an EIS on a range of alternatives for the proposed Koppers Coal Reserve Management Plan after considering public comments received from this scoping process. TVA anticipates completing the Draft EIS by October 2004. An opportunity to review and comment on the Draft EIS will be provided at that time. Concurrent with the NEPA review, TVA also seeks comments from the public on the scope of this federal undertaking on historic properties as provided under Section 106 of NHPA.

TVA plans to hold a public meeting to provide more information and to receive comments on the proposal on June 3, 2003, at Cove Lake State Park, 4:00 p.m. – 8:00 p.m. eastern standard time. The time, location, and place will be announced in

local newspapers, on the TVA webpage at www.tva.gov/environment/calendar.htm,
and may be obtained by contacting the persons listed above.



Kathryn J. Jackson
Executive Vice President
River System Operations & Environment

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Date

