

## RECORD OF DECISION

### ENVIRONMENTAL IMPACT STATEMENT FOR THE

### SCHOFIELD GENERATING STATION PROJECT AT THE U.S. ARMY GARRISON-HAWAII

#### 1.0 INTRODUCTION

As the Executive Director of the U.S. Army's Installation Management Command, I have reviewed the *Final Environmental Impact Statement (EIS) for the Schofield Generating Station Project (SGSP) at USAG-HI* (October 2015). The Final EIS, published on October 30, 2015, adequately evaluates the potential environmental and socioeconomic effects of the alternatives for the construction and operation of the SGSP and is incorporated by reference in this Record of Decision (ROD).

This ROD explains that the Army will proceed with its Preferred Alternative identified in the Final EIS, construction and operation of the SGSP. Specifically, the Army will lease 8.13 acres of land and grant a 2.5-acre interconnection easement on Schofield Barracks and Wheeler Army Airfield. Hawaiian Electric Company (Hawaiian Electric) will undertake the construction, ownership, operation, and maintenance of a 50 megawatt (MW) capacity, biofuel-capable power generation plant and a 46 kilovolt (kV) sub-transmission line. As part of the implementation of this decision, the Army and Hawaiian Electric will take practical measures to minimize impacts to protect and sustain the environment.

Because part of the proposed action involves State action, the EIS was prepared in accordance with both the National Environmental Policy Act (NEPA) and the Hawaii Environmental Policy Act (HEPA). This ROD addresses the Army's portion of the Proposed Action. The State action evaluated in the EIS is the proposed granting of a 1.28-acre easement and a 0.7-acre conservation district authorization to Hawaiian Electric by the State of Hawaii Department of Land and Natural Resources (DLNR) to allow for the construction of a 46 kV electrical power transmission line between the SGSP site and the existing Wahiawa Substation.

#### 2.0 PURPOSE AND NEED

The purpose of and need for the Proposed Action were developed by the Army and Hawaiian Electric. The primary purpose of the Proposed Action is two-fold:

- To provide improved energy security to the USAG-HI at Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia.
- To provide new secure, firm, dispatchable<sup>1</sup>, flexible, and renewable energy generation to the grid on Oahu, Hawaii.

Together, Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia require approximately 32 MW of peak power to meet all operational requirements and administrative, logistics, and quality of life functions. These installations support several critical Army and U.S. Department of Defense missions and warfighting units in the U.S. Pacific Command Area of Responsibility. The Proposed Action would help ensure that the Army can continue critical national security and first responder missions, particularly when the electric utility grid on Oahu is compromised by a natural or man-made disaster.

The needs for the Proposed Action are as follows:

- Increase energy security for the Army and Oahu.

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<sup>1</sup> *Dispatchable energy sources* are those that can be turned on or off at the discretion of the operator to adjust power output and meet grid requirements.

- Assist the Army in complying with renewable energy-related laws and Executive Orders and meeting its renewable energy goals.
- Assist Hawaiian Electric in meeting the Hawaii Renewable Portfolio Standard goals.
- Improve future electrical generation on Oahu.

### **3.0 PROPOSED ACTION**

The Proposed Action, referred to as the SGSP, is for the Army to lease of 8.13 acres of land and grant a 2.5-acre interconnection easement to Hawaiian Electric Company (Hawaiian Electric) on Schofield Barracks and Wheeler Army Airfield for the construction, ownership, operation, and maintenance of a 50-megawatt (MW) capacity, biofuel-capable generating station, referred to as the Schofield Generating Station, and associated power poles, high-tension power lines, and related equipment and facilities (together, the Schofield Generating Station Project [SGSP]).

The proposed facilities would be constructed and operated in accordance with all applicable laws and with approval of the Hawaii Public Utilities Commission.

The electricity produced by the SGSP would supply power to all Hawaiian Electric customers through the island-wide electrical grid under normal conditions. During outages that meet the criteria specified in the Operating Agreement, SGSP output would first be provided to Army facilities at Schofield Barracks, Wheeler Army Airfield, and Field Station Kunia up to their peak demand of 32 MW and the remaining power will be used to support the grid. In the event of a full island outage, the plant could be used to black start other power generating plants on the island.

### **4.0 ALTERNATIVES**

The alternatives analyzed in the Final EIS are the Proposed Action, which is the Army's Preferred Alternative described in Section 3.0 above, and the No Action Alternative. Under the No Action Alternative, the Army would not lease the property or grant the easement and Hawaiian Electric would not construct or operate the SGSP. The Army and State of Hawaii would not provide the lease of land or grant associated interconnection easements, and the 50-MW generating station would not be constructed or operated. The Army would continue to rely on existing public utility infrastructure for its electricity supply. Hawaiian Electric would continue to operate its existing electricity infrastructure on Oahu. The Army would continue to use multiple small backup generators if public power supplies were interrupted. Both the Army and Hawaiian Electric would miss opportunities to achieve mandated renewable energy goals and to provide greater energy security for the Army and Hawaiian Electric customers.

The Army and Hawaiian Electric also considered other alternatives that, upon analysis, did not meet the purpose and need for the Proposed Action or satisfy the screening criteria. When developing the other alternatives, the Army used the site screening criteria outlined in Section 2.1 of the Final EIS. Section 2.4 of the Final EIS provides information on project-specific alternatives considered but eliminated from analysis. Five project-specific alternatives were considered but eliminated from further analysis because they did not meet the purpose, need, and screening criteria for the project.

### **5.0 PUBLIC INVOLVEMENT**

The Army and DLNR conducted distinct but coordinated scoping processes under the NEPA and HEPA, respectively. The Army and DLNR provided federal and state agency stakeholders, the public, and other interested parties the following notifications and opportunities for involvement during the preparation of the EIS:

- The NEPA notice of intent (NOI) to prepare an EIS was published in the Federal Register on January 17, 2014 (Vol. 79, No. 12), initiating a 45-day comment period. The HEPA EIS preparation notice (EISPN) was printed in the January 8, 2014, issue of *The Environmental Notice*, published by

the State of Hawaii Department of Health, Office of Environmental Quality Control (OEQC), initiating a 30-day comment period. The NOI and EISPN were also distributed to interested parties.

- The Army published a public notice in the Honolulu *Star-Advertiser* and provided a press release to local media on January 17, 2014 that announced the time and location of two public scoping meetings to solicit public input and comments on the scope of the EIS.
- The Army and Hawaiian Electric held an agency meeting on February 4<sup>th</sup> for state and federal agencies, and public scoping meetings on February 5 and 6, 2014, at the Mililani Mauka Elementary School and Wahiawa District Park. An open information session preceded each public scoping meeting and allowed attendees to review posters that described the proposed action, the EIS process, alternatives considered, and environmental concerns. Following a presentation by the Army and Hawaiian Electric about the project, the public was provided the opportunity to provide written or oral comments.
- The Army and DLNR accepted scoping comments from January 8 through March 2, 2014. Comments and responses to those comments submitted under the HEPA process are included in Appendix A-2 of the Final EIS.
- The Notice of Availability (NOA) of the Draft EIS was published in the *Federal Register* on April 24, 2015. Notice of the availability of the Draft EIS was also published in the April 23, 2015, issue of the OEQC's online publication *The Environmental Notice* and in the April 24, 2015, issue of the *Honolulu Star-Advertiser*. Notices of the availability of the Draft EIS and public meetings were mailed to those individuals and organizations on the distribution list. Copies of the Draft EIS were made available for public review at 19 libraries and on the USAG-HI website.
- During the Draft EIS review period, the Army and Hawaiian Electric held one agency meeting, two public meetings, and made a presentation at the Wahiawa Neighborhood Board meeting. The public meetings were held in Mililani on May 20, 2015 and in Wahiawa on May 21, 2015. During each meeting, the Army and Hawaiian Electric made presentations describing the Proposed Action and the EIS process. Displays and handouts summarizing the Proposed Action and the environmental consequences and a public comment form were distributed to meeting participants. Members of the project team were present to answer questions and discuss the project with meeting participants.
- Public review and comment on the Draft EIS occurred during a 45-day review period from April 23 through June 8, 2015. Comments and responses are included in Appendix A-4 of the Final EIS.
- The NOA for the Final EIS was published by the U.S. Environmental Protection Agency (USEPA) in the *Federal Register* on October 30, 2015. The USEPA-published NOA serves as the official start of the NEPA required 30-day waiting period before the Army can initiate its action. A public notice was also published in the *Honolulu Star-Advertiser* on October 30, 2015. The Army published its own more detailed NOA in the *Federal Register* on November 6, 2015. Notice of the state's acceptance of the Final EIS under HEPA was published in the November 8, 2015 issue of the OEQC's online publication *The Environmental Notice*.
- The Final EIS was made available on the USAG-HI website, with hard copies provided to local libraries. Notifications announcing the 30-day waiting period were mailed to federal and state agencies and members of the public who had expressed interest in the project. Although the 30-day waiting period is not a formal public comment period, the Army accepted comments received during this period to be considered with the Army's decision as documented in this ROD.
- The NOA of this ROD will be published in the *Federal Register* and this ROD will be made available (with the Final EIS) on the USAG-HI website and at local libraries. A press release will be issued and a public notice will be published in local newspapers.

## **6.0 DECISION FOR THE CONSTRUCTION AND OPERATION OF THE SCHOFIELD GENERATING STATION PROJECT AT U.S. ARMY GARRISON-HAWAII**

I have considered the results of the analysis in the Final EIS, supporting studies, public comments, and the Army mission requirements. Based on this review, I have decided to proceed with the Preferred Alternative. Specifically, I have decided that the Army will lease 8.13 acres of land and grant a 2.5-acre interconnection easement on Schofield Barracks and Wheeler Army Airfield to Hawaiian Electric for the construction, ownership, operation, and maintenance of a 50 MW capacity, biofuel-capable power generation plant and a 46 kV sub-transmission line. In implementing this decision, the Army and Hawaiian Electric will take practical measures to minimize impacts to protect and sustain the environment. Best management practices (BMPs) are discussed in Section 9.0 below.

My decision to implement the Preferred Alternative, as specified above, is based on the following considerations:

- First, construction and operation of the SGSP would meet the purpose and need for the proposed action. It would provide improved energy security to the Army and citizens of Oahu, support renewable energy goals, and improve future electrical generation capabilities on Oahu by providing a new secure, firm, dispatchable, flexible, and renewable energy generation to the grid on Oahu, Hawaii.
- Second, I have considered the impacts to the human and natural environment. As explained below, construction and operation of the SGSP would not result in significant impacts, some beneficial effects would result, and the Army and Hawaiian Electric would employ BMPs to minimize environmental effects.

Other alternatives eliminated from further consideration are discussed in Section 2.4 of the Final EIS. The No Action Alternative is the environmentally preferred alternative, but it does not meet the purpose and need for the proposed action. Consequently, I did not select this alternative.

## **7.0 ENVIRONMENTAL CONSEQUENCES**

### **7.1 PROPOSED ACTION AND NO ACTION ALTERNATIVE**

Potential direct, indirect, and cumulative impacts of the Proposed Action and No Action Alternative were identified in the analysis and public comments process during the development of the EIS. The Final EIS fully analyzed the effects of the proposed action and alternatives on the following resource categories: land use; airspace use; visual resources; air quality, including climate and greenhouse gasses; noise; traffic and transportation; water resources; geology and soils; biological resources; cultural resources; hazardous and toxic substances; socioeconomics, including environmental justice; and utilities and infrastructure.

Impacts were assessed assuming full-time operation of the generating facility (24 hours a day, 365 days a year). Under normal conditions, the facility would likely operate less than full-time, so projected impacts could be less.

The severity of environmental impacts is characterized as none, minor, moderate, significant, or beneficial. Impacts that range from none to moderate or beneficial are considered less than significant. There could be adverse and beneficial impacts to the same resource; for example, air quality effects would be both moderate adverse because of emissions from the generating station and beneficial because the use of biofuel would reduce emissions some off-post fossil fuel-based emissions. The environmental consequences of the Proposed Action and No Action Alternative, discussed in the resource sections in Section 3 of the Final EIS, are summarized in Table 7-1 below. The potential impacts on all resources analyzed are found in detail in Section 4 of the Final EIS.

**Table 7-1  
Environmental Consequences**

<b>Resource Area</b>	<b>Proposed Action</b>	<b>No Action Alternative</b>
Land use	Minor adverse	None
Airspace	Minor adverse	None
Visual resources	Moderate adverse	None
Air quality	Moderate adverse and beneficial	None
Noise	Moderate adverse	None
Traffic and transportation	Minor adverse and beneficial	None
Water resources	Minor adverse	None
Geology and soils	Minor adverse	None
Biological resources	Minor adverse and beneficial	None
Cultural resources	Minor adverse	None
Hazardous and toxic substances	Minor adverse and beneficial	None
Socioeconomics	None or beneficial	None
Utilities and infrastructure	Minor adverse and beneficial	None
<b>Overall Environmental Consequences</b>	<b>Minor to moderate adverse, and beneficial</b>	<b>None</b>

The Army consulted informally with the U.S. Fish and Wildlife Service under Section 7 of the Endangered Species Act. The Army also consulted with the State Historic Preservation Division under Section 106 of the National Historic Preservation Act, the Coastal Zone Management Program in accordance with the Coastal Zone Management Act, and the National Marine Fisheries Service Pacific Islands Regional Office in accordance with the Magnuson-Stevens Fishery Conservation and Management Act. Section 2.2.4 of the Final EIS also contains a list of permits and approvals that will be required.

In making this decision, I am aware of the potential environmental and socioeconomic effects associated with the implementation of the proposed action. I have considered that implementing the Proposed Action would result in minor to moderate adverse effects, as well as beneficial effects. Under a full-time operation scenario, minor adverse effects could be expected with regard to land use, airspace, traffic and transportation, water resources, geology and soils, biological resources, cultural resources, hazardous and toxic substances, and utilities and infrastructure. Moderate adverse effects could be expected for visual resources, air quality, and noise. In addition, some beneficial effects could be expected for air quality, traffic and transportation, biological resources, hazardous and toxic substances, socioeconomics, and utilities and infrastructure.

None of the effects from construction or operation of the SGSP, either individually or cumulatively, would rise to the level of significant under NEPA. Implementing the No Action Alternative would have no direct or indirect adverse or beneficial impacts.

## 7.2 CUMULATIVE

On-post, past, present, and reasonably foreseeable future actions include various Army force structure realignment projects that would involve construction and operation of new facilities in support of changing training scenarios and operational requirements. Off-post, past, present, and reasonably foreseeable future actions include additional development of Central Oahu as a residential area to relieve housing pressure in downtown Honolulu. Off-post development would occur in accordance with land use and development plans that promote conservation of Hawaii's unique natural and cultural resources.

Off-post, past, present, and reasonably foreseeable future actions would have effects ranging from beneficial to significant adverse. The Proposed Action's contribution to cumulative impacts would range from

beneficial to moderate adverse.

For purposes of this decision, because the EIS was somewhat ambiguous about whether significant cumulative impacts would occur, the Army examined in greater detail the question of whether biological and cultural resources would have significant cumulative impacts.

The EIS acknowledged the potentially significant impacts to biological and cultural resources that would result from stationing the 25th Division's Stryker Brigade Combat Team (SBCT) in Hawaii and from other actions, but noted that the SGSP project would contribute only minor adverse effects to those resources. In July of 2015, however, the Army announced that the 25th Division's SBCT would be converted to an Infantry Brigade Combat Team, which is smaller in scale and impact. As such, many of the impacts from the SBCT identified in the cumulative impacts section of the SGSP EIS will be less than indicated. It should be noted that ranges constructed as part of the SBCT project will remain in use even after the SBCT leaves.

In the case of potential increase of fire, the impacts from SBCT ranges vis-à-vis the SGSP are different in nature; the increased potential for fire associated with the SBCT stationing action is training-related while SGSP impacts are from storing hazardous materials. Also, the two actions are separated by a distance of 2800 meters. Fires from the two sources would not have the potential to combine and form a larger fire. Because of the two impacts are different in nature and are separate by substantial distance, the SGSP will not add to the impacts for wildfire that are connected to use of ranges constructed under the SBCT stationing project.

For cultural resources, the EIS indicates that "the cumulative effects to the viewshed [of the Wheeler Historic District] are significant." The EIS also states "These effects have been historically mitigated by blocking the views from the historic structures with landscaping, fencing, and screening across fences, which is assumed for future concurrent projects." This should be understood to mean that these "blocking measures" (which are also included in the SGSP project) result in cumulative impacts to the historic viewshed will be mitigated to less-than-significant.

For the reasons discussed above, the SGSP will have no significant cumulative impacts. A detailed discussion of cumulative environmental impacts can be found in Section 5.0 of the Final EIS.

## **8.0 PUBLIC COMMENTS ON THE DRAFT AND FINAL EIS**

During the Draft EIS review period, 44 oral and written comments were received. A list of persons, organizations, and agencies submitting comments is in Section 1.5 of the Draft EIS. A letter response was sent to each commenter (in accordance with HEPA, Hawaii Revised Statutes Chapter 343). The comments and responses are in Appendix A-4 of the Final EIS.

Each oral and written comment was reviewed and considered and the EIS was revised where appropriate. A summary of changes between the Draft EIS and Final EIS is provided in Section 1.7 of the Final EIS. In addition, in accordance with HEPA, the changes made to the Final EIS in response to comments received on the Draft EIS are shown throughout the Final EIS as "underlined" text for additions and "strikethrough" text for deletions.

Public comments related to several Draft EIS resource areas, including air, water, noise, socioeconomics, visual resources, cultural resources, and land use. Many of these comments and questions were already addressed in the Draft EIS. Revisions to the Draft EIS for the Final EIS include the following:

- Additional text about Hawaiian Electric's biofuel purchasing policy.
- Additional text about greenhouse gas emissions and biofuels.
- Additional text about air emissions from construction.
- Additional and revised text about Hawaii renewable energy goals and initiatives.

- Additional text about water use, including a comparison to the Army's permitted use.
- Additional BMPs for control of fugitive dust during construction.
- Additional text stating work would stop and the State of Hawaii Office of Hawaiian Affairs would be contacted if iwi kūpuna (ancestral remains) or Native Hawaiian cultural deposits were encountered during construction.

Comments from the U.S. Army Corps of Engineers, Honolulu District, and several Hawaii state agencies referenced permits and approvals that might be applicable to the proposed project. The Army and Hawaiian Electric will obtain all applicable permits and approvals and have provided a list of those in Section 2.2.4 of the Final EIS.

Other agencies, such as the Honolulu Fire Department, referenced compliance actions that must be taken, such as providing adequate site access for firefighting, when implementing the project. The Army and Hawaiian Electric will take all actions necessary to remain in compliance with relevant laws, ordinances, and regulations.

Several State of Hawaii agencies referenced their standard comments for EISs, which the Army and Hawaiian Electric have reviewed and will comply with where applicable.

Multiple Hawaii state and local agencies and one Hawaii business stated that they had no comments on or objection to the proposed project. The Army and Hawaiian Electric thank these commenters for their time and review of the EIS.

Public reactions to the proposed project ranged from oppositional to supportive. Attendees who opposed the project cited project cost, water use, and island-wide or statewide energy-related issues that are beyond the scope of the Draft EIS (e.g., fuel sourcing). Some commenters had questions about the need for the project, cited unfamiliarity with the Draft EIS, and voiced concern about whether the document adequately addresses environmental issues. Those who supported the project cited improved grid performance and support for the use of biofuel.

During the waiting period following publication of the Final EIS, the Army received additional comments. I took these new comments and those received during the EIS scoping and Draft EIS comment processes into consideration in making my decision.

USEPA Region 9 submitted a letter thanking the Army for incorporating their comments and requests for additional analyses into the Final EIS. The letter also noted, however, that EPA had submitted additional comments on the Draft EIS revisions via email and that the content of the message was not accurately depicted in the Final EIS. In that email, EPA outlined discrepancies in the proposed text and offered suggested revisions using red text for new verbiage and strikethrough for deletions. Although the EPA email communication was included in Appendix A-4 of the Final EIS, the red text and strikethrough were not shown because the email was inadvertently converted from Rich Text Format to plain text at some point. In addition, EPA noted that some of their suggested language changes were not adopted verbatim in the text of the Final EIS. Copies of the EPA communication regarding the Final EIS and the previous email regarding the Draft EIS (showing the colored and strikethrough text revisions) have been added to the administrative record. I have taken into account the minor discrepancies and acknowledge EPA's recommended revisions. The incorporated revisions do not materially affect the impact analysis in the EIS or the decision to proceed with the preferred alternative.

The Army received a comment from a member of the public who also commented on the Draft EIS, reiterating his position that he does not support the project.

In addition, the Historic Hawaii Foundation submitted a letter under Section 106 of the National Historic Preservation Act stating that it disagrees with the Army's determination of "no adverse effect" on the Wheeler Army Airfield Historic Housing District. Both USAG-HI and State Historic Preservation Division were aware of input and opinions from Historic Hawaii Foundation when making the determination, the

concurrence with condition, and the acceptance of the condition. Section 106 the National Historic Preservation Act and the implementing regulations do not require USAG-HI or State Historic Preservation Division to accept Historic Hawaii Foundation's opinion, only to take it into account.

The comments received during the Final EIS 30-day waiting period did not raise any significant new issues that would require supplementation of the Final EIS. I evaluated all the comments. The comments did not lead me to reconsider other alternatives or mitigation measures except as otherwise indicated.

**9.0 BEST MANAGEMENT PRACTICES**

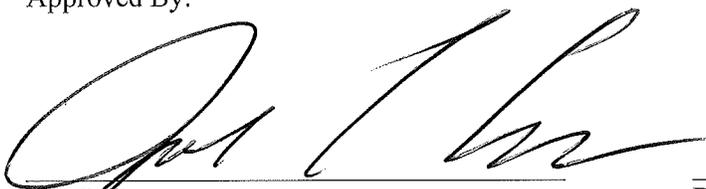
The Army is committed to sustaining and preserving the environment. Impacts from implementing the proposed action would be less than significant for all resources; therefore, no mitigation measures are proposed. No activities outside compliance with existing regulations, permits, and plans would be required. BMP and design measures that would minimize adverse effects would be implemented for these resources: visual, air quality, noise, traffic and transportation, water, geology and soils, biological resources, and hazardous and toxic substances. These BMPs are discussed in Section 3 of the Final EIS. All practicable means to avoid or minimize environmental harm from the selected alternative have been adopted.

USAG-HI and Hawaiian Electric have active environmental management programs that ensure environmental compliance, stewardship, and sustainability of those areas potentially impacted by the construction and operation of the SGSP. As part of the decision to proceed with the Preferred Alternative specified in Section 3.0 above, the Army will continue to implement all existing mitigation measures, BMPs, Standard Operating Procedures, and environmental management programs to minimize the impacts of the proposed action.

**10.0 SIGNATURE**

I have considered the results of the analysis in the Final EIS, supporting studies, and comments provided during public comment and review periods, and the Army mission requirements. Based on this review, I have determined that the Army's Preferred Alternative, as specified in Section 3.0 above, best meets the purpose and need for the proposed action. This decision would provide improved energy security to the Army and citizens of Oahu, support renewable energy goals, and improve future electrical generation capabilities on Oahu by providing a new secure, firm, dispatchable, flexible, and renewable energy generation to the grid on Oahu, Hawaii without causing significant adverse effects on the human or natural environment.

Approved By:

 22 Dec 15

Joe C. Capps  
Executive Director

Date

U.S. Army Installation Management Command