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SUPPLEMENTARY INFORMATION: DOE has prepared this Record of Decision pursuant to Council on Environmental Quality (CEQ) regulations for implementing the procedural provisions of NEPA (40 Code of Federal Regulations [CFR] parts 1500-1508) and DOE NEPA regulations (10 CFR part 1021). This Record of Decision is based on DOE's Final EIS for the Kentucky Pioneer Integrated Gasification Combined Cycle Demonstration Project (DOE/EIS-0318, December 2002).

NEPA Strategy for the Clean Coal Technology Program

DOE developed a strategy for the CCT Program that includes consideration of both programmatic and project-specific environmental impacts during and after the process of selecting a proposed project. This strategy, called tiering (40 CFR 1508.28), refers to the consideration of general issues in a broader EIS (*e.g.*, for the CCT Program), followed by more focused environmental impact statements or other environmental analyses that incorporate by reference the general issues and concentrate on those issues specific to the proposals under consideration.

As part of the NEPA strategy, the EIS for the Kentucky Pioneer IGCC Demonstration Project tiers from the Clean Coal Technology Programmatic Environmental Impact Statement (CCT PEIS) that DOE issued in November 1989 (DOE/EIS-0146). The CCT PEIS evaluated two alternatives, the No Action Alternative, and the Proposed Action. The No Action Alternative assumed the CCT Program would not continue and that conventional coal-fired technologies with flue gas desulfurization and nitrogen oxide controls that met New Source Performance Standards (NSPS) would continue to be used. The NSPS (40 CFR part 60) were established under the 1970 amendments to the Clean Air Act (CAA) to adopt emission standards for major new industrial facilities. The Proposed Action assumed that the clean coal projects would be selected and funded, and that successfully demonstrated technologies would undergo widespread commercialization by the year 2010.

The CCT Program began in 1986 as a collaborative effort among the federal government, state governments, and industry representatives to develop environmentally friendly solutions for using the Nation's abundant coal resources. The Program's goal is to

demonstrate innovative technologies emerging from global engineering laboratories at a scale large enough to demonstrate the commercial merit of the new processes. Originally, the CCT Program was a response to concerns over acid rain, which is formed by reaction of water with oxides of sulfur and nitrogen emitted by coal-burning power plants. Industry-proposed projects were selected for further consideration through a series of five national competitions aimed at attracting promising technologies that had not yet been proven commercially.

The Kentucky Pioneer IGCC Demonstration Project was selected for further consideration under the fifth solicitation (CCT-V) authorized under Pub. L. 102-154. The CCT Program relies on substantial funding from sources other than the federal government, as the participant supports the majority of the project cost. The Department of the Interior and Related Agencies Appropriations Act of 1986, a section of Pub. L. 99-190, introduced and defined cost-sharing for the program. The participant must agree to repay the government's financial contribution, with the basis for the repayment negotiated between the participant and the government, to ensure that taxpayers benefit from a successful project. Congress has directed that projects in the CCT Program should be industry projects assisted by the government and not government-directed demonstrations.

EIS Process

On April 14, 2000, DOE published in the **Federal Register** (65 FR 20142) a Notice of Intent (NOI) and Notice of Floodplain Involvement for the Kentucky Pioneer IGCC Demonstration Project. The NOI announced a public scoping meeting and invited comments and suggestions on the proposed scope of the EIS. DOE held a public scoping meeting in Trapp, Kentucky, on May 4, 2000, at which 36 individuals signed in and five participants provided a total of 19 oral comments. Three individuals submitted eight written comments during the public comment period, which ended May 31, 2000. The comments helped DOE to establish the issues to be analyzed in the EIS and the level of analysis warranted for each issue.

On November 16, 2001, DOE published a Notice of Availability for the Kentucky Pioneer IGCC Demonstration Project Draft EIS in the **Federal Register** (66 FR 57717). The original comment period for the Draft EIS began on November 16, 2001, and would have ended on January 4, 2002.

To accommodate requests from the public, DOE extended the public comment period on the Draft EIS to January 25, 2002. The total comment period was 71 days. Public meetings were held on December 10, 2001, in Lexington, Kentucky, and on December 11, 2001, in Trapp, Kentucky. DOE received 118 oral comments and 255 written comments, which helped to improve the quality and usefulness of the EIS.

In December 2002, DOE issued the Final EIS and the Environmental Protection Agency published a Notice of Availability of the Final EIS in the **Federal Register** on December 13, 2002 (67 FR 76740). In the Final EIS, DOE considered and, as appropriate, responded to public comments on the Draft EIS. Among the issues raised in the comments were concerns about (1) The applicability of and compliance with state and local solid waste statutes; (2) the need for more details of the facility and BGL process; (3) the potential of the vitreous frit (a solid waste stream) to be hazardous; (4) the need for power in central Kentucky; (5) the impacts of the related transmission line; (6) impacts to the Kentucky River; (7) impacts of plant operation on air resources, including acid rain and greenhouse gases; (8) impacts of facility discharges on local drinking water; (9) potential impacts from spills; (10) impacts to the aesthetic and scenic resources of the area; (11) impacts to Kentucky Highway 89 and local traffic levels; and (12) cumulative impacts of the proposed project and other potential local developments.

Project Location and Description

The Kentucky Pioneer IGCC Demonstration Project facility will be located in Clark County, Kentucky on a 121-hectare (300-acre) site within the 1,263-hectare (3,120-acre) J.K. Smith Site, owned by EKPC. The J.K. Smith Site is 34 kilometers (21 miles) southeast of the city of Lexington, 13 kilometers (8 miles) southeast of the city of Winchester, and 1.6 kilometers (1 mile) west of the community of Trapp, Kentucky. The plant will be located approximately 1.6 kilometers (1 mile) west of the J.K. Smith Site boundary closest to the community of Trapp. The 121-hectare (300-acre) project site was previously disturbed by preliminary construction activities in the mid-1980s, when EKPC began construction of the J.K. Smith Power Station. EKPC had completed preliminary grading, primary foundations, fire protection piping, and rail spur access infrastructure installation before the project was canceled in the early 1990s, when the