APPENDIX A

CONSULTATION LETTERS

This appendix includes consultation/approval letters between the U.S. Department of Energy and the U.S. Fish and Wildlife Service regarding threatened and endangered species, and between other state and Federal agencies as needed.

United States Department of the Interior

FISH AND WILDLIFE SERVICE
446 Neal Street
Cookeville, TN 38501

June 15, 2000

Mr. Roy Spears
National Energy Technology Laboratory
U.S. Department of Energy
3610 Collins Ferry Road
Morgantown, West Virginia 26507-0880

Subject: Notice of Intent to Prepare an Environmental Impact Statement (EIS) for the Kentucky Pioneer Integrated Gasification Combined Cycle Demonstration Project, Clark County, Kentucky.

Dear Mr. Spears:

Fish and Wildlife Service personnel have reviewed the subject notice. Please consider the following comments during preparation of the EIS.

Our endangered species database contains a record of running buffalo clover (*Trifolium stoloniferum*) at a location approximately 11 miles from the proposed project site. This federally listed (endangered) species may occur within the project boundary. We recommend that you evaluate the potential for impact to the species and report your findings to this office. A finding of "may affect" would likely result in a need to coordinate further to develop protection measures.

Construction or operation of the facility could cause negative impacts to wetlands or streams. Further, withdrawal of water from the Kentucky River could result in significant aquatic impacts. The Kentucky River is an important fishery and contains several mussel beds downstream of the proposed project. Because a map of the proposed project location was not included with the subject notice, we were unable to screen for wetland and stream impacts. We recommend that potential impacts to wetlands and aquatic resources be examined in detail.

Thank you for this opportunity to review the scoping notice. Please contact David Pelren of my staff at 931/528-6481 (ext. 204) or by e-mail at *david_pelren@fws.gov* if you have questions concerning these comments.

Sincerely,

Lee A. Barclay, Ph.D.
Field Supervisor

United States Department of the Interior

FISH AND WILDLIFE SERVICE
446 Neal Street
Cookeville, TN 38501

July 25, 2000

Mr. Chuck Pergler
EIS Ecological Resources Leader
Tetra Tech, Inc.
2502 35th Street
Los Alamos, New Mexico 87544

Dear Mr. Pergler:

Thank you for your letter, dated June 21, 2000, regarding the preparation of an Environmental Impact Statement (EIS) for the proposed Kentucky Pioneer Integrated Gasification Combined Cycle Demonstration Project in Clark County, Kentucky. U.S. Fish and Wildlife Service (Service) personnel have reviewed the information submitted and offer the following comments.

Endangered species collection records available to the Service do not indicate that federally listed or proposed endangered or threatened species occur within the impact area of the project. We note, however, that collection records available to the Service may not be all-inclusive. Our data base is a compilation of collection records made available by various individuals and resource agencies. This information is seldom based on comprehensive surveys of all potential habitat and thus does not necessarily provide conclusive evidence that protected species are present or absent at a specific locality.

Thank you for the opportunity to comment. If you have any questions, please contact Steve Alexander of my staff at 931/528-6481, ext. 210, or via c-mail at *steven_alexander@fws.gov*.

Sincerely,

Lee A. Barclay, Ph.D.
Field Supervisor

Education, Arts and Humanities Cabinet

KENTUCKY HERITAGE COUNCIL
The State Historic Preservation Office

Paul E. Patton
Governor
Marlene M. Helm
Cabinet Secretary

David L. Morgan
Executive Director and
SHPO

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July 10, 2002

Mr. Roy Spears
US Department of Energy
National Energy Technology Laboratory
3610 Collins Ferry Road
P.O. Box 880
Morgantown, WV 26507-0880
Mail Stop N-03

Re: Kentucky Pioneer Integrated Gasification Combined Cycle Demonstration Project; Draft Environmental Impact Statement. Clark County, Kentucky.

Dear Mr. Spears:

The State Historic Preservation Office has received for review and approval the above referenced draft environmental impact statement. On page S-11 of the document it states that, "The 1,263-hectare (3,120-acre) J.K. Smith tract is located within the Kentucky River Basin. The site is a hilly highland bounded by the Upper Howard Creek on the North and West, the freight rail line on the East, and the Kentucky River on the South. The land at the site has been previously disturbed and graded during the initial phases of the discontinued J.K. Smith Power Station constructed in the 1980's. Extensive cultural resources investigations have been completed in the J.K. Smith site area. Based on literature and records review of the 121-hectare (300-acre) project site, prehistoric resources were identified. Details of the findings are presented in Section 4.4.3, Cultural Resources of the Proposed Facility Location."

We are in agreement that the larger site has been previously disturbed and that cultural resources were identified and recorded/excavated. The Section 106 Review process was completed for this projects Area of Potential Effect in December of 1980. The terms of the Memorandum of Agreement drawn up in conjunction with the Advisory Council on Historic Preservation for the proposed J.K. Smith Power Station project have been met and further identification, evaluation, mitigation, consultation activities are no longer required. Therefore, in accordance with 36CFR Part 800.4(d) of the Advisory

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Mr. Roy Spears
July 10, 2002

Council's revised regulations, our finding is that there is **No Effect on Historic Properties** for this undertaking.

Should you have any questions, feel free to contact Craig Potts of my staff at (502) 564-7005 ext. 121.

Sincerely,

David L. Morgan

David L. Morgan, Director
Kentucky Heritage Council and
State Historic Preservation Officer

Cc: John Preston (Army Corps of Engineers)

JAMES E. BICKFORD
SECRETARY

PAUL E. PATTON
GOVERNOR

COMMONWEALTH OF KENTUCKY
NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION CABINET
DEPARTMENT FOR ENVIRONMENTAL PROTECTION
DIVISION OF WASTE MANAGEMENT
14 REILLY RD
FRANKFORT KY 40601-1190

June 27, 2002

RECD
D. N. LOCKWOOD
JUL 01 2002

Mr. Dwight N. Lockwood, P.E., Manager
Regulatory Affairs
Global Energy, Inc.
Suite 2000
312 Walnut Street
Cincinnati, OH 45202

RE: Kentucky Pioneer Energy IGCC Project
Clark County

Dear Mr. Lockwood:

I am writing you in response to your letter of October 9, 2000 concerning the applicability of the solid waste statutes and administrative regulations to the proposed gasification of municipal solid waste (MSW) pellets at the planned Integrated Gasification Combined Cycle plant near Trapp, Kentucky. According to your predicted characterization, a contractor would make the pellets as follows: first, the recyclables would be removed, leaving about 70% paper and 10% plastics; then, the manufacturer would mix binders with the material and extrude the mix into pellets. The finished product would be typical for most Refuse Derived Fuels (RDF).

The Division of Waste Management (DWM) has determined that the above-described MSW pellets would be a RDF. Also, the **RDF is a recovered material**, and that the clean-coal project you describe in your letter will be considered a **recovered material processing facility**. This determination is based on the description of the planned Integrated Gasification Combined Cycle plant that you provide in your letter of October 9, 2000.

The statute defines "Refuse Derived Fuel" as ". . . a sized, processed fuel product derived from the extensive separation of municipal solid waste, which includes the extraction of recoverable materials for recycling and the removal of nonprocessables such as dirt and gravel prior to processing the balance of the municipal solid waste into the refuse-derived fuel product" (KRS 224.01-010(23)). This determination that no waste permit is needed for the gasification process is also dependent on Pioneer Energy using RDF that conforms to the statutory definition. At least thirty (30) days before beginning gasification, Pioneer Energy must send the Natural Resources and Environmental Protection Cabinet (cabinet) the description of the selected RDF process. The cabinet will evaluate if the manufacturing of the fuel meets the statutory definition.

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Mr. Dwight N. Lockwood, P.E.
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June 27, 2002

This determination does not release the company from properly handling, storing and disposing of all waste generated by the facility. Please remember that a hazardous waste determination must be conducted on the resulting ash and other wastestreams in accordance with 401 KAR 32:010, Section 2. For the ash, this normally entails the Toxic Characteristic Leaching Procedure (TCLP) for metals. Underground storage tanks containing petroleum or hazardous materials are regulated by DWM under 401 KAR 42:020 and KRS 224.60-105, as well. The company must also have a valid permit from the Division for Air Quality (DAQ) before construction may begin. As you know, DAQ issued a permit (no. V-00-049) to the company on June 7, 2001, and the company initiated administrative litigation to challenge the permit in *Kentucky Pioneer Energy, LLC v. NREPC*, File No. DAQ-25321-037. That case remains pending.

If the process you describe in your October 9, 2000 letter will change in any manner, please provide DWM with a written description of that change, so that we may re-evaluate the determination we are making today. If the company decides to process solid waste into RDF in Kentucky, DWM may determine that the facility is a materials recovery facility. Materials recovery facilities are solid waste management facilities that do require permits. If the company is considered to have a materials recovery facility, it may be eligible for a registered-permit-by-rule for a solid waste transfer station. In order to obtain a registered-permit-by-rule, a public notice is stipulated two weeks before submittal of the registration form, and a public meeting may also be required.

As the project moves forward, please stay in touch with DWM to discuss the applicability of waste requirements. Please feel free to contact George Gilbert at (502) 564-6716 regarding any concerns or questions about the project.

Sincerely,

Robert H. Daniell
Director

RHD/GFG/gfg

c: Clark County Fiscal Court
Todd Royer, P.E., URS
Division for Air Quality
Frankfort Regional Office
Solid Waste Branch