

# DEPARTMENT OF AGRICULTURE

## Rural Development

Arroyo ProjectCo 1, LLC; Arroyo ProjectCo 2, LLC; Arroyo ProjectCo 3, LLC; Arroyo ProjectCo 4, LLC; Arroyo ProjectCo 5, LLC; Arroyo ProjectCo 6, LLC, and Arroyo ProjectCo 7, LLC (Arroyo Portfolio).

### Notice of Finding of No Significant Impact

**AGENCY:** Rural Business-Cooperative Service (RBCS), USDA

**ACTION:** Notice of Finding of No Significant Impact.

**SUMMARY:** The Rural Business-Cooperative Service, (RBCS), has made a Finding of No Significant Impact (FONSI) with respect to a request for possible financing assistance to Arroyo Portfolio for the construction of the Proposed Arroyo Portfolio in Cameron County.

**FURTHER INFORMATION:** To obtain copies of the EA and FONSI, or for further information, contact: Michael Self, Business & Cooperative Programs Director, 101 South Main Street, Temple, Texas 76501, at 254-742-9779 [ormichael.self@usda.gov](mailto:ormichael.self@usda.gov). The EA and FONSI are also available for public review at Edinburg Area Office, 2514 S. Veterans Blvd Ste. 4, Edinburg, TX 78539.

**SUPPLEMENTARY INFORMATION:** Arroyo Portfolio will consist of the construction, operation, and maintenance of seven 25.7- MWac stand-alone battery energy storage system (BESS), as well as an interconnection to the proposed substation, and necessary safety features including access roads, perimeter roads, and fencing. The project area is located southwest of Searcy Ranch Road near Harlingen, Cameron County, Texas.

Alternatives considered by Arroyo Portfolio include: No action; RBCS would not provide financial assistance to Arroyo Portfolio, and/or the proposed Project would not be constructed. This alternative would not help improve grid reliability and resilience as growth in intermittent renewable generation increases volatility with areas of ERCOT. The alternatives are discussed in the Proposed Arroyo Portfolio EA. The RBCS has reviewed and approved the EA for the proposed project.

The availability of the EA for public review was announced via notice in the following newspaper(s): The Valley Morning Star, Cameron County, Texas on May 15, 16 and 17, 2024. A 14-day comment period was announced in the newspaper notice(s). The EA was also available for public review at the USDA Rural Development office and website as well as USDA Edinburg Area Office.

Based on its EA, commitments made by Arroyo Portfolio, and no public comments received, RBCS has concluded that the project would have no significant impact (or no impacts) to water quality, wetlands, floodplains, land use, aesthetics, transportation, or human health and safety.

The proposed project will have no adverse effect on resources listed or eligible for listing on the National Register of Historic Places. The Agency has also concluded that the proposed project is not likely to affect federally listed threatened and endangered species or designated critical habitat thereof. The proposed project would not disproportionately affect minority and/or low-income populations.

No other potential significant impacts resulting from the proposed project have been identified. Therefore, RBCS has determined that this FONSI fulfills its obligations under the National Environmental Policy Act, as amended (42 U.S.C. 4321 et seq.), the Council on Environmental Quality Regulations (40 CFR §§ 1500-1508), and USDA Rural Development's Environmental Policies and Procedures (7 CFR Part 1970) for its action related to the project.

RBCS is satisfied that the environmental impacts of the proposed project have been adequately addressed. RBCS federal action would not result in significant impacts to the quality of the human environment, and as such it will not prepare an Environmental Impact Statement for its action related to the proposed project.

Dated: June 29, 2024