

PM(C-EF2a

(2.0 (02)

**U.S. DEPARTMENT OF ENERGY
EERE PROJECT MANAGEMENT CENTER
NEPA DETERMINATION**



RECIPIENT: State of Washington

STATE: WA

PROJECT TITLE : SEP ARRA - GEN-X Energy Group, Inc.

| Funding Opportunity Announcement Number | Procurement Instrument Number | NEPA Control Number | CID Number |
|--|--------------------------------------|----------------------------|-------------------|
| DE-FOA-0000052 | EE0000139 | GFO-0000139-033 | EE139 |

Based on my review of the information concerning the proposed action, as NEPA Compliance Officer (authorized under DOE Order 451.1A), I have made the following determination:

CX, EA, EIS APPENDIX AND NUMBER:

Description:

- B1.7** Acquisition, installation, operation, and removal of communication systems, data processing equipment, and similar electronic equipment.
- B5.1** Actions to conserve energy, demonstrate potential energy conservation, and promote energy-efficiency that do not increase the indoor concentrations of potentially harmful substances. These actions may involve financial and technical assistance to individuals (such as builders, owners, consultants, designers), organizations (such as utilities), and state and local governments. Covered actions include, but are not limited to: programmed lowering of thermostat settings, placement of timers on hot water heaters, installation of solar hot water systems, installation of efficient lighting, improvements in generator efficiency and appliance efficiency ratings, development of energy-efficient manufacturing or industrial practices, and small-scale conservation and renewable energy research and development and pilot projects. The actions could involve building renovations or new structures in commercial, residential, agricultural, or industrial sectors. These actions do not include rulemakings, standard-settings, or proposed DOE legislation.
- A9** Information gathering (including, but not limited to, literature surveys, inventories, audits), data analysis (including computer modeling), document preparation (such as conceptual design or feasibility studies, analytical energy supply and demand studies), and dissemination (including, but not limited to, document mailings, publication, and distribution; and classroom training and informational programs), but not including site characterization or environmental monitoring.

Rational for determination:

Gen-X Energy Group, Inc. is proposing to use \$720,000 in SEP ARRA funding for the manufacture and purchase of a biodiesel production module and to cover project management costs that will allow for the production of 1.5 million gallons/year of biodiesel. The biodiesel production module will be located at a site which was once an operational ethanol production plant. Gen-X will incorporate the proposed biodiesel production facility and associated equipment into the existing ethanol facility and associated existing equipment. A new 3-sided building, 35ft x 25ft, will be erected to cover the new, skid-mounted biodiesel module. Eight additional, 30,000 gallon, 12ft diameter tanks will be placed adjacent to the existing, 120ft x 80ft building. The building and tanks will be placed on existing concrete pads. An existing truck-unloading ramp will be modified for use as a feedstock/product loading/unloading facility. Containment around the truck loading facilities is required to ensure that there is no waste runoff. Existing equipment that cannot be incorporated or is no longer necessary for the proposed project will be removed. Approximately 30,000 square feet of the site is currently covered by pre-existing buildings or concrete. No impervious surface will be added for the proposed project. All utilities that will be used by the proposed project currently exist at the site. The proposed project will occur on a four acre section of a 16 acre parcel that is zoned as Urban Heavy Industrial. The Comprehensive Plan Land Use Designation is Industrial (Urban). It is estimated that there will be three semi-trucks per day at the facility for unloading feedstock and loading product. This will be a negligible increase of truck traffic in the area as the previous facility required six semi-trucks per day. The proposed site location has been previously disturbed and is currently an open dirt/gravel lot with existing buildings, structures and concrete surfaces. The area surrounding the proposed project is comprised of an iron/steel recycling plant; Interstate 90; a rail line, actively cultivated farmland; and rural residential. There will be no adverse effects to threatened and endangered species, wetlands, floodplains, or cultural resources as these resources are not present at the project site. Adverse visual effects are not expected as there are existing industrial structures at the site.

Regarding the air permit, the project has received a "Preliminary Determination to Approve the Biodiesel Production facility in Moses Lake" from WA DOE, subject to 30-day public notice period. Approval letter dated 16 February 2011; public notice period began with publication of notice on 25 February 2011. DOE has communicated with the environmental engineer that reviewed the Gen-X project and wrote the Preliminary Determination and concurs with his determination that the proposed project's production level of 1.5MG/Y will not result in adverse effects to air quality. The proposed project's level of production does not warrant EPA involvement. The proposed project's emissions will fall below the de minimis limits of the WA DOE Toxics Rule. A SEPA evaluation was conducted by the Grant County Dept. of Community Development Planning Department. The proposed project received a Mitigated Determination of

Non-Significance. The SEPA MDNS states the following: "The lead agency for SEPA review has determined that this project will not have a probable significant impact on the environment subject to the stipulated mitigation measures listed below." DOE has reviewed the SEPA application and SEPA MDNS and concurs with the Mitigated Determination of Non-Significance as conditioned. The recipient is in the process of complying with the mitigation measures as described in the MDNS (Documentation attached). Grant County Dept. of Community Development Planning Department has issued a Discretionary Use Permit for the proposed project. This permit is conditioned based on the requirement that the proposed project obtains the following: An Occupancy/Change of Use permit from the Grant County Fire Marshal; a Group B Water System permit from Washington Dept. of Health; an Approach permit from Grant County Public Works to install a paved entrance to the back edge of the Right of Way; and mechanical and electrical building permits from Grant County.

After a thorough review of the information submitted for the proposed project, it can be concluded that the project will not have a significant impact to human health and/or the environment. Therefore the proposed project is hereby Categoricaly Excluded under A9 "information gathering, analysis, and documentation;" B1.7 "Acquisition and installation of data processing equipment and similar electronic equipment;" and B5.1 "actions to conserve energy," from further NEPA review.

NEPA PROVISION

DOE has made a final NEPA determination for this award

Insert the following language in the award:

Note to Specialist :

EF2a completed by Logan Sholar

SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.

NEPA Compliance Officer Signature:


NEPA Compliance Officer

Date:

3/9/11

FIELD OFFICE MANAGER DETERMINATION

Field Office Manager review required

NCO REQUESTS THE FIELD OFFICE MANAGER REVIEW FOR THE FOLLOWING REASON:

- Proposed action fits within a categorical exclusion but involves a high profile or controversial issue that warrants Field Office Manager's attention.
- Proposed action falls within an EA or EIS category and therefore requires Field Office Manager's review and determination.

BASED ON MY REVIEW I CONCUR WITH THE DETERMINATION OF THE NCO :

Field Office Manager's Signature:

Field Office Manager

Date:
