FINDING OF NO SIGNIFICANT IMPACT
FOR
JOHNSON CONTROLS, INC, AND ENTEK INTERNATIONAL, LLC
ELECTRIC DRIVE VEHICLE BATTERY AND COMPONENT MANUFACTURING INITIATIVE APPLICATION
HOLLAND, MICHIGAN; LEBANON, OREGON, AND MILWAUKEE, WISCONSIN

RESPONSIBLE AGENCY: U.S. Department of Energy (DOE)

ACTION: Finding of No Significant Impact (FONSI)

SUMMARY: DOE completed the *Final Environmental Assessment for Electric Drive Vehicle Battery and Component Manufacturing Initiative Application, Holland, Michigan, Lebanon, Oregon, and Milwaukee, Wisconsin* (DOE/EA-1721D). Based on the analyses in the Environmental Assessment (EA), DOE determined that it's Proposed Action, awarding a federal grant to Johnson Controls, Inc. (JCI) and ENTEK International, LLC (ENTEK) to establish an advanced lithium ion (Li-Ion) battery manufacturing facility would result in no significant adverse impacts. In addition, beneficial local socioeconomic impacts would occur from increased employment opportunities and spending in the affected communities.

BACKGROUND: As part of the *American Recovery and Reinvestment Act of 2009* (Recovery Act; Public Law 111-5, 123 Stat. 115), DOE's National Energy Technology Laboratory, on behalf of the Office of Energy Efficiency and Renewable Energy's Vehicle Technologies Program, is providing up to $2 billion in federal funding for competitively awarded agreements to facilitate the construction (including increase in production capacity at existing plants) of U.S. manufacturing plants to produce advanced batteries and electric drive components.

The federal action of providing funding for these projects, known as the Electric Drive Vehicle Battery and Component Manufacturing Initiative, requires compliance with the *National Environmental Policy Act of 1969* (NEPA; 42 U.S.C. 4321 et seq.), the Council on Environmental Quality regulations (40 CFR Parts 1500 to 1508) and DOE's NEPA implementing procedures (10 CFR Part 1021). DOE prepared an EA to evaluate the potential environmental consequences of providing a grant for this proposed project under the initiative.

PURPOSE AND NEED: The overall purpose and need for DOE action pursuant to the Vehicle Technologies Program and the funding opportunity under the Recovery Act are to accelerate the development and production of various electric drive vehicle systems by building or increasing domestic manufacturing capacity for advanced automotive batteries, their components, recycling facilities, and electric drive vehicle components in addition to stimulating the U.S. economy. This and the other selected projects are needed to reduce the U.S. petroleum consumption by investing in alternative vehicle technologies. The proposed project will also meaningfully assist with the nation's economic recovery by creating manufacturing jobs in the United States in accordance with the objectives of the Recovery Act.

DESCRIPTION OF THE PROPOSED ACTION: DOE's Proposed Action is to provide a grant to partially fund manufacturing of Li-Ion cells and the assembly of batteries at three existing JCI/ENTEK facilities. The project would include: (1) installation and operation of new equipment in a newly constructed 18,000 square foot addition and two outbuildings for material storage (4,500 square feet and 6,500 square feet) at the JCI Holland facility in Michigan (MI), (2) installation and operation of new equipment in a newly constructed approximately 3,000 square feet extension to an existing facility at JCI's Milwaukee site in Wisconsin (WI), and (3) possible construction and operation of an expansion that could double the current footprint (an expansion of 15,000 to 20,000 square feet) at the ENTEK site in Lebanon, Oregon (OR). JCI/ENTEK would conduct the following activities to manufacture and assemble advanced batteries (1) at the Holland site, JCI would expand its existing Li-Ion prototype development, manufacturing, and testing capabilities for component qualification as well as validate and produce battery systems in support of their customers' programs, including domestic supplier qualifications, (2) at JCI Milwaukee provide laboratories and necessary analytical equipment to support implementation of advanced Li-Ion research and development at the Holland site, and (3) production of unfilled and highly filled separators at the ENTEK Lebanon site. DOE would provide $299.2 million in financial assistance in a cost-sharing arrangement in order to facilitate construction and operation of advanced lithium ion battery manufacturing facilities. The total cost of the project is estimated at $599,449,514.

ALTERNATIVES CONSIDERED: In addition to the Proposed Action, DOE considered the No-Action Alternative as required under NEPA. Under the No-Action Alternative, DOE would not provide funds for the JCI/ENTEK Proposed Project. For the purposes of the EA, DOE assumed that the project would not proceed without DOE funding. This assumption establishes a baseline against which the potential environmental impacts of the proposed project are compared.

ENVIRONMENTAL CONSEQUENCES: DOE evaluated the potential environmental consequences of the proposed project and the No-Action Alternative, including the activities necessary to implement the proposed project that would be funded by JCI and ENTEK rather than the Recovery Act.

DOE considered thirteen environmental resource areas in the preparation of the EA. However, not all areas were evaluated at the same level of detail. DOE focused more detailed analysis on areas that would require new or revised permits, have the potential for significant adverse environmental impacts, or have the potential for controversy. The areas DOE evaluated in more detail included air quality; water resources; infrastructure/utilities; waste management; and human health and safety. For these areas, DOE determined there would be minimal potential adverse environmental impacts. Air and water emissions would likely require modifications to exiting permits or new permits, but the changes would be minor and not trigger major delays or controversy.

DOE also evaluated socioeconomics to determine the potential positive benefits of the proposed project on the affected communities. The proposed project is anticipated to result in small increases in local employment opportunities and local spending, potentially providing a minor beneficial impact to the local community.

The other environmental areas DOE evaluated for potential impacts were geology and soils; wetlands; terrestrial vegetation; wildlife; threatened and endangered species; environmental justice; noise; and sustainability. DOE determined that there would be no potential for adverse impacts for these resource areas, or that the impacts would be minimal and temporary, or both. The EA provides more detail on the reasons DOE did not conduct more detailed evaluations.

Under the No-Action Alternative, the project would either be delayed, as neither JCI nor ENTEK sought other funding sources, or abandoned altogether. The potential environmental consequences, if the project was delayed, could be different if the project was modified. If abandoned, the potential environmental consequences would not occur. Furthermore, the potential beneficial impacts would change or not occur.

PUBLIC AVAILABILITY: DOE issued the Draft EA on January 24, 2010, and advertised its release in the Holland's Holland Sentinel, Milwaukee's Milwaukee Journal Sentinel, and Corvallis' Democrat Herald on January 24, 25 and 26. In addition, the Department sent copies for public review to the Herrick District Library in Holland, Villard Avenue Library in Milwaukee, and Lebanon Public Library in Lebanon. The Department established a 30-day public comment period that began January 24, 2010 and ended February 23, 2010. The Department announced it would accept comments by mail, e-mail, and facsimile.

The Draft EA was distributed to various state agencies. DOE conducted formal consultations by mail with the responsible U.S. Fish and Wildlife Service field offices, State Historic Preservation Offices, and Tribal contacts in Michigan, Oregon, and Wisconsin. In each case, DOE received correspondence supporting a determination of no potential impacts to threatened or endangered species, and no potential impacts to properties listed on or eligible for inclusion to the *National Register of Historic Places*.

Copies of the Final EA and this FONSI are available at DOE's National Energy Technology Laboratory web site at http://www.netl.doe.gov/publications/others/nepa/ea.html or by sending a request to:

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DETERMINATION: On the basis of the evaluations in the Final EA, DOE determined that its Proposed Action, to provide a $299.2 million federal grant for JCI's and ENTEK's proposed project, to establish a world-class, domestic, advanced battery manufacturing industry facilities utilizing a mix of expanded existing facilities and/or new facilities in MI, WI, and OR, would have no significant impact on the human environment. All potential environmental impacts identified and analyzed in the EA would be less than significant. Therefore, preparation of an environmental impact statement is not required, and DOE is issuing this Finding of No Significant Impact.

Issued in Pittsburgh, PA, this 16th day of March 2010.

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