

Record of Categorical Exclusion for

Sunnova Energy Corporation's Project Hestia – Loan #1426

Description of Categorically Excluded Action:

The US Department of Energy (DOE) is considering whether to issue a Title XVII Innovative Clean Energy Program loan guarantee to Sunnova Energy Corporation's (Sunnova) Project Hestia for the financing of home energy management systems. Sunnova applied for a loan guarantee in response to the Innovative Energy Program (Solicitation # DE-SOL-0007154) established pursuant to Title XVII of the Energy Policy Act of 2005, as amended, which provides for loans to projects that avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases and employ new or significantly improved technologies as compared to commercial technologies in service in the United States.

Project Description:

Sunnova would finance the installation of Distributed Energy Resources (DERs) at existing residential homes across the United States and Territories (Sunnova Project or Project). DERs include residential photovoltaic (PV) and battery energy storage systems (BESS) that are integrated with innovative software to facilitate less carbon-intensive consumer choices. In addition to solar and battery storage, the innovative software can be leveraged for use with electric vehicle chargers, smart thermostats, and load controllers. The combination of hardware installation and software is designed to reduce overall greenhouse gas emissions by giving customers insight into their energy costs and consumption, and will serve targeted tailored communications to modify customers' energy behavior. The Project would only affect existing residential structures and would not involve the expansion of buildings or addition of offsite electrical grid infrastructure.

The loan guarantee will support the installation of an estimated 75,000 household systems nationwide through Sunnova's loan offerings. Sunnova's loan offerings will be made available to homeowners with FICO scores lower than 680, enabling the deployment of PV and BESS to approximately 20,000 homeowners that otherwise would not have access to financing.

According to Sunnova, the loan guarantee would support 3,436 jobs during PV and BESS installation over a three-year period, and 10 to 15 permanent operational jobs in software management. The DERs would be installed and distributed through Sunnova's existing network of third-party dealers and installers.

Number and Title of Categorical Exclusion:

The actions being proposed under this Title XVII loan guarantee for the Sunnova Project are consistent with and are covered by DOE categorical exclusions in 10 CFR 1021, Appendix B (B1.7, B1.31, B2.2) because the project involves only modifications to existing residential structures. LPO has determined there would be no impacts to threatened or endangered species, nor would there be any adverse impacts to historic properties. No other environmental resources are expected to be impacted. The following categorical exclusions to further NEPA review apply:

B1.7 “*Electronic equipment*”

Acquisition, installation, operation, modification, and removal of electricity transmission control and monitoring devices for grid demand and response, communication systems, data processing equipment, and similar electronic equipment.

B1.31 “*Installation or relocation of machinery and equipment*”

Installation or relocation and operation of machinery and equipment (including, but not limited to, laboratory equipment, electronic hardware, manufacturing machinery, maintenance equipment, and health and safety equipment), provided that uses of the installed or relocated items are consistent with the general missions of the receiving structure. Covered actions include modifications to an existing building, within or contiguous to a previously disturbed or developed area, that are necessary for equipment installation and relocation. Such modifications would not appreciably increase the footprint or height of the existing building or have the potential to cause significant changes to the type and magnitude of environmental impacts.

B2.2 “*Building and equipment instrumentation*”

Installation of, or improvements to, building and equipment instrumentation (including, but not limited to, remote control panels, remote monitoring capability, alarm and surveillance systems, control systems to provide automatic shutdown, fire detection and protection systems, water consumption monitors and flow control systems, announcement and emergency warning systems, criticality and radiation monitors and alarms, and safeguards and security equipment).

Regulatory Requirements defined in 10 CFR § 1021.410 (b):

The proposed loan and related actions described above were subjected to an environmental due diligence review by DOE Loan Programs Office (LPO) staff to ensure they are consistent with the specific category of actions (categorical exclusion) contained in Appendix B of 10 CFR Part 1021 and the conditions for applying categorical exclusions specified in Section 410 of Part 1021. To ensure that the requirements of Appendix B were met, LPO Environmental Compliance (EC) staff reviewed numerous project-related documents obtained between January 2022 and December 2022 participated in several

conference calls with Sunnova staff to ensure a complete understanding of the activities associated with the installation Sunnova Project.

The environmental due diligence review determined that there is no controversy regarding the potential environmental impacts of the proposed Sunnova Project, and that the actions associated with the loan guarantee would not adversely affect any physical, biological, or socio-cultural resources at the facility or surrounding environment.

The Comment section below is provided for any necessary clarifications concerning the findings listed above. Signature by Sunnova’s designated representative in the Corporate Validation section is an indication of Sunnova’s concurrence with the findings and determinations presented above.

Comment: _____

Corporate Validation:

Name and Title (Print): Robert Lane, Executive Vice President, Chief Financial Officer

Signature:  Date: February 9, 2023

Determination:

Based on my review of information conveyed to me and in my possession concerning the actions associated with the proposed Title XVII loan guarantee described above, as NEPA Compliance Officer (as prescribed by DOE Policy Directive 451.1), I have determined that the actions involve no extraordinary circumstances and fit within the specified category of actions in Appendix B of 10 CFR 1021 described above, and are hereby categorically excluded from further review under the National Environmental Policy Act (42 USC 4321, as amended).

TODD
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Date: 2023.04.19 10:39:33 -06'00'

Signature
Todd Stribley
Environmental Compliance Officer
Loan Programs Office

April 19, 2023
Date