

Record of Categorical Exclusion for

American Battery Solutions, Inc.
Freedom Project

Description of Categorically Excluded Action:

The US Department of Energy (DOE) proposed action is to provide an Advanced Technology Vehicle Manufacturing (ATVM) Program loan to American Battery Solutions, Inc. (ABS) for engineering integration as well as equipment reconfiguration and retooling of an existing 170,000-square foot manufacturing facility in Springboro, Ohio and 120,000-square foot engineering/testing facility in Lake Orion, Michigan. The reconfiguration and retooling of the Ohio manufacturing facility will enhance cell module production and pack assembly. The additional tooling and equipment for the Michigan engineering/testing facility will enhance engineering, design, and testing capabilities for vehicle integration. ABS has applied for a loan in response to the ATVM Loan Program established pursuant to Section 136 of the Energy Independence and Security Act of 2007, as amended, which provides for loans to eligible automobile manufacturers and component suppliers for projects that reequip, expand, and establish manufacturing facilities in the United States to produce light-duty, medium, and heavy-duty vehicles and components that provide meaningful improvement in fuel economy and for engineering integration costs associated with such projects.

Because the project activities in the Michigan facility involve engineering and testing, emission and waste streams are expected to be de minimis. For the Springboro, Ohio facility, the existing 170,000-square foot manufacturing facility is located on a 12.1-acre parcel of land. This facility has been operating since 2006, and the proposed project involves the installation of modular system architecture for the customized development of battery pack assemblies that include the following:

- Cell handling process lines that can utilize various cell form factors (cylindrical and prismatic) specific to the needs of customers;
- Modular assembly lines that allow for flexible and scalable battery modules for high voltage and low voltage applications;
- Pack assembly lines that allow for custom enclosures specific to the needs of customers; and
- Other elements including battery thermal management, battery interface, and battery management systems which are incorporated in the battery manufacturing process.

The proposed project is expected to generate approximately 460 facility-related jobs.

The proposed action has de minimis air emissions and does not require an air permit. In addition, ABS received a “No Exposure Certification for Exclusion from Industrial NPDES Storm Water Permitting” from the Ohio Environmental Protection Agency. To address the

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hazardous materials associated with the proposed action, ABS has developed a Hazard Communication Plan as well as a Hazardous Material Training Policy. All hazardous material will be handled, stored, and disposed of in accordance with relevant and applicable regulations.

Number and Title of Categorical Exclusion:

The actions that would be taken pursuant to the proposed ATVM loan to ABS for the proposed action are consistent with and are covered by DOE categorical exclusions B1.31 for installation or relocation of machinery and equipment and B5.1 for the engineering integration work to be performed at the Lake Orion and Springboro facilities. The text of the categorical exclusions are as follows:

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.

B5.1 Actions to Conserve Energy or Water

Actions to conserve energy or water, demonstrate potential energy or water conservation, and promote energy efficiency that would not have the potential to cause significant changes in the indoor or outdoor concentrations of potentially harmful substances. These actions may involve financial and technical assistance to individuals (such as builders, owners, consultants, manufacturers, and designers), organizations (such as utilities), and governments (such as state, local, and tribal). Covered actions include, but are not limited to weatherization (such as insulation and replacing windows and doors); programmed lowering of thermostat settings; placement of timers on hot water heaters; installation or replacement of energy efficient lighting, low-flow plumbing fixtures (such as faucets, toilets, and showerheads), heating, ventilation, and air conditioning systems, and appliances; installation of drip-irrigation systems; improvements in generator efficiency and appliance efficiency ratings; efficiency improvements for vehicles and transportation (such as fleet changeout); power storage (such as flywheels and batteries, generally less than 10 megawatt equivalent); transportation management systems (such as traffic signal control systems, car navigation, speed cameras, and automatic plate number recognition); development of energy-efficient manufacturing, industrial, or building practices; and small-scale energy efficiency and conservation research and development and small-scale pilot projects. Covered actions include building renovations or new structures, provided that they occur in a previously disturbed or developed area. Covered actions could involve commercial, residential, agricultural, academic, institutional, or industrial sectors. Covered actions do not include rulemakings, standard-settings, or proposed DOE legislation.

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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 November 2021 and July 2023 and participated in several conference calls with ABS staff to ensure a complete understanding of the activities associated with the battery manufacturing process. In addition to the environmental documentation reviewed, LPO’s independent engineer visited the engineering/testing facility in Lake Orion, Michigan on September 6, 2022, and LPO staff visited the project site in Springboro, Ohio on September 7 and 8, 2022. A plant tour of the Ohio facility was conducted to review where battery manufacturing equipment will be installed and operated.

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

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

Comment: _____

Corporate Validation:

Name and Title (Print) Subhash Dhar
Chairman & CEO

Signature: *Subhash Dhar*

Date: July 20, 2023

Determination:

Based on my review of information conveyed to me and in my possession concerning the actions associated with the proposed ATVM loan described above, as NEPA Compliance Officer (as prescribed by DOE Policy Directive 451.1), I have determined that the actions

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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).

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Date: 2023.07.20 13:33:17
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July 20, 2023

Signature
Todd Stribley
NEPA Compliance Officer
Loan Programs Office

Date