

U.S. DEPARTMENT OF ENERGY  
OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY  
NEPA DETERMINATION



RECIPIENT: D&R International, Ltd.

STATE: Mult

PROJECT TITLE : Scaling Up: Demonstrating risk reduction and cost compression for Commercial HPWHs

Funding Opportunity Announcement Number	Procurement Instrument Number	NEPA Control Number	CID Number
DE-FOA-0002788	DE-EE0010908	GFO-0010908-001	GO10908

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

**CX, EA, EIS APPENDIX AND NUMBER:**

Description:

**A9 Information gathering, analysis, and dissemination**

Information gathering (including, but not limited to, literature surveys, inventories, site visits, and audits), data analysis (including, but not limited to, computer modeling), document preparation (including, but not limited to, conceptual design, feasibility studies, and analytical energy supply and demand studies), and information dissemination (including, but not limited to, document publication and distribution, and classroom training and informational programs), but not including site characterization or environmental monitoring. (See also B3.1 of appendix B to this subpart.)

**B3.6 Small-scale research and development, laboratory operations, and pilot projects**

Siting, construction, modification, operation, and decommissioning of facilities for smallscale research and development projects; conventional laboratory operations (such as preparation of chemical standards and sample analysis); and small-scale pilot projects (generally less than 2 years) frequently conducted to verify a concept before demonstration actions, provided that construction or modification would be within or contiguous to a previously disturbed or developed area (where active utilities and currently used roads are readily accessible). Not included in this category are demonstration actions, meaning actions that are undertaken at a scale to show whether a technology would be viable on a larger scale and suitable for commercial deployment.

**B5.1 Actions to conserve energy or water**

(a) 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, except for those actions listed in B5.1(b) of this appendix. (b) Covered actions include rulemakings that establish energy conservation standards for consumer products and industrial equipment, provided that the actions would not: (1) have the potential to cause a significant change in manufacturing infrastructure (such as construction of new manufacturing plants with considerable associated ground disturbance); (2) involve significant unresolved conflicts concerning alternative uses of available resources (such as rare or limited raw materials); (3) have the potential to result in a significant increase in the disposal of materials posing significant risks to human health and the environment (such as RCRA hazardous wastes); or (4) have the potential to cause a significant increase in energy consumption in a state or region.

Rationale for determination:

The U.S. Department of Energy (DOE) is proposing to provide funding to D&R International, Ltd (D&R) to demonstrate and validate a systems approach for commercial heat pump water heaters (CHPWH). The project will include recruiting and installing CHPWH systems in six affordable housing sites and monitor and gather data on the installations.

This award would be executed over 3 Budget Periods and 17 Tasks. Management and planning, demonstration, measurement and verification (M&V), installing and commissioning, and case studies would occur in both budget period 1 and 2, tasks 1 through 11. In budget period 3, tasks 13 through 17 would follow with additional management and planning, M&V, validation, and training. Workforce training material would be developed in tasks 12 and 17.

Six CHPWH units would be installed in four regions around the United States: northwestern, northeastern, central, and possibly southeastern states, specific locations are undetermined. Installations would occur in new construction, or as a modification to an existing water heater system. Installations would take place on the exterior of the structures; a small amount of ground disturbance could be required for structural support. Disturbance would take place within the existing footprint of building disturbance.

The majority of activities, aside from installations and demonstrations, would occur within pre-existing, purpose-built research and development facilities in McClean, VA; Seattle, WA; Boston, MA; and Richland, WA. No physical modifications to existing facilities, ground disturbance, or permits would be required.

Existing corporate health, safety, and environmental policies and procedures would be followed at all facilities, including personnel training, proper personal protective equipment (PPE), engineering controls, monitoring, and internal assessments.

DOE has considered the scale, duration, and nature of the proposed activities to determine potential impacts on sensitive resources, including those of an ecological, historical, cultural, and socioeconomic nature, and found no effects that would be expected to result from the proposed project activities.

## NEPA PROVISION

DOE has made a final NEPA determination.

Notes:

Building Technologies Office (BTO)  
NEPA review completed by Dustin Hill, 11/14/2023

## FOR CATEGORICAL EXCLUSION DETERMINATIONS

The proposed action (or the part of the proposal defined in the Rationale above) fits within a class of actions that is listed in Appendix A or B to 10 CFR Part 1021, Subpart D. To fit within the classes of actions listed in 10 CFR Part 1021, Subpart D, Appendix B, a proposal must be one that would not: (1) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders; (2) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators), but the proposal may include categorically excluded waste storage, disposal, recovery, or treatment actions or facilities; (3) disturb hazardous substances, pollutants, contaminants, or CERCLA-excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases; (4) have the potential to cause significant impacts on environmentally sensitive resources, including, but not limited to, those listed in paragraph B(4) of 10 CFR Part 1021, Subpart D, Appendix B; (5) involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements, such as those listed in paragraph B(5) of 10 CFR Part 1021, Subpart D, Appendix B.

There are no extraordinary circumstances related to the proposed action that may affect the significance of the environmental effects of the proposal.

The proposed action has not been segmented to meet the definition of a categorical exclusion. This proposal is not connected to other actions with potentially significant impacts (40 CFR 1508.25(a)(1)), is not related to other actions with individually insignificant but cumulatively significant impacts (40 CFR 1508.27(b)(7)), and is not precluded by 40 CFR 1506.1 or 10 CFR 1021.211 concerning limitations on actions during preparation of an environmental impact statement.

The proposed action is categorically excluded from further NEPA review.

## SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.

NEPA Compliance Officer Signature:

 Electronically Signed By: Casey Strickland

NEPA Compliance Officer

Date: 11/17/2023

**FIELD OFFICE MANAGER DETERMINATION**

- Field Office Manager review not required
- Field Office Manager review required

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

Field Office Manager's Signature: \_\_\_\_\_  
Field Office Manager

Date: \_\_\_\_\_