

Record of Categorical Exclusion for

Viejas Enterprise Microgrid Project

Description of Categorically Excluded Action:

The US Department of Energy (DOE) is considering whether to issue a loan guarantee under the Tribal Energy Loan Guarantee Program (TELGP) pursuant to Section 2602(c) of the Energy Policy Act of 1992, as amended (25 USC Section 3502(c)) to U.S. Bank National Association (Applicant) guaranteeing the Applicant's loan to Indian Energy, LLC (Project Sponsor) to finance a renewable energy generation and storage system in the Viejas Band of Kumeyaay Indians Reservation. The Applicant and Project Sponsor) applied for a loan guarantee pursuant to TELGP, whose purpose is to support debt financing for tribal energy development projects in the United States.

The proposed action is needed for the development of a new, primary, and renewable utility-scale energy generation and storage project to create clean, sustainable, and reliable energy for the Viejas Band of Kumeyaay Indians. The Viejas Enterprise Microgrid Project ("Project") requires utilization of an existing commercial parking lot network to install carports with photovoltaic mounted systems and a battery energy storage system (BESS) on the Viejas Band of Kumeyaay Indians Reservation.

Project Description:

The purpose of the Project is to provide immediate rate relief and increased energy resiliency for the Viejas Band of Kumeyaay Indians Reservation. The Viejas Band of Kumeyaay Indians, a sovereign government founded in 1977, owns and operates a commercial complex on their Reservation which includes the Viejas Casino & Resort, Viejas Outlets, a business zone, and Ma-Tar-Awa Recreational Vehicle Park. The goal for the Project is to create a source of clean energy for the Reservation gaming, hospitality, and retail operations. The Viejas Tribal Government has partnered with the California Energy Commission (CEC), the Sponsor, and the Applicant to develop the Project. The Project would utilize approximately 4.5-acres of an existing 96-acre commercial complex area owned by the Viejas Tribal Government located at 5000 Willows Road, Alpine, California (CA). The Project site is entirely within the Reservation and is bounded by Interstate 8/Kumeyaay Highway to the south, commercial properties to the south, east and west, and arterial and commercial roadways to the north.

The proposed Project uses the existing commercial center parking lots to install 100 framed carport structures with rooftop mounted photovoltaic systems to generate 15 MW of clean power, resulting in a total footprint of 10,000 square feet of new carport structures. The proposed Project has been designed to utilize photovoltaic panels which are treated with anti-reflective/anti-glare coating to minimize glare, are dark in color to absorb rather than reflect light and have lower risks of hot spots. The installation of 60MWh of BESS would occur within an existing commercial center parking lot and would use 20-foot containers stacked two containers high to encapsulate the batteries. The BESS and associated generation and switchgear would operate on the east side of the Project site and would be surrounded by perimeter fences. If required, the proposed Project may require installing new conduits for an existing interconnection of a 12 kV loop; however, the proposed Project currently plans to purchase and utilize an existing 12 kV loop within the footprint of the Viejas commercial center to connect the photovoltaic panels and BESS to the local San Diego Gas & Electric utility 12 kV distribution system. The only work outside of the commercial area would be trenching across Willows Road using a 5" trench to provide connection for the 12 kV loop. The

proposed Project would consist of development in the existing commercial center parking lot and across Willows Road, and there is no development that would occur outside of previously disturbed or developed areas, as defined at 10 CFR 1021.410 (g) (1).

The Viejas Tribal Government conducted an environmental impact report for the Project pursuant to their environmental policy ordinance, which requires a detailed report on the environmental impacts and substantial compliance with the requirements set out in the National Environmental Policy Act (NEPA). The Viejas Tribal Government documented their findings in a Categorical Exclusion (CX) on June 24, 2022. Specifically, the CX documented their findings that there would be no environmental effects to public health or safety; wetlands, rivers, or floodplains; federal, state, or local listed species; historic or cultural resources; low income or minority populations; and prime or unique farmlands. The CEC conducted an evaluation of the Project pursuant to the California Environmental Quality Act and provided a Notice of Exemption for the Project on October 14, 2022. The CEC exemption found there would be no adverse effects to air, water, or other biological resources because of the Project.

LPO has reviewed and concurs with the Viejas Tribal Government and CEC findings, and notes that the proposed Project has been strategically sited within previously disturbed/developed areas (commercial parking lot and Willows Road) on the Reservation. Furthermore, the Viejas Tribal Government, will ensure that best management practices (BMPs) will be utilized during construction of the proposed Project, and an existing storm water pollution prevention plan will be used during construction and operations to ensure there are no offsite impacts.

In accordance with the Endangered Species Act, LPO's review of the proposed Project found that there would be "no effect" to listed species or critical habitat. LPO identified that the Project site is completely disturbed and contains no suitable habitat or biological resources, and there will be no disturbance from construction or operation activities on listed species or their designated critical habitat.

LPO reviewed potential effects on historic properties and identified that the equipment requires limited ground disturbance all within existing disturbed/developed areas; therefore, the undertaking is a type of activity that does not have the potential to cause effects on historic properties.

The authorizations required for the Project have been obtained and include a Conditional Use Permit from the Viejas Band of Kumeyaay Indians, an Authority to Construct from the Viejas Gaming Commission, for Execution Permit for Willows Road Trenching from the County of San Diego, and an interconnection authorization from SDG&E, the electric entity and provider in San Diego and Orange County, CA.

LPO's environmental due diligence review has determined that the actions associated with the loan guarantee would not adversely affect any physical, biological, cultural, or socioeconomic resources at the Project site or surrounding environment.

Number and Title of Categorical Exclusion:

The actions that would be taken pursuant to the proposed TELGP loan guarantee for the Viejas Enterprise Microgrid Project is the development of the carports with photovoltaic mounted systems and is covered by the following DOE Categorical Exclusions B1.7, B1.15, B4.11, B5.1, and B5.16. The proposed Project involves installation of electronic equipment (photovoltaic modules), supporting structures (carports) in previously developed/disturbed areas. The text of the categorical exclusions are as follows:

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.

B1.15 Supporting Buildings

Siting, construction or modification, and operation of support buildings and support structures (including, but not limited to, trailers and prefabricated and modular buildings) within or contiguous to an already developed area (where active utilities and currently used roads are readily accessible). Covered support buildings and structures include, but are not limited to, those for office purposes; parking; cafeteria services; education and training; visitor reception; computer and data processing services; health services or recreation activities; routine maintenance activities; storage of supplies and equipment for administrative services and routine maintenance activities; security (such as security posts); fire protection; small-scale fabrication (such as machine shop activities), assembly, and testing of non-nuclear equipment or components; and similar support purposes, but exclude facilities for nuclear weapons activities and waste storage activities, such as activities covered in B1.10, B1.29, B1.35, B2.6, B6.2, B6.4, B6.5, B6.6, and B6.10 of this appendix.

B4.11 Electric power substations and interconnection facilities

Construction or modification of electric power substations or interconnection facilities (including, but not limited to, switching stations and support facilities).

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 if 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.

B5.16 Solar photovoltaic systems

The installation, modification, operation, and removal of commercially available solar photovoltaic systems located on a building or other structure (such as rooftop, parking lot or facility, and mounted to signage, lighting, gates, or fences), or if located on land, generally comprising less than 10 acres within a previously disturbed or developed area. Covered actions would be in accordance

with applicable requirements (such as local land use and zoning requirements) in the proposed project area and would incorporate appropriate control technologies and best management practices.

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

The proposed loan guarantee 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 Division (ECD) staff reviewed numerous project-related documents obtained between May 2022 and November 2023 and participated in several conference calls with the Viejas Tribal Government, the Applicant and Project Sponsor to ensure a complete understanding of the activities associated with the microgrid generation and storage project.

The environmental due diligence review determined that there is no controversy regarding the potential impacts of the proposed Viejas Enterprise Microgrid 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 U.S. Bank National Association designated representative in the Corporate Validation section is an indication of U.S. Bank National Association concurrence with the findings and determinations presented above.

Comment: _____

Corporate Validation:

Name and Title (Print): Whitney Hampton, Vice President

Signature: *Whitney Hampton* Date: 12/14/23

The Comment section below is provided for any necessary clarifications concerning the findings listed above. Signature by Viejas Band of Kumeyaay of Indians designated representative is an indication of Viejas Band of Kumeyaay of Indians concurrence with the findings and determinations presented above.

Comment: _____

Viejas Band of Kumeyaay of Indians:

Name and Title (Print): Ray Teran, Resource Management Director

Signature: _____ Date: December 14, 2023

Determination:

Based on my review of information conveyed to me and in my possession concerning the actions associated with the proposed TELGP 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).

March 13, 2024

Signature
Todd Stribley
NEPA Compliance Officer
Loan Programs Office

Date