

Record of Categorical Exclusion for

Advanced Technology Vehicle Manufacturing Project - Model S Manufacturing Facility

Tesla Motors, Inc.

Description of Proposed Action:

The Department of Energy's (DOE's) proposed action is to disburse Federal loan funds to Tesla Motors, Inc. (Tesla) to manufacture the Model S electric vehicle by retooling and reequipping an existing automobile manufacturing plant in Fremont, California.

The manufacturing facility was previously owned by a joint venture between Toyota Motor Corporation and the former General Motors (former NUMMI joint venture). To manufacture the Model S, Tesla would purchase and occupy a 210 acre parcel of the former NUMMI facility, which is adjacent to Interstate 880 on the east side of the San Francisco Bay. The proposed project is located at 45500 Fremont Boulevard, in Fremont, CA.

Tesla would produce approximately 20,000 Model S vehicles per year at the facility. The site would include stamping, body, paint, plastics and final assembly plants. Each area would include conveyor systems to move materials and product through production as well as to transport materials between areas. After assembly, a variety of test stations at the end of the production line would test for vehicle and system functionality. Tesla would utilize an exterior test track, which resides on the manufacturing site, to diagnose and confirm adjustments to ride and handling characteristics and noise/vibration/harshness. The facility includes many grade-level docks surrounding the building and a two-lane access road to provide two-way access around the entire building.

No construction activities outside the existing facilities, additional environmental permits, or emission increases would be anticipated for this project. Tesla would produce fewer automobiles than previous operations at the former NUMMI facility, given that the full capacity of the facility previously exceeded 400,000 vehicles. Existing permits for air emissions, groundwater monitoring, and stormwater discharge would be modified and transferred to Tesla. Sanitary wastewater would be discharged directly to the sanitary sewer, and process wastewater would be collected via industrial sewers, pretreated, and discharged to the Union Sanitary District via the sanitary sewer. A wastewater permit specific to Tesla's operations would be issued based on the composition of their discharge. Solid wastes would be truck-transported off-site to third party licensed facilities.

Tesla would develop a Hazardous Materials Management Plan to address the chemicals and potentially hazardous materials that would be stored and used at the facility. If necessary, Tesla Motors would apply to the California Department of Toxic Substances Control for authorization to handle and temporarily store hazardous wastes and would apply for a generator identification number prior to facility operation. It is anticipated that the facility would meet the requirements of a conditionally exempt small quantity generator under the Resource Conservation and Recovery Act, and Tesla would develop and implement an appropriate hazardous waste

management program. Tesla's hazardous waste transport and disposal needs would be handled by a licensed waste contractor.

The project would create between 500 and 600 full-time positions initially and approximately 1000 full-time positions at the anticipated production capacity of 20,000 Model S vehicles per year. As the project would draw construction and operation workers from the existing local workforce, it would have minimal impacts on local housing, public services, and community infrastructure.

The proposed loan would be made 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 vehicles and components that provide meaningful improvement in fuel economy, and for engineering integration costs associated with such projects.

Number and Title of Categorical Exclusion:

The proposed retooling and reequipping action as described in the above action description falls within the bounds of categorical exclusion B1.31, which states the following:

B1.31 as provided in 10 CFR § 1021, Appendix B to Subpart D, Relocation of machinery and equipment, such as analytical laboratory apparatus, electronic hardware, maintenance equipment, and health and safety equipment, including minor construction necessary for removal and installation, where uses of the relocated items will be similar to their former uses and consistent with the general missions of the receiving structure.

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

The proposed action as defined above fits within Appendix B of 10 CFR § 1021. To meet the requirements of Appendix B, the Environmental Report submitted on July 21, 2010 by Diarmuid O'Connell (and previous applications and supplemental clarifying documentation provided by Tesla in Tesla Motors, Inc. Application for Department of Energy Advanced Technology Vehicles Manufacturing Incentive Program submitted on May 4, 2009, was reviewed by the DOE Advanced Technology Vehicle Manufacturing Loan Program Office as part of the evaluation of the loan application.

In addition, a site visit to the proposed Model S manufacturing facility was conducted on August 10 and 11, 2010. The visit was conducted in order to determine if any extraordinary circumstances exist that would preclude application of the above-mentioned categorical exclusion.

Information gathered as part of this document review produced the following conclusions:

X The proposed loan project does not threaten a violation of applicable statutory, regulatory or permit requirements for environmental, safety and health, including DOE and /or Executive Orders.

X The proposed loan project does not require siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities.

X The proposed loan project does not disturb hazardous substance, pollutants, contaminants or CERCLA-excluding petroleum and natural gas products that pre-exist in the environment such that there would be uncontrolled or unpermitted releases.

X There are no extraordinary circumstances related to the proposed project that may affect its environmental significance.

X The proposed action is not a connected action as set forth in 40 CFR § 1508.25(a)(1)).

X The proposed action is not part of a DOE proposal for which an EIS is being prepared and therefore a CE is not precluded by 40 CFR § 1506.1 or 10 CFR § 1021.211.

The proposed loan project does not adversely affect any environmentally sensitive resources, including the following:

X Property of historic, archaeological, or architectural significance designated by Federal, state, or local governments or property eligible for listing on the National Register of Historic Places;

X Federal-listed threatened or endangered species or their habitat (including critical habitat), Federally-proposed or candidate species or their habitat, or state-listed endangered species or their habitat;

X Wetlands regulated under the Clean Water Act (33 U.S.C. 1344) and floodplains;

X Areas having a special designation such as Federally- and state-designated wilderness areas, national parks, national natural landmarks, wild and scenic rivers, state and Federal wildlife refuges, and marine sanctuaries;

X Prime agricultural lands;

X Special sources of water (such as sole source aquifers, wellhead protection areas, and other water sources that are vital in a region);

X Tundra, coral reefs, or rain forests.

Comment:

Corporate Validation


Point of Contact: DIANE MUIR O'CONNOR Date: 8/26/10

Title: U.P. BUSINESS DEVELOPMENT

Signature: 

Determination:

Based on my review of information conveyed to me and in my possession concerning the proposed action, as NEPA Compliance Officer (as prescribed by DOE Order 451.1B), I have determined that the proposed loan action fits within the specified class of actions, the other regulatory requirements set forth above are met, and the proposed loan action is hereby categorically excluded from further NEPA review.


Signature
Matthew McMillen
NEPA Compliance Officer
Loan Programs Office

8-31-2010
Date