



December 18 , 2013

Dear Reader:

The U.S. Department of Energy (DOE) invites comments on the enclosed draft Supplemental Environmental Assessment (draft SEA) for the University of Kentucky Small-Scale Pilot Plant for the Gasification of Coal and Coal-Biomass Blends and Conversion of Derived Syngas to Liquid Fuels via Fischer-Tropsch Synthesis Project, Lexington, Kentucky (DOE\EA-1642S).

DOE prepared this draft SEA in accordance with the Council on Environmental Quality's National Environmental Policy Act (NEPA) implementing regulations (40 CFR Parts 1500-1508) and DOE's NEPA implementing procedures (10 CFR Part 1021). It evaluates the potential environmental impacts of DOE providing a financial assistance to the University of Kentucky (UK) Center for Applied Energy Research (CAER) to partially fund the completion of the design, construction and operation of a small-scale pilot plant for research related to the gasification of coal and coal-biomass blends and conversion of derived syngas to liquid fuels via Fischer-Tropsch (FT) synthesis. This project is intended to evaluate the commercial and technical viability of advanced technologies for the production of FT transportation fuels and other transportation fuels from domestic coal. DOE previously prepared and issued an EA, (DOE\EA 1642), in July 2009 entitled: *Environmental Assessment for the Design and Construction of an Early Lead Mini Fischer-Tropsch Refinery at the University of Kentucky Center for Applied Energy Research, near Lexington, Kentucky* and Finding of No Significant Impact (FONSI) in 2009 and an earlier Supplemental Analysis (DOE\EA 1642), September 2010, entitled: *Supplemental Analysis for the Early Lead Mini Fischer-Tropsch Refinery at the University of Kentucky Center for Applied Energy Research near Lexington, Kentucky*. The total cost for additional equipment and further design work to advance construction and establishment of a small-scale pilot plant for the gasification of coal and coal-biomass blends and conversion of derived syngas to liquid fuels via FT synthesis would be approximately \$1.8 million.

This draft SEA analyzes the potential environmental impacts of DOE's proposed action of providing cost-shared funding for the UK CAER Small-Scale Pilot Plant for the Gasification of Coal and Coal-Biomass Blends and Conversion of Derived Syngas to Liquid Fuels via Fischer-Tropsch Synthesis project and of the No-Action Alternative. The draft SEA also evaluates the resource areas DOE commonly addresses in EA's and identified no significant adverse environmental impacts from DOE's proposed action or UK CAER's proposed project.

The draft SEA will also be available at the Lexington Public Library, Northside Branch, 1733 Russell Cave Road, Lexington, Kentucky 40505. The Notice of Availability will be published on

December 22 and 23, 2013, to announce the beginning of the 30-day public review and comment period. Comments should be marked “UK Small-Scale Pilot Plant draft SEA Comments,” and sent to:

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Requests for additional copies of the draft SEA should be submitted to the above address. The document can also be found on DOE’s National Energy Technology Laboratory website at <http://www.netl.doe.gov/publications/others/nepa/ea.html>.

Individual names and addresses, including email addresses, received as part of the comment documents normally are considered part of the public record. Persons wishing to withhold names, addresses, or other identifying information from the public record must state this request prominently at the beginning of their comments. DOE will honor this request to the extent allowed by law. All submissions from organizations, businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses will be included in the public record and open to public inspection in their entirety.

The public comment period ends on January 22, 2014. DOE will consider late submissions to the extent practicable.

Sincerely,



William J. Gwilliam
NEPA Document Manager