

**FINDING OF NO SIGNIFICANT IMPACT
FOR
ELECTRIC DRIVE VEHICLE BATTERY AND COMPONENT MANUFACTURING
INITIATIVE PROJECT
PYROTEK, INCORPORATED
SANBORN, NEW YORK**

RESPONSIBLE AGENCY: U.S. Department of Energy (DOE)

ACTION: Finding of No Significant Impact (FONSI)

SUMMARY: DOE completed the *Final Environmental Assessment for Pyrotek, Incorporated Electric Drive Vehicle Battery and Component Manufacturing Initiative Project, Sanborn, NY* (DOE/EA-1720). Based on the analyses in the Environmental Assessment (EA), DOE determined that its proposed action - awarding a federal grant to Pyrotek, Inc. (Pyrotek) for its expansion of an existing manufacturing plant - would result in no significant adverse impacts. DOE further determined that there could be beneficial impacts to the local economy and to the nation's air quality and transportation industry from implementation of Pyrotek's proposed project.

BACKGROUND: As part of the *American Recovery and Reinvestment Act of 2009* (Recovery Act; Public Law 111-5, 123 Stat. 115), DOE's National Energy Technology Laboratory, on behalf of the Office of Energy Efficiency and Renewable Energy's Vehicle Technologies Program, is providing up to \$2 billion in federal funding for competitively awarded agreements to facilitate the construction of U.S. manufacturing plants (including increases in production capacity at existing plants) to produce advanced batteries and electric drive components.

The federal action of providing funding for these projects, known as the Electric Drive Vehicle Battery and Component Manufacturing Initiative, requires compliance with the *National Environmental Policy Act of 1969* (NEPA; 42 U.S.C. 4321 et seq.), the Council on Environmental Quality's NEPA regulations (40 CFR Parts 1500 to 1508) and DOE's NEPA implementing procedures (10 CFR Part 1021). DOE prepared an EA to evaluate the potential environmental consequences of providing a grant for this proposed project under the initiative.

PURPOSE AND NEED: The overall purpose and need for DOE action pursuant to the Vehicle Technologies Program and the funding opportunity under the Recovery Act are to accelerate the development and production of various electric drive vehicle systems by building or increasing domestic manufacturing capacity for advanced automotive batteries, their components, recycling facilities, and electric drive vehicle components in addition to stimulating the U.S. economy. This and the other selected projects are needed to reduce U.S. petroleum consumption by investing in alternative vehicle technologies. The proposed project will also assist the nation's economic recovery by creating manufacturing jobs in the United States in accordance with the objectives of the Recovery Act.

DESCRIPTION OF THE PROPOSED ACTION: DOE's proposed action is to provide a grant to partially fund Pyrotek's proposed project - the planning, design, construction and startup of a manufacturing plant that would expand graphitization process in order to produce high-performance anode material for lithium-ion batteries.

The plant would be constructed on a 16-acre parcel that is part of the current Metallics Systems' 26-acre property for commercial manufacturing. The area is on the southern portion of the property and includes facilities used by Metallics Systems (a division of Pyrotek) to produce graphite for anode material using high temperature furnaces for the graphitization process. The project would add an additional 93,000 square feet to the existing plant. Of the 93,000 square foot plant expansion, 75,000 square feet would be used to increase the processing capacity, and 18,000 square feet would be used as a storage area for spare parts and materials. This plant would support anticipated growth in the lithium-ion battery industry and, more specifically, the electric drive vehicle industry and hybrid-electric vehicle industry. If approved, DOE would provide \$11.3 million in financial assistance in a cost-sharing arrangement with Pyrotek.

ALTERNATIVES CONSIDERED: In addition to the proposed project, DOE considered the No-Action Alternative as required under NEPA. Under the No-Action Alternative, DOE would not provide funds for the proposed project. For the purposes of the EA, DOE assumed that the project would not proceed without DOE funding. This assumption establishes a baseline against which the potential environmental impacts of the proposed project can be compared.

ENVIRONMENTAL CONSEQUENCES: DOE considered 17 environmental resource areas in the EA. However, not all areas were evaluated at the same level of detail. DOE focused more detailed analysis on areas that would require new or modified permits, have the potential for significant adverse environmental impacts, or have the potential for controversy. The areas DOE evaluated in more detail included: air quality, noise, geology and soils, vegetation and wildlife, solid and hazardous wastes, and transportation and traffic. For these areas, DOE determined there would be minimal potential environmental impacts.

The proposed facility would be a major source of carbon monoxide and particulate matter in air emissions. Pyrotek has applied for a Title V permit. DOE expects that the facility would receive its Title V permit and would operate within federally enforceable limits. Current emissions of CO₂, a greenhouse gas, are not known; however, because the facility has been authorized to use hydropower in its future operations, total CO₂ emissions from the facility are expected to be low to negligible. Further, an increase in the manufacture and use of advanced batteries potentially offers the positive benefits of reduced reliance on fossil fuels and long-term improvement in air quality through reduced emissions of greenhouse gases (and other pollutants).

Typical construction noises would be generated. Operational noises outside the building would come primarily from low-speed ventilation fans and vehicle traffic.

During construction, a direct permanent adverse impact would occur to soils from the loss of approximately 9.85 acres due to the establishment of impervious surfaces. An indirect adverse impact would occur to wildlife from the loss of approximately 9.85 acres of grass and meadow habitat, grading, and increased noise during construction. In addition, if ground disturbance and vegetation removal occurs within meadow habitats during the nesting season (May through mid-August), individual species of ground-nesting birds could be lost. Overall adverse impacts would be minor as the area is already has disturbance to habitat from periodic maintenance (mowing), and the site is near existing industrial activity.

During construction, there is a potential to encounter soil contaminated by previous operations at the site. If encountered during excavation, contaminated soil would be sampled and analyzed prior to offsite transport to an appropriate treatment or disposal facility. Alternatively,

contaminated soils would be appropriately managed on-site. Pyrotek would likely have to coordinate with the New York State Department of Environmental Conservation (NYSDEC) and obtain approval before soil disturbance. Adherence to NYSDEC requirements would minimize off-site migration of contaminants in soil.

The facility currently operates as a small-quantity generator of hazardous wastes regulated by federal and state regulations. At present, hazardous waste generated at the facility is from the maintenance parts cleaning machine and is sent offsite for recycling. Other wastes generated include scrap graphite material that is sold for beneficial reuse and insulating material that is reclaimed.

During construction, short-term but measurable adverse impacts to traffic are expected due to the increase in construction vehicles and construction workers' vehicles to existing local traffic that would potentially cause minor congestion, higher traffic noise, and increased vehicle emission levels along the routes. The proposed project would generate a minor long-term increase in personal vehicle traffic due to the hiring of approximately 50 additional permanent employees. Because the proposed project is an addition to an existing facility that currently operates production equipment and has existing truck and personal vehicle traffic, this small increase in traffic would have only a minor impact to the surrounding community.

The project site is located in an archeologically sensitive area according to the New York State Historic Preservation Office GIS Website. A Phase IB field investigation was conducted at the site in March 2010. The Phase IB field investigation did not identify evidence of archaeological sites. The sole artifact recovered (a small clear glass fragment) is not considered to be significant. No prehistoric artifacts were recovered. The New York State Historic Preservation Office, in a letter dated March 19, 2010, stated the project would have "No Effect" upon cultural resources in or eligible for inclusion in the National Register of Historic Places.

DOE also evaluated socioeconomics to determine the potential positive benefits of the proposed project on the affected communities. The project would result in retaining 55 existing jobs and creating 50 new jobs. It is anticipated to result in increased sales transactions for the purchase of materials and supplies that would generate some additional revenues for local and state governments, which would have a negligible but beneficial impact on taxes and revenue.

The other environmental areas DOE evaluated for potential impacts were: land use, meteorology, socioeconomics, environmental justice, visual resources, surface water, groundwater, wetlands, floodplains, cultural resources, utilities and energy use, and human health and safety. DOE determined that there would be no potential for adverse impacts for these resource areas, or that the impacts would be negligible, temporary, or both. The EA gives the reasons DOE did not conduct more detailed evaluations.

Under the No-Action Alternative, the project would either be delayed, as Pyrotek sought other funding sources, or abandoned altogether. If abandoned, the potential environmental consequences and benefits would not occur.

PUBLIC AVAILABILITY: DOE distributed the Draft EA on January 16, 2010, and advertised its release in the *Niagara Gazette* on January 17, 18 and 19. In addition, DOE sent copies for public review to the Sanborn-Peking Free Library in Sanborn, New York. DOE established a

30-day public comment period that began January 16, 2010, and ended on February 16, 2010. DOE announced it would accept comments by mail, e-mail, and facsimile.


The Draft EA was distributed to various federal, state, and local agencies with jurisdiction or special expertise. DOE conducted formal consultations by mail with the responsible U.S. Fish and Wildlife Service's field office in Cortland, New York, the Natural Heritage Program office in Albany, and the State Historic Preservation Officer in Waterford. In each case, DOE received correspondence supporting a determination of no potential impacts to threatened or endangered species and critical habitat, and no potential impacts to properties listed on or eligible for inclusion in the *National Register of Historic Places*.

Copies of the Final EA and this FONSI will be sent to stakeholders that provided comments or consultation, and will be available at DOE's National Energy Technology Laboratory web site at <http://www.netl.doe.gov/publications/others/nepa/ea.html>

COMMENTS: Comments were received from two entities, NYSDEC and U.S. Environmental Protection Agency (EPA). NYSDEC's comments noted the Title V permit application was incomplete and requested additional technical information. The NYSDEC further stated that the site appears to be within an archeologically sensitive area. Pyrotek would also be required to obtain a State Pollutant Discharge Elimination System General Permit (GP-0-08-001) for Stormwater Discharges from Construction Activity. EPA recommended all reasonable efforts should be made to reduce construction equipment emissions, such as installation of particulate filters and minimize idle time of construction vehicles. Also, all landscaping and replacement vegetation should be native to the area and that all grass seed mixes should not contain invasive plant species. The responses to the comments are included in Appendix B of the Final EA.

DETERMINATION: On the basis of the evaluations in the Final EA and subject to the mitigation measures set forth above, DOE determined that its proposed action - to provide a \$11.3 million federal grant - and Pyrotek's proposed project - to expand and operate a manufacturing plant - would have no significant impact on the human environment. Although the project would cause an increase in air emissions from Pyrotek's operations, potentially disturb contaminated soils, generate increased noise, and produce more manufacturing wastes, these impacts would be minor. The project proponent would be required to adhere to applicable permit requirements during construction and operations. All other potential environmental impacts identified and analyzed in the EA would be negligible. Therefore, preparation of an Environmental Impact Statement is not required, and DOE is issuing this FONSI.

Issued in Pittsburgh, PA, this 2nd day of April 2010.



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