PMC-EF2a

(2.04.02)

U.S. DEPARTMENT OF ENERGY
EERE PROJECT MANAGEMENT CENTER
NEPA DETERMINATION

RECIPIENT: State of Wisconsin SEP ARRA Caseus Energy Inc. **STATE:** WI

PROJECT TITLE: SEP - Whey Permeate to Ethanol Process

Funding Opportunity Announcement Number	Procurement Instrument Number	NEPA Control Number	CID Number
DE FOA 000052		GFO-10-147-007	0

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

CX, EA, EIS APPENDIX AND NUMBER:

Description:

B5.1 Actions to conserve energy, demonstrate potential energy conservation, and promote energy-efficiency that do not increase the indoor concentrations of potentially harmful substances. These actions may involve financial and technical assistance to individuals (such as builders, owners, consultants, designers), organizations (such as utilities), and state and local governments. Covered actions include, but are not limited to: programmed lowering of thermostat settings, placement of timers on hot water heaters, installation of solar hot water systems, installation of efficient lighting, improvements in generator efficiency and appliance efficiency ratings, development of energy-efficient manufacturing or industrial practices, and small-scale conservation and renewable energy research and development and pilot projects. The actions could involve building renovations or new structures in commercial, residential, agricultural, or industrial sectors. These actions do not include rulemakings, standard-settings, or proposed DOE legislation.

A9 Information gathering (including, but not limited to, literature surveys, inventories, audits), data analysis (including computer modeling), document preparation (such as conceptual design or feasibility studies, analytical energy supply and demand studies), and dissemination (including, but not limited to, document mailings, publication, and distribution; and classroom training and informational programs), but not including site characterization or environmental monitoring.

A11 Technical advice and planning assistance to international, national, state, and local organizations.

Rational for determination:

The State of Wisconsin's State Energy Program would pass $1,700,000 DOE ARRA SEP funds, in the form of a loan, to Caseus Energy, Inc. Caseus would use DOE funding for development costs that would be used for future facilities that convert whey permeate (a cheese production waste stream) into fuel ethanol and dry yeast (a valuable dairy feedstock).

Caseus' biofuels proprietary process has been under development for over 25 years and validated by detailed third party studies. A small-scale demonstration plant has been operational since 2004 in Stratford, Wisconsin. In its planned future development, Caseus would build, own, and operate a series of scalable, efficient, and profitable facilities in the United States based on this process and will sub-license and/or joint venture for expansion for elsewhere in the world.

The DOE SEP funding would be used to develop Dubay Biofuels in Greenwood, WI, as well as other future facilities.

Caseus would use DOE SEP funding for the following:

- Preliminary engineering of whey conversion and facilities $825K
- Construction management $60K
- Development management $240K
- Consultants $140K
- Legal and professional fees $25K
- Insurance or bonds $30K
- Permitting and approvals $40K
- Development expenses $75K
- Operating systems and intellectual property development $340K

Because this future process will produce ethanol, includes studies and conceptual design work, and planning, and because they do not have a significant individual or cumulative effect on the human environment, they are CX'd under B5.1, A9, and A11.

NEPA PROVISION

DOE has made a final NEPA determination for this award

Insert the following language in the award:

Insert the following language in the award:

You are required to:
If you intend to make changes to the scope or objective of your project you are required to contact the Project Officer identified in Block 11 of the Notice of Financial Assistance Award before proceeding. You must receive notification of approval from the DOE Contracting Officer prior to commencing with work beyond that currently approved.

Note to Specialist :

Waste Stream Requirements Prior to the expenditure of Federal funds to implement any of the above-mentioned activities, the State of Wisconsin has the affirmative responsibility to ensure or certify that it has been provided by its sub-recipients a waste management plan addressing waste generated by their proposed actions. The plan will describe the sub-recipients plan to dispose of any sanitary or hazardous waste, e.g. construction and demolition debris, old light bulbs, lead ballasts, piping, roofing materials, discarded equipment, debris, asbestos, etc. generated as a result of the proposed project. The sub-recipients must ensure that it will comply with all federal, state and local regulations for waste disposal.

NHPA Requirements Prior to the expenditure of Federal funds to implement any of the above activities, the State of Wisconsin has the affirmative responsibility to ensure the sub-recipient is in compliance with Sec. 106 of the National Historic Preservation Act (NHPA), consistent with DOE's 2009 letter of delegation of authority regarding the NHPA. If applicable, the sub-recipient must contact the State Historic Preservation Officer.

SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.

NEPA Compliance Officer Signature: _____ Date: 12/9/10
NEPA Compliance Officer

FIELD OFFICE MANAGER DETERMINATION

☐ Field Office Manager review required

NCO REQUESTS THE FIELD OFFICE MANAGER REVIEW FOR THE FOLLOWING REASON:

☐ Proposed action fits within a categorical exclusion but involves a high profile or controversial issue that warrants Field Office Manager's attention.
☐ Proposed action falls within an EA or EIS category and therefore requires Field Office Manager's review and determination.

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

Field Office Manager's Signature: _____ Date: _____
Field Office Manager