

PMC-EF2a

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



(20402)

RECIPIENT:Council of Athabascan Tribal Governments (CATG)**STATE:** AK**PROJECT TITLE :** Fort Yukon Wood Energy Program

Funding Opportunity Announcement Number	Procurement Instrument Number	NEPA Control Number	CID Number
DE-PS36-08GO98022	GO18123	GFO-GO18123-001	GO18123

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:

- 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.
- C12 Energy system demonstration actions** Siting, construction, operation, and decommissioning of energy system demonstration actions (including, but not limited to, wind resource, hydropower, geothermal, fossil fuel, biomass, and solar energy, but excluding nuclear). For purposes of this category, "demonstration actions" means actions that are undertaken at a scale to show whether a technology would be viable on a larger scale and suitable for commercial deployment.

Rational for determination:

DOE (lead), Alaska Denali Commission (cooperating agency) and USDA Rural Utilities Services (cooperating agency) are proposing to provide funding to support the final design, construction and operation of a biomass district heating system to the Council of Athabascan Tribal Governments (CATG). The proposed biomass district heating system would be located in Fort Yukon, Alaska. Fort Yukon is located at the confluence of the Yukon and Porcupine Rivers, about 145 air miles northeast of Fairbanks, in the Fort Yukon National Wildlife Refuge.

CATG (the Fort Yukon native village leadership) with the village corporation, Gwitchyaa Zhee Utility (GZ Utility), proposes to construct a new district heating system in Fort Yukon, Alaska, using U.S. Department of Energy (DOE) Energy Efficiency and Renewable Energy Tribal Energy Program grant funding. CATG is an Alaska Native Claims Settlement Act village corporation for the village of Fort Yukon. The Corporation holds title to approximately 214,500 acres of surface estate in the Yukon Flats, while Doyon Limited, the area's Regional Corporation, owns the subsurface estate of these lands.

The proposed district heating system would receive diesel generation recovered heat from the power plant and be supplemented by a biomass wood boiler. In conjunction, the existing generators will be replaced with new high energy efficient generators. The project would provide reliable and code compliant power generation and district heating to benefit the community of Fort Yukon. The proposed combined heat and power facility site would contain the new diesel power plant; wood biomass boiler; and wood processing, feed, and storage areas. The proposed district heating system would provide heat to public and community buildings located within the downtown community core and adjacent areas.

The proposed district heating system would utilize waste heat from diesel generators and a chip-fired boiler to displace up to 150,000 gallons of heating fuel annually in approximately 15 buildings. The proposed system would acquire approximately 30 percent of the heat from generators, and the remaining 70 percent would be from wood energy.

The wood for the proposed system would be produced from the approximately 214,500 acres of private ownership from the Gwitchyaa Zhee Native Corporation. The corporation's expansive forest holdings are largely untapped commercially; and like most of interior Alaska's forests, little, if any portion of it, has had an economically viable market for it to supply. Approximately 100 acres per year would be harvested. In addition, where available, the project would utilize wood killed by forest fire and insects to reduce the amount of green forest utilized. The project would maintain a conservative harvest of approximately 4,000 acres.

This project comprises actions to conserve energy, installation or relocation of machinery and equipment, additions

and modifications to transmission facilities, installation, modification, and operation of a biomass energy demonstration system. Existing and potential impacts are unknown at this time. Per the DOE NEPA implementing regulations (Appendix C to Subpart D to 10 CFR Part 1021 - C12, as noted above), preparation of an Environmental Assessment is required prior to allowing the use of federal funds for this proposed project.

NEPA PROVISION

DOE has made a final NEPA determination for this award

Insert the following language in the award:

DOE has not made a NEPA determination for this award, and funding for this award is contingent upon the final NEPA determination.

Insert the following language in the award:

You are restricted from taking any action using federal funds, which would have an adverse affect on the environment or limit the choice of reasonable alternatives prior to DOE/NNSA providing either a NEPA clearance or a final NEPA decision regarding the project.

Prohibited actions include:

All activities that would not be covered by the CX A9 are restricted at this time. Specifically, final design, site preparation, feedstock harvesting, construction and operation are not allowable until the completion of the NEPA review process.

This restriction does not preclude you from:

Completion of the environmental assessment and related studies.

If you move forward with activities that are not authorized for federal funding by the DOE Contracting Officer in advance of the final NEPA decision, you are doing so at risk of not receiving federal funding and such costs may not be recognized as allowable cost share.

Insert the following language in the award:

You are required to:

The recipient is authorized to initiate the preparation of an EA by a third-party contractor, consistent with DOE NEPA implementing regulations. DOE, the recipient and third-party contractor shall enter into a Memorandum of Agreement (MOA) defining the scope of services to be completed by the third-party contractor on behalf of DOE.

DOE will enter into a Memorandum of Understanding (MOU) with the Alaska Denali Commission and USDA Rural Utilities Services in preparing for the Environmental Assessment (led by DOE)

Note to Specialist :

EF2A by Christopher Carusona

SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.

NEPA Compliance Officer Signature: _____

NEPA Compliance Officer

Date: 3/15/2012

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: _____

[Handwritten Signature]

Field Office Manager

Date: _____

3-16-12