

PMC-EF2a

(20402)

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



RECIPIENT: Michigan Energy Office

STATE: MI

**PROJECT TITLE :** EERE Loan Program - Heron Wind Manufacturing

<b>Funding Opportunity Announcement Number</b>	<b>Procurement Instrument Number</b>	<b>NEPA Control Number</b>	<b>CID Number</b>
DE-FOA-0000052	DE-EE0000166	GFO-0000166-041	GOO

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.
- B3.6** Siting, construction (or modification), operation, and decommissioning of facilities for indoor bench-scale research projects and conventional laboratory operations (for example, preparation of chemical standards and sample analysis); small-scale research and development projects; and small-scale pilot projects (generally less than two years) conducted to verify a concept before demonstration actions. Construction (or modification) will be within or contiguous to an already developed area (where active utilities and currently used roads are readily accessible).

## Rational for determination:

The U.S. Department of Energy (DOE) provided funding to the Michigan Energy Office (MEO) under the DOE's American Recovery and Reinvestment Act of 2009 State Energy Program (SEP). MEO selected Heron Wind Manufacturing, LLC (Heron Wind) to receive \$948,233 in SEP funding to partially fund Heron Wind's retooling project (total project cost - \$1,627,798).

Heron Wind is a Michigan-based wind turbine manufacturer and project development company - focused on small and mid-scale community wind projects. Heron Wind's primary goal within the wind industry is to meet the growing demand for 750 kW wind turbines.

Heron Wind proposes to use DOE funding for a "bridge loan." Proceeds from each turbine would be utilized to expand Heron Wind's production of its 750 kW wind turbine. DOE funds would be used to acquire wind turbine components; make improvements to wind turbine controls, generator, and gearbox; and manufacture wind turbine blades (an equipment list is attached as part of the proponent's project record). Parts of the turbine would be assembled in the facility; however, DOE funds will not be used for final assembly or construction of wind turbines (see prohibitions below).

The proposed project and associated actions have the potential to impact the following resource areas:

- Cultural Resources - The proposed project would take place at Heron Wind's existing manufacturing facility, located at: 814 Polaris Crescent Dr., Traverse City, MI 49684. As the footprint of the building will not be expanded and there are no external improvements or additions needed, the DOE has determined that the proposed project has no potential to cause effects on any listed or eligible property, as defined in 36 CFR § 800.
- Threatened and Endangered Species: Because the proposed project would take place within Heron Wind's existing manufacturing facility, DOE has determined that the proposed project would have no effect on threatened or listed species in the project vicinity.
- Permits - Heron Wind is an existing manufacturing facility. As the proposed project does not involve construction, ground disturbance, changes to air quality, water discharge, or an increase in hazardous waste handling or storage - the proposed project will not require new permits or modifications to Heron Wind's existing permits.

- Waste Management – MEO requires each sub-recipient to provide it with a waste management plan, which details the sub-recipient’s disposal process for sanitary and/or hazardous waste.
- Traffic – the facility currently has traffic levels consistent with small to mid-sized manufacturing facilities. Increases in traffic related to implementation of the proposed project will be negligible.
- Noise - Heron Wind is an existing manufacturing facility, which currently manufactures wind turbines. Improved production of its 750 kW wind turbine is expected to cause a negligible increase in noise levels in the facility and no increase on noise levels at the project boundary (due to attenuation and existing noise levels).

DOE has determined the proposed project does not have the potential to impact: air quality, water quality, or utilities.

The proposed project is consistent with the actions contained in DOE categorical exclusion B3.6 as a small-scale project taking place within an existing facility; the proposed project is also consistent with DOE categorical exclusion B5.1 because it will ultimately improve Heron Wind's manufacturing process. Therefore, DOE has determined that the proposed project has no significant individual or cumulative impacts to the human environment and is categorically excluded from further NEPA review under DOE CX B3.6 and CX B5.1.

**NEPA PROVISION**

DOE has made a final NEPA determination for this award

Insert the following language in the award:

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.

Insert the following language in the award:

You are required to:

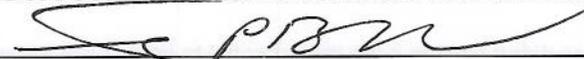
DOE funds will not be used for the following:

- Final assembly or construction of wind turbines;
- Costs associated with the actual installation of wind turbines (including, but not limited to, paying for cranes, shipments of wind turbines to a particular location, site characterization studies);
- Seeking or negotiating contracts for the purchase and/or installation of wind turbines;
- Permitting fees associated with the installation of wind turbines;
- Pursuing interconnection requests and/or power purchase agreements with utility companies;
- Using DOE funds to provide financial assistance (i.e. low-interest loans) to potential wind turbine purchasers.

Note to Specialist :

Prepared by Melissa Rossiter.  
DOE funding: \$948,233  
Total project cost - \$1,627,798

**SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.**

NEPA Compliance Officer Signature:  Date: 10/26/11  
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 :**