PMC-EF2a
(2.06.02)

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

RECIPIENT: Magellan Midstream Partners, LP (SEP Sub-recipient of the Iowa Office of Energy Independence) **STATE:** IA

PROJECT TITLE: Magellan Des Moines Biodiesel Terminal Project

Funding Opportunity Announcement Number	Procurement Instrument Number	NEPA Control Number	CID Number
DE FOA 000052	DE-EE-0000162	GFO-0000162-016	EE162

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.

Rational for determination:

DOE is proposing to provide $500,000 in SEP ARRA funding to Magellan Midstream Partners, LP (Magellan) to install a new B99 - 210,000 gallon (5,000 barrel) above-ground storage tank, piping, and in-line meter blending equipment to handle biodiesel at six loading positions at its bulk fuel storage terminal facility located at 2503 SE 43rd Street, Des Moines (Pleasant Hill), Iowa 50317. DOE funding would be used for the purchase and installation of equipment associated with this project. Magellan would use $1,800,000 of its own funds for feasibility studies, project design, site planning, equipment and any remaining construction costs.

The proposed project would occur at an existing, 184-acre, bulk fuel storage terminal facility. The proposed infrastructure would utilize approximately three acres. The site location is zoned industrial. It has been previously disturbed and is currently gravel. The above-ground storage tank, which would include loading positions to accommodate six tanker trucks, would be 30 feet high by 35 feet wide.

The tank would be surrounded by a new berm for secondary containment. The total area within the berm would be 14,300 square feet (130 feet long X 110 feet wide X 4 feet high). Per the Spill Prevention Control and Countermeasure (SPCC) regulations, Magellan ensures that adequate secondary containment is provided for all tanks and drums equal to or exceeding 55-gallons in volume. Magellan's policy for all tank secondary containment is that it be equal to or exceed 110% of the capacity of the largest tank in a particular containment. Each facility's SPCC Plan is included as Appendix C of the site specific Facility Response Plan.

A permanent access drive would be built connecting the main road outside of the facility and the offload and tank area. The road would be 450 feet long x 25 feet wide and would consist of a mix of concrete and asphalt sections. The final footprint of the area that includes the access road into the offload and tank area is 450 feet x 175 feet. The final footprint of the offload and tank site is 175 feet x 150 feet. A fuel line connecting the new tank to the loading rack would also be installed.

According to the recipient, no contamination is known to exist at the project site, but the potential is present as the proposed area was previously used to contain a spot fertilizer loading rack.

All waste would be characterized and recycled, reclaimed, or disposed of according to all local, state, and federal regulations. If generator knowledge or MSDS can't be used for waste characterization and profiling then the material would be sampled, analyzed for potential waste characteristics, profiled according the analytical results, and disposed of properly. The only hazardous waste that could be generated is excess paint waste and thinners. These materials would be stored on site in a Satellite Accumulation Area until the drum is full or the task generating the waste is

terminated, at which time it would characterized and disposed of properly through Heritage Environmental.

The Iowa Office of Energy Independence (OEI) submitted a Section 106 consultation to the Iowa State Historic Preservation Office (SHPO). In a letter dated 5/18/2011, the Iowa SHPO concurred with OEI's determination of "No Historic Properties Affected" by the installation of this proposed project.

The proposed project site is located near the confluence of the Des Moines River and Four Mile Creek (between 0.45 and 0.6 miles away). According the USFWS Wetland Mapper, FEMA FIRM Panel 190227 0010 E and a 500-year flood map submitted by IDNR, the proposed location is not within a wetland or floodplain. Per the recipient, the facility is currently protected by a levee system.

According to the USFWS website, threatened and endangered species are known to occur in Des Moines County. Species include the prairie bush-clover (Lespedeza leptostachya), the western prairie fringed orchid (Platanthera praeclara) and the Indiana bat (Myotis sodalist). Because the proposed site location has been previously disturbed and consists of mostly concrete and gravel, the area is not conducive to the flowering plant species. Additionally, there are no trees or roosting sites for the Indiana bat on the proposed site. Therefore, because the proposed site does not contain habitat suitable for the above mentioned species and because the scope of the proposed would not adversely impact these species, DOE has determined there would be no adverse affect to the threatened and endangered species.

Noise levels during construction would increase due to additional trucks, cranes, welders, grinders, etc. The construction area for the proposed project would be 40 feet from the nearest public road. At this distance, Magellan does not anticipate any increase in ambient noise levels to be above 85 db. Hearing and safety protection equipment would be required for all onsite workers. Once the facility is up and running, Magellan estimates increased truck traffic of 2 to 4 trucks per day.

The recipient anticipates a slight increase in Volatile organic compounds (VOCs) at approximately 152 lbs per year; therefore, a modification to their existing Title V Operating Air Permit would be required. The recipient is also applying for the following permits:

- Modification to the existing Title V Operating Air Permit
- Construction Air Permit
- Construction storm water permit and associated SWPPP
- Above Ground Storage Tank permit
- Modification to existing NPDES Permit

Installation of this equipment would save energy by reducing tanker truck trips to points west of Des Moines. Bulk storage of commodity fuel is critical to energy efficient marketing and transportation. The only current biodiesel terminal in Iowa is in Newton, 40 miles east of Des Moines. To deliver biodiesel west of Des Moines, therefore, requires an extra 80 miles of travel. Placing a terminal in Des Moines would eliminate the extra energy use. Based on this information, DOE has determined that the work outlined is consistent with activities identified in Categorical Exclusion B5.1 (actions to conserve energy).

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.

Note to Specialist :

Cristina Tyler 9.6.2011

Federal Funding: $500,000
Total Project Costs: $2,300,000

SIGNATURE OF THIS MEMORANDUM CONSTITUTES A RECORD OF THIS DECISION.

NEPA Compliance Officer Signature: _____ Date: 9/6/2011
NEPA Compliance Officer