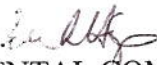


November 16, 2011

MEMORANDUM FOR ANTHONY V. CUGINI
DIRECTOR, NATIONAL ENERGY TECHNOLOGY LABORATORY

FROM: RICHARD A. HARGIS, JR. 
DIRECTOR, ENVIRONMENTAL COMPLIANCE DIVISION

SUBJECT: Finding of No Significant Impact and Final Environmental Assessment
for Delphi Automotive Systems, LLC's Proposed Project under the
Electric Drive Vehicle Battery and Component Manufacturing Initiative
(DOE/EA-1851)

Pursuant to the National Environmental Policy Act (NEPA), the National Energy Technology Laboratory (NETL) has completed its required environmental review for the subject project. The Environmental Assessment (EA) (DOE/EA-1723S) was prepared in accordance with the Council on Environmental Quality's NEPA regulations (40 CFR Parts 1500 to 1508) and Department of Energy (DOE) NEPA implementing regulations (10 CFR Part 1021).

DOE's proposed action is to provide approximately \$89.3 million in financial assistance in a cost-sharing arrangement with Delphi Automotive Systems, LLC (Delphi). The total cost of the project is estimated at \$178.6 million. The proposed project includes construction and operation of a 10,700 square foot (ft²) utilities building containing boilers and heaters and a 70,000 ft² engineering laboratory, as well as site improvements (roads, parking, buildings, landscaping, and lighting). The engineering laboratory would house equipment for validation of new products manufactured under this cost-sharing arrangement with Delphi. Delphi's Kokomo Morgan Street (KMS) facility is an existing 93,000 ft² leased facility that Delphi would modify and equip for validating and producing advanced automotive electric drive components. DOE awarded Delphi a grant in November 2009 to retrofit its KMS facility with new manufacturing equipment. DOE issued a Categorical Exclusion (CX) for the retrofitting work in December 2009, and work commenced. In July 2010, Delphi requested that DOE allow funds to be used for construction of the utilities building, the engineering laboratory, and site improvements at its existing industrial campus. At the time of the request, DOE determined that a CX could not be issued for this expanded scope and initiated an EA to inform DOE's decision on whether to provide funds for the revised project. Delphi elected to initiate the improvements using its own funds, at risk of not receiving funding from DOE.

The draft EA analyzed the potential environmental impacts of the facility addition and supporting infrastructure. The document was distributed to appropriate federal and state agencies, and DOE accepted public comments on the draft EA from September 11, 2011 through October 10, 2011. DOE received correspondence supporting a determination of no potential impacts to threatened or endangered species and no potential impacts to properties listed on or eligible for inclusion to the National Register of Historic Places. DOE received comments on the draft EA from the U. S.

Environmental Protection Agency, Region V. Those comments were addressed through direct correspondence and revised text in the EA. One public comment was received and addressed in the EA.

Based on the analysis in the EA, DOE determined this action would result in no significant adverse impacts. This determination is documented in the attached Finding of No Significant Impact (FONSI) and is supported by the final EA.

The proposed project could have minor impacts on air quality; noise; waste management; and human health and safety, as well as a minor beneficial impact to socioeconomics. All other potential environmental impacts would be negligible. Therefore, preparation of an environmental impact statement is not required and the Environmental Compliance Division recommends that NETL issue a FONSI for DOE's proposed action.

RECOMMENDATION: That you sign and issue the FONSI

e-mail cc:

S. Klara

B. Tomer

R. Detwiler

C. Zeh

H. Hinkle

B. Mixer

P. Fayish

Original to NEPA File

**FINDING OF NO SIGNIFICANT IMPACT
FOR
DELPHI AUTOMOTIVE SYSTEMS, LLC
ELECTRIC DRIVE VEHICLE BATTERY AND COMPONENT MANUFACTURING
INITIATIVE APPLICATION
KOKOMO, INDIANA**

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

ACTION: Finding of No Significant Impact (FONSI)

SUMMARY: DOE issued a *Final Environmental Assessment for Delphi Automotive Systems, LLC Electric Drive Vehicle Battery and Component Manufacturing Initiative Application, Kokomo, IN* (DOE/EA-1851). Based on the analyses in the environmental assessment (EA), DOE determined that its proposed action – awarding a federal grant to Delphi Automotive Systems, LLC (Delphi) to establish a small utilities building and a large engineering laboratory – would result in no significant adverse impacts. DOE further determined that there could be beneficial local socioeconomic impacts from increased employment opportunities and spending in the affected community.

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 (including increase in production capacity at existing plants) of U.S. manufacturing 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 regulations (40 CFR Parts 1500 to 1508), and DOE’s NEPA implementing procedures (10 CFR Part 1021).

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 national petroleum consumption by developing alternative vehicle technologies. The proposed project would also meaningfully assist with 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 Delphi with \$89.3 million in grant funds to facilitate construction and operation of a small

utilities building and a large engineering laboratory (approximately 10,000 square feet (ft²) and 70,000 ft² in size, respectively) on 40 acres of an existing industrial/technology park. The proposed project would also prepare components for production as well as modify and equip an existing leased building (approximately 93,000 ft²) on 19 acres at the existing industrial/technology park.

ALTERNATIVES CONSIDERED: In addition to the proposed action, DOE considered the no-action alternative as required under NEPA. Under the no-action alternative, DOE would not provide funds to 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 are compared.

ENVIRONMENTAL CONSEQUENCES: DOE evaluated the potential environmental consequences of the proposed project and the no-action alternative, including the activities necessary to implement the proposed project that would be funded by Delphi rather than the Recovery Act.

DOE considered twelve environmental resource areas in the preparation of the EA. DOE performed detailed analysis on areas that would require new or revised permits, have the potential for significant adverse environmental impacts, or have the potential for controversy. These areas included air quality; noise; waste management; and human health and safety. For these areas, DOE determined there would be minimal potential adverse environmental impacts.

DOE also evaluated socioeconomics to determine the potential positive benefits of the proposed project on the affected communities. The proposed project is anticipated to result in small increases in local employment and local spending, potentially providing a minor beneficial impact to the community.

The other environmental areas DOE evaluated for potential impacts were geology and soils; wetlands; terrestrial vegetation; wildlife; environmental justice; infrastructure/utilities; and sustainability. DOE determined that there would be no potential for adverse impacts on these resource areas or that the impacts would be minimal, temporary, or both.

Under the no-action alternative, the project would either be delayed, as Delphi sought other funding sources, or abandoned altogether. The potential environmental consequences, if the project was delayed, could be different if the project was modified. If abandoned, the potential environmental consequences, whether adverse or beneficial, would not occur.

PUBLIC AVAILABILITY: DOE issued the draft EA on September 11, 2011, and an article informing the public of the availability of the draft EA at the Kokomo-Howard County Public Library was published in the Kokomo Tribune on September 11, 12, and 13, 2011. DOE established a 30-day public comment period that began on September 11, 2011 and ended October 10, 2011. DOE announced it would accept comments by mail and e-mail. One public comment was received and was addressed in the final EA.

The draft EA was distributed to various agencies. DOE conducted formal consultations by mail with the responsible U.S. Fish and Wildlife Service field office, State Historic Preservation Office, the Bureau of Indian Affairs, the Miami Tribe of Oklahoma, and the Indiana Department

of Environmental Management. DOE received correspondence supporting a determination of no potential impacts to threatened or endangered species and no potential impacts to properties listed on or eligible for inclusion to the *National Register of Historic Places*. DOE received comments on the draft EA from the U. S. Environmental Protection Agency, Region V, and addressed those comments in the final EA.

Copies of the final EA and this FONSI are available at DOE's National Energy Technology Laboratory website at <http://www.netl.doe.gov/publications/others/nepa/ea.html> or by sending a request to:

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DETERMINATION: On the basis of the evaluations in the final EA, DOE determined that its proposed action, to provide Delphi with \$89.3 million in grant funds to facilitate construction and operation of a small utilities building and a large engineering laboratory, would have no significant impact on the human environment. All potential environmental impacts identified and analyzed in the EA would be less than significant. Therefore, preparation of an environmental impact statement is not required, and DOE is issuing this FONSI.

Issued in Pittsburgh, PA, this 19 day of December 2011.



Anthony V. Cugini
Director
National Energy Technology Laboratory