

**Record of Categorical Exclusion for
Consumers Energy
Weadock Battery Energy Storage System (BESS) Project**

Description of Categorically Excluded Action:

The United States Department of Energy (DOE) Title XVII Energy Infrastructure Reinvestment (EIR 1706) Program was established pursuant to the Inflation Reduction Act of 2022, which amended Title XVII of the Energy Policy Act of 2005 to include the EIR Program. The EIR Program provides loan guarantees for projects that either: (1) retool, repower, repurpose, or replace energy infrastructure that has ceased operations; provided that if the project involves electricity generation through the use of fossil fuels, it is required to have controls or technologies to avoid, reduce, utilize, or sequester air pollutants and anthropogenic emissions of greenhouse gases; or (2) projects that enable operating energy infrastructure to avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases.

The DOE Loan Programs Office (LPO) is considering whether to issue a loan guarantee of a funding facility to Consumers Energy (CE) pursuant to its authority under the EIR 1706 Program. In its application, CE has identified the Weadock Battery Energy Storage System (BESS) Project in Essexville, Michigan (the Project), for inclusion in the funding facility that is the subject of DOE's loan guarantee (the Proposed Action). CE may request inclusion of multiple individual projects with independent utility in the funding facility that is the subject of the DOE loan guarantee; accordingly, DOE will complete an environmental review pursuant to the National Environmental Policy Act (NEPA) for any other projects proposed by CE prior to their inclusion in the funding facility that is the subject of DOE's loan guarantee.

Project Description:

The Project entails constructing a 45-megawatt (MW)/180 MW-hour (MWh) lithium-ion battery energy storage system located wholly on previously disturbed land that was formerly occupied by the Weadock Coal-Fired Steam Generating Plant at CE's Dan E. Karn Power Plant site in Essexville, Michigan. The Weadock Coal-Fired Steam Generating Plant was decommissioned and demolished between 2016 and 2020. During decommissioning, areas of soil and some groundwater intercepted during an excavation were found to contain fuel oil, which was subsequently cleaned up and disposed of in accordance with state and federal requirements. Since 2020, the Project site has been maintained as a turf grass field that is semi-regularly mowed. The Project site is outside of the Federal Emergency Management Agency mapped 100-year floodplain and there are no wetlands at the Project site. The Project does not include demolition or renovation of an existing structure.

The Project will be located on approximately 4 acres and would be comprised of three primary components (see details on each below): BESS, collector substation, and transmission infrastructure. A fence will be installed around the project and no new access roads to the Project site are planned. A cooling system used to maintain temperatures will be a liquid cooling system. The rated power capacity of the Project will be 45 MW AC at the Point of Interconnect, and the rated energy storage capacity will be 180 MWh. The energy storage duration is expected to be 4 hours.

Project components include:

- Construction of the BESS

- Pier foundations that BESS strings will be mounted on up to 750 piers in total.
- Three (3) BESS strings each comprised of:
 - Up to twenty (20) battery containers
 - Up to six (6) inverter skids
 - One (1) collection transformer per inverter skid
- Fencing around the perimeter of the BESS
- Gravel road around the perimeter of the BESS
- Construction of the collector substation
 - One (1) generator step-up transformer (with footings between 4 feet and 8 feet wide)
 - Concrete foundations for equipment
 - Gravel covering the substation footprint
 - Fencing around the perimeter of the substation
 - One (1) 14 feet x 28 feet control enclosure
 - Sectionalizing gear (to facilitate maintenance procedures)
- Construction of transmission infrastructure
 - One (1) feeder circuit connecting the BESS to the existing Weadock Substation

Construction of the BESS involves installing foundations for the BESS containers and installing the BESS strings with inverter skids, as well as fencing and gravel access road around the perimeter of the BESS. Construction of the collector substation entails constructing a generator step-up transformer, laying concrete foundations for equipment and structures, fencing, a control building, and sectionalizing gear. The transmission infrastructure (i.e., electric wire) tying the BESS to the new collector substation will be installed overhead using wood poles and wire or underground. The collector substation will be connected to the existing Weadock Substation (that is adjacent to the Project) via an overhead 46 kilovolt (kV) sub-transmission lined. The collector substation will step up 34.5 kV to a 46 kV transmission voltage.

On January 15, 2025, the Michigan Department of Environment, Great Lakes, and Energy determined that the Project is consistent with Michigan's Coastal Zone Management Program.

In accordance with the Endangered Species Act (ESA), LPO's review of the Project found that there would be *no effect* to three federally listed species (eastern prairie fringed orchid, piping plover, and rufa red knot) and one proposed threatened species (monarch butterfly). There is no designated critical habitat in the Project area. LPO made a *may affect, not likely to adversely affect* determination for the eastern massasauga, northern long-eared bat, and the Indiana bat. The U.S. Fish and Wildlife Service concurred with this determination for the eastern massasauga on December 11, 2025 (via the USFWS' Michigan Dkey in the USFWS' Information for Planning and Consultation [IPaC] webpage) and for the two bat species on December 18, 2024 (via email transmittal).

In accordance with the National Historic Preservation Act (NHPA), LPO consulted with the Michigan State Historic Preservation Office (SHPO) and federally recognized Native American Indian Tribes and Tribal Nations (Tribes) that may have an interest in the Project area (letters submitted on December 19, 2024). LPO made a *no historic properties affected* finding. On January 13, 2025, the Michigan SHPO reviewed the undertaking and area of potential effects and concluded that the effects of the proposed undertaking do not meet the criteria of adverse effect and determined that the project will have *no adverse effect* on one property listed on the National Register of Historic Places - Saginaw River Light Station. No Tribes expressed interest or concerns about the Project. In the event of a post-review unanticipated discovery of cultural resources and/or human remains during construction, DOE LPO will determine actions to resolve adverse effects and notify the SHPO, any Tribe that might attach religious and cultural significance to the

affected property, and the Advisory Council on Historic Preservation (ACHP) within 48 hours of the discovery, pursuant to 36 CFR 800.13(b)(3).

CE will obtain the following two required permits prior to initiating construction of the Project:

- Bay County, Drain Commissioner, Soil Erosion and Sedimentation Control (SESC) Permit (anticipated in early Q3 of 2025).
- Hampton Township, Building Inspection Department, Building Permit (anticipated in early Q3 of 2025).

Number and Title of Categorical Exclusion(s):

The actions being proposed under this Title XVII loan guarantee for the Project are consistent with and covered by DOE categorical exclusions in 10 Code of Federal Regulations (CFR) Part 1021, Appendix B to Subpart D of Part 1021—Categorical Exclusions Applicable to Specific Agency Action. The Project is covered by DOE Categorical Exclusions B4.11 and B4.14.

B4.11 Electric Power Substations and Interconnection Facilities

Construction or modification of electric power substations or interconnection facilities (including, but not limited to, switching stations and support facilities).

B4.14 Construction and Operation of Electrochemical-Battery or Flywheel Energy Storage Systems

Construction, operation, upgrade, or decommissioning of an electrochemical-battery or flywheel energy storage system within a previously disturbed or developed area or within a small (as discussed at 10 CFR 1021.410(g)(2)) area contiguous to a previously disturbed or developed area. Covered actions would be in accordance with applicable requirements (such as land use and zoning requirements) in the proposed project area and the integral elements listed at the start of appendix B of this part, and would incorporate appropriate safety standards (including the current National Fire Protection Association 855, Standard for the Installation of Stationary Energy Storage Systems), design and construction standards, control technologies, and best management practices.

Per 10 CFR §1021.410 Application of categorical exclusions (classes of actions that normally do not require EAs or EISs), the following clarifications are provided to assist in the appropriate application of categorical exclusions that employ the terms or phrases “previously disturbed or developed”:

(1) “Previously disturbed or developed” refers to land that has been changed such that its functioning ecological processes have been and remain altered by human activity. The phrase encompasses areas that have been transformed from natural cover to nonnative species or a managed state, including, but not limited to, utility and electric power transmission corridors and rights-of-way, and other areas where active utilities and currently used roads are readily available.

Regulatory Requirements defined in 10 CFR § 1021.410(b):

The proposed loan guarantee for the actions described above was subjected to an environmental due diligence review by DOE LPO staff to ensure they are consistent with the specific category of actions (categorical exclusion) contained in Appendix B of 10 CFR Part 1021 and the conditions for applying categorical exclusions specified in Section 410 of Part 1021. To ensure the requirements of Appendix B were met, LPO staff reviewed project-related documents obtained between July 18, 2024, and January 24,

2025, and participated in several conference calls with CE staff to ensure a complete understanding of the activities associated with the project.

The environmental due diligence review determined that there is no controversy regarding the potential environmental impacts of the Project, and that the actions associated with the loan guarantee would not adversely affect any physical, biological, or socio-cultural resources associated with the deployment of the Project. The environmental due diligence review determined the Proposed Action has not been segmented to meet the definition of a categorical exclusion.

The Comment section below is provided for any necessary clarifications concerning the findings listed above. Signature by CE's designated representative in the Corporate Validation section is an indication of CE's concurrence with the findings and determinations presented above.

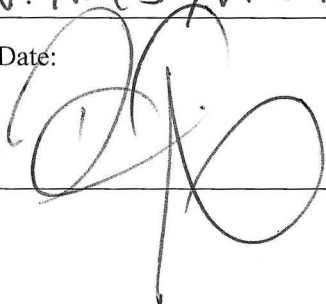
Comment(s):

Corporate Validation:

Name and Title (Print):

DAVID W. HICKS, Vice President, Clean Energy Development,
Enterprise Project Management,
and Real Estate

Signature and Date:



March 24, 2025

Determination:

Based on my review of information conveyed to me and in my possession concerning the actions associated with the proposed EIR Program (1706) loan guarantee described above, as National Environmental Policy Act (NEPA) Compliance Officer (as prescribed in DOE Policy Directive 451.1), I have determined that the actions involve no extraordinary circumstances and fit within the specified category of actions in Appendix B of 10 CFR Part 1021 described above, and are hereby categorically excluded from further review under NEPA (42 United States Code 4321, as amended). DOE will complete a review of any future projects in accordance with NEPA prior to their inclusion in the funding facility that is the subject of the DOE loan guarantee.

Signature and Date:

Todd Stribley
NEPA Compliance Officer
DOE Loan Programs Office