

**U.S. DEPARTMENT OF ENERGY**  
**OFFICE OF ENERGY EFFICIENCY AND RENEWABLE ENERGY**  
**NEPA DETERMINATION**



**RECIPIENT:** City of Ann Arbor

**STATE:** MI

**PROJECT TITLE:** District Geothermal Design and Deployment to Equitably Decarbonize Low Income Neighborhoods in Ann Arbor

**Notice of Funding Opportunity Number**  
DE-FOA-0002632

**Procurement Instrument Number**  
DE-EE0010665

**NEPA Control Number**  
GFO-0010665-002

**CID Number**  
GO10665

**Based on my review of the information concerning the proposed action, as NEPA Compliance Officer (authorized under DOE Policy 451.1), I have made the following determination:**

**CX, EA, EIS APPENDIX AND NUMBER:**

Description:

**A9 Information gathering, analysis, and dissemination**

Information gathering (including, but not limited to, literature surveys, inventories, site visits, and audits), data analysis (including, but not limited to, computer modeling), document preparation (including, but not limited to, conceptual design, feasibility studies, and analytical energy supply and demand studies), and information dissemination (including, but not limited to, document publication and distribution, and classroom training and informational programs), but not including site characterization or environmental monitoring. (See also B3.1 of appendix B to this subpart.)

**B3.1 Site characterization and environmental monitoring**

Site characterization and environmental monitoring (including, but not limited to, siting, construction, modification, operation, and dismantlement and removal or otherwise proper closure (such as of a well) of characterization and monitoring devices, and siting, construction, and associated operation of a small-scale laboratory building or renovation of a room in an existing building for sample analysis). Such activities would be designed in conformance with applicable requirements and use best management practices to limit the potential effects of any resultant ground disturbance. Covered activities include, but are not limited to, site characterization and environmental monitoring under CERCLA and RCRA. (This class of actions excludes activities in aquatic environments. See B3.16 of this appendix for such activities.) Specific activities include, but are not limited to: (a) Geological, geophysical (such as gravity, magnetic, electrical, seismic, radar, and temperature gradient), geochemical, and engineering surveys and mapping, and the establishment of survey marks. Seismic techniques would not include large-scale reflection or refraction testing; (b) Installation and operation of field instruments (such as stream-gauging stations or flow-measuring devices, telemetry systems, geochemical monitoring tools, and geophysical exploration tools); (c) Drilling of wells for sampling or monitoring of groundwater or the vadose (unsaturated) zone, well logging, and installation of water-level recording devices in wells; (d) Aquifer and underground reservoir response testing; (e) Installation and operation of ambient air monitoring equipment; (f) Sampling and characterization of water, soil, rock, or contaminants (such as drilling using truck- or mobile-scale equipment, and modification, use, and plugging of boreholes); (g) Sampling and characterization of water effluents, air emissions, or solid waste streams; (h) Installation and operation of meteorological towers and associated activities (such as assessment of potential wind energy resources); (i) Sampling of flora or fauna; and (j) Archeological, historic, and cultural resource identification in compliance with 36 CFR part 800 and 43 CFR part 7.

**B5.1 Actions to conserve energy or water**

(a) Actions to conserve energy or water, demonstrate potential energy or water conservation, and promote energy efficiency that would not have the potential to cause significant changes in the indoor or outdoor concentrations of potentially harmful substances. These actions may involve financial and technical assistance to individuals (such as builders, owners, consultants, manufacturers, and designers), organizations (such as utilities), and governments (such as state, local, and tribal). Covered actions include, but are not limited to weatherization (such as insulation and replacing windows and doors); programmed lowering of thermostat settings; placement of timers on hot water heaters; installation or replacement of energy efficient lighting, low-flow plumbing fixtures (such as faucets, toilets, and showerheads), heating, ventilation, and air conditioning systems, and appliances; installation of drip-irrigation systems; improvements in generator efficiency and appliance efficiency ratings; efficiency improvements for vehicles and transportation (such as fleet changeout); transportation management systems (such as traffic signal control systems, car navigation, speed cameras, and automatic plate number recognition); development of energy-efficient manufacturing, industrial, or building practices; and small-scale energy efficiency and conservation research and development and small-scale pilot projects. Covered actions include

building renovations or new structures, provided that they occur in a previously disturbed or developed area. Covered actions could involve commercial, residential, agricultural, academic, institutional, or industrial sectors. Covered actions do not include rulemakings, standard-settings, or proposed DOE legislation, except for those actions listed in B5.1(b) of this appendix.

(b) Covered actions include rulemakings that establish energy conservation standards for consumer products and industrial equipment, provided that the actions would not:

1. Have the potential to cause a significant change in manufacturing infrastructure (such as construction of new manufacturing plants with considerable associated ground disturbance);
2. involve significant unresolved conflicts concerning alternative uses of available resources (such as rare or limited raw materials);
3. have the potential to result in a significant increase in the disposal of materials posing significant risks to human health and the environment (such as RCRA hazardous wastes); or
4. have the potential to cause a significant increase in energy consumption in a state or region.

#### **B5.19 Ground source heat pumps**

The installation, modification, operation, and removal of commercially available smallscale ground source heat pumps to support operations in single facilities (such as a school or community center) or contiguous facilities (such as an office complex) (1) only where (a) major associated activities (such as drilling and discharge) are regulated, and (b) appropriate leakage and contaminant control measures would be in place (including for cross-contamination between aquifers); (2) that would not have the potential to cause significant changes in subsurface temperature; and (3) would be located within a previously disturbed or developed area. Covered actions would be in accordance with applicable requirements (such as local land use and zoning requirements) in the proposed project area and would incorporate appropriate control technologies and best management practices.

#### **Rationale for determination:**

The U.S. Department of Energy (DOE) is proposing to provide federal funding to the City of Ann Arbor, Michigan, to design, install, and operate a looped geothermal heating and cooling system in a local neighborhood.

Project activities would take place over two Budget Periods (BPs) and include installation of a well field, a distribution system, and heat pumps at individual houses. A conditional NEPA Determination (ND) (GFO-00106651-001; CXs A9, B3.1; 6/20/2023) was completed for this project and reviewed BP 1 tasks consisting of planning and design. This ND applies to BP 2.

The system would be installed in the Bryant neighborhood of Ann Arbor. The well field would be located in a park in the center of the neighborhood and would consist of 232 wells drilled to an approximate depth of 500 feet and include 2 closed geothermal loops and 1 mile of piping for the distribution system. This distribution system would be installed under existing streets in the neighborhood and service 111 individual households. Modifications at each house would consist of replacing existing air conditioning units with heat pumps and installing air handling units in existing utility closets, using existing penetrations. Houses to be included are located on Champagne Dr, East Eden Ct, West Eden Ct, Faust Ct, Hemlock Dr, Kilbrennan Ct, Lucerne Ct, Plainview Ct, Rockland Ct, and Trowbridge Ct. The system would be designed to incorporate 4 or 5 additional loops in the future, if desired by the neighborhood.

Potential hazards include use of heavy machinery. Award recipients would adhere to established health and safety policies and procedures when performing project work, and would observe all applicable federal, state, and local health, safety, and environmental regulations.

DOE has considered the scale, duration, and nature of proposed activities to determine potential impacts on resources, including those of an ecological, historical, cultural, and socioeconomic nature. DOE does not anticipate impacts on these resources which would be considered significant or require DOE to consult with other agencies or stakeholders. Award recipients have communicated with the Michigan State Historic Preservation Office and received a determination that no historic properties would be affected by the proposed project activities.

EERE is aware of the November 12, 2024, decision in *Marin Audubon Society v. FAA*, No. 23-1067 (D.C. Cir. Nov. 12, 2024). To the extent that a court may conclude that the Council on Environmental Quality (CEQ) regulations implementing NEPA are not judicially enforceable or binding on this agency action, EERE has nonetheless elected to

follow those regulations at 40 C.F.R. Parts 1500-1508, in addition to DOE's procedures/regulations implementing NEPA at 10 C.F.R. Part 1021, to meet the agency's obligations under NEPA, 42 U.S.C. §§ 4321 et seq.

## NEPA PROVISION

DOE has made a final NEPA determination.

Notes:

Geothermal Technologies Office  
NEPA review completed by Andrew McClellan, 27 February 2025

## FOR CATEGORICAL EXCLUSION DETERMINATIONS

The proposed action (or the part of the proposal defined in the Rationale above) fits within a class of actions that is listed in Appendix A or B to 10 CFR Part 1021, Subpart D. To fit within the classes of actions listed in 10 CFR Part 1021, Subpart D, Appendix B, a proposal must be one that would not: (1) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders; (2) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators), but the proposal may include categorically excluded waste storage, disposal, recovery, or treatment actions or facilities; (3) disturb hazardous substances, pollutants, contaminants, or CERCLA-excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases; (4) have the potential to cause significant impacts on environmentally sensitive resources, including, but not limited to, those listed in paragraph B(4) of 10 CFR Part 1021, Subpart D, Appendix B; (5) involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements, such as those listed in paragraph B(5) of 10 CFR Part 1021, Subpart D, Appendix B.

There are no extraordinary circumstances related to the proposed action that may affect the significance of the environmental effects of the proposal.

The proposed action has not been segmented to meet the definition of a categorical exclusion. This proposal is not connected to other actions with potentially significant impacts (40 CFR 1508.25(a)(1)), is not related to other actions with individually insignificant but cumulatively significant impacts (40 CFR 1508.27(b)(7)), and is not precluded by 40 CFR 1506.1 or 10 CFR 1021.211 concerning limitations on actions during preparation of an environmental impact statement.

The proposed action is categorically excluded from further NEPA review.

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

NEPA Compliance Officer Signature:



Electronically Signed By: Matthew Blevins

NEPA Compliance Officer

Date:

3/5/2025

## FIELD OFFICE MANAGER DETERMINATION

- ☒ Field Office Manager review not required  
☐ Field Office Manager review required

## BASED ON MY REVIEW I CONCUR WITH THE DETERMINATION OF THE NCO :

Field Office Manager's Signature:

Field Office Manager

Date: