

Record of Categorical Exclusion for
DTE Gas Clean Energy
Gas Renewal Program

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 DTE Gas Company (DTE) pursuant to its authority under the EIR 1706 Program. In its application, DTE has identified a portion of its Gas Renewal Program (the Project), implemented throughout DTE's service area in the State of Michigan, for inclusion in the funding facility that is the subject of DOE's loan guarantee (the Proposed Action). DOE has completed this environmental review pursuant to the National Environmental Policy Act (NEPA).

Project Description:

The Project involves three categories of work: 1) retirement of DTE's "legacy" gas distribution infrastructure (e.g., abandonment in-place or removal where abandonment is not feasible), 2) reinstallation of industry standard gas distribution infrastructure, and 3) relocation of natural gas meters to the exterior of buildings. The DTE Gas Renewal Program began in 2011 and will continue through 2035; however, the Project is limited to activity between 2025-2031 that does not deviate from existing rights-of-way (ROWs) or easements. During that time, DTE estimates replacing approximately 200 miles annually (roughly 1,400 miles total) of natural gas pipelines and relocating of approximately 87,500 meters. Based on the scope and complexity of each Project site, the physical site construction and restoration activities are anticipated to take between 1 week to 6 months to complete. As work is completed, the disturbed area will be restored to its pre-existing condition using grass seed, topsoil, mulch, and/or concrete, as appropriate. All construction areas for the Project will be accessed via public access points in existing road ROWs or via easements on land adjacent to the ROW for service line work. No new access routes will be required for the Project.

The legacy gas distribution infrastructure consists of unprotected steel, cast-iron pipes, and non-modern plastic, which were installed before the issuance of the Federal Pipeline Safety Standards in 1970 and are prone to corrosion and leaks after decades of use due to the lack of protective coatings or cathodic protection. Most of the work would involve the renewal of gas main lines and would occur within existing road ROWs. The work performed outside of ROWs on service lines connecting the gas main to customer facilities and residences would occur within previously disturbed and maintained areas where DTE has existing easements.

Per direction from the Michigan Public Service Commission (MPSC), DTE is required to move all natural gas meters outside to ensure safety and reliability. The process involves uninstalling the meter located inside a building or residence and reattaching it to the exterior; work will occur within the footprint of existing structures.

Retirement of legacy infrastructure will either entail pipe removal or abandonment. DTE will abandon-in-place more than 99 percent of legacy main. Pipelines will only be removed if abandonment is not feasible (e.g., where space is not sufficient to accommodate both abandonment and installation of new infrastructure). Through the process of abandonment, the abandoned pipe segment is disconnected from all sources and supplies of gas, purged of gas, and sealed at both ends. As needed, additional requirements will be implemented pursuant to applicable municipality level site-specific requirements. The primary method of pipeline removal will be horizontal directional drilling (HDD) at a terminal end of a pipe segment where extraction of the pipeline will occur via pulling and twisting. In certain situations (e.g., urban areas where utilities are densely packed), standard utility trenching method will be used to excavate legacy pipe safely.

Following removal or abandonment procedures, DTE will install new main and service line pipe primarily using HDD and the Direct Pipe Method but will utilize traditional installation methods when necessary. Replacement pipeline will be comprised of Medium-Density Polyethylene and High-Density Polyethylene plastic pipe of varying sizes in accordance with the American Society for Testing and Materials (ASTM) D2513, Standard Specifications for Polyethylene (PE) (Thermoplastic) Gas Pressure Pipe, Tubing, and Fittings. Installation of new pipe via HDD and Direct Pipe Method involves drilling a pilot hole/entry pit and enlarging the hole to accommodate the new pipe. If HDD was used to remove the retired pipe and installation of new pipe is feasible in the same location, the existing bore holes and tunnel would be used and expanded as needed for new pipe. Pipelines installed via traditional installation methods within open cuts require digging a trench to the required depth and width before pipes are laid, connected, inspected for integrity, and pressure tested.

New pipes will be installed as close to the original location as feasible. Site conditions may require replacement infrastructure be installed a few feet away to reduce underground utility congestion or on the opposite side of the road to allow for efficiencies in connections. All work will remain within the existing road ROW for main lines and within previously disturbed and maintained areas within existing easements for service lines.

Individual project locations will be identified throughout DTE's service area within the state of Michigan where legacy infrastructure or indoor meters exist, including the following 48 counties: Alcona, Alger, Alpena, Antrim, Benzie, Charlevoix, Cheboygan, Chippewa, Clare, Clinton, Crawford, Delta, Dickinson, Emmet, Gladwin, Grand Traverse, Gratiot, Ionia, Iosco, Iron, Isabella, Kalkaska, Kent, Lake, Leelanau, Livingston, Manistee, Marquette, Mason, Mecosta, Menominee, Monroe, Montcalm, Montmorency, Muskegon, Newaygo, Oakland, Oceana, Ogemaw, Osceola, Oscoda, Otsego, Ottawa, Presque Isle, Roscommon, Washtenaw, Wayne, and Wexford.

Pursuant to the Clean Water Act and applicable National Pollutant Discharge Elimination System (NPDES) permitting, DTE will implement soil erosion and sedimentation control measures, best management practices, and safety measures for all construction related activities. Erosion and sedimentation controls may consist of catch basin silt sacks, straw waddles, erosion eels, silt fencing, or a combination of these measures. Spill response plans will be in place prior to commencement of construction.

In accordance with the Coastal Zone Management Act, on December 10, 2024, 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), DOE consulted with the U.S. Fish and Wildlife Service (USFWS) and on November 15, 2024, received concurrence that the Project is *not likely to adversely affect* ESA-listed species or designated critical habitat. Review of the Project found that for most individual construction locations a *No Effect* determination would be appropriate as they will be in *Already Developed Areas*, as defined by USFWS. For any construction not within that category, DTE has committed to implement all applicable species protection measures from the Michigan Endangered Species Determination Key Standing Analysis.

In accordance with the National Historic Preservation Act (NHPA), DOE executed a Programmatic Agreement (PA) on May 8, 2025, among the Michigan State Historic Preservation Officer (SHPO), DTE, and DOE. DTE has committed to comply with procedures and measures agreed upon in the executed PA, available on DOE's public website.

All applicable permits and approvals will be obtained for this Project prior to construction, including but not limited to the following:

- U.S. Army Corps of Engineer (USACE), Nationwide Permits
- Soil Erosion and Sedimentation Control (SESC) Permit
- Local Construction permits
- Local Soil Erosion permits, to include NPDES permits (as needed)

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 B5.4, B5.2, and B1.3.

B5.4 Repair or Replacement of Pipelines

Repair, replacement, upgrading, rebuilding, or minor relocation of pipelines within existing rights-of-way, provided that the actions are in accordance with applicable requirements (such as Army Corps of Engineers permits under section 404 of the Clean Water Act). Pipelines may convey materials including, but not limited to, air, brine, carbon dioxide, geothermal system fluids, hydrogen gas, natural gas, nitrogen gas, oil, produced water, steam, and water.

B5.2 Modifications to Pumps and Piping

Modifications to existing pump and piping configurations (including, but not limited to, manifolds, metering systems, and other instrumentation on such configurations conveying materials such as air, brine, carbon dioxide, geothermal system fluids, hydrogen gas, natural gas, nitrogen gas, oil, produced water, steam, and water). Covered modifications would not have the potential to cause significant changes to design process flow rates or permitted air emissions.

B1.3 Routine Maintenance

Routine maintenance activities and custodial services for buildings, structures, rights-of-way, infrastructures (including, but not limited to, pathways, roads, and railroads), vehicles and equipment, and localized vegetation and pest control, during which operations may be suspended

and resumed, provided that the activities would be conducted in a manner in accordance with applicable requirements. Custodial services are activities to preserve facility appearance, working conditions, and sanitation (such as cleaning, window washing, lawn mowing, trash collection, painting, and snow removal). Routine maintenance activities, corrective (that is, repair), preventive, and predictive, are required to maintain and preserve buildings, structures, infrastructures, and equipment in a condition suitable for a facility to be used for its designated purpose. Such maintenance may occur as a result of severe weather (such as hurricanes, floods, and tornados), wildfires, and other such events. Routine maintenance may result in replacement to the extent that replacement is in-kind and is not a substantial upgrade or improvement. In-kind replacement includes installation of new components to replace outmoded components, provided that the replacement does not result in a significant change in the expected useful life, design capacity, or function of the facility. Routine maintenance does not include replacement of a major component that significantly extends the originally intended useful life of a facility (for example, it does not include the replacement of a reactor vessel near the end of its useful life). Routine maintenance activities include, but are not limited to:

- a) Repair or replacement of facility equipment, such as lathes, mills, pumps, and presses;
- b) Door and window repair or replacement;
- c) Wall, ceiling, or floor repair or replacement;
- d) Reroofing;
- e) Plumbing, electrical utility, lighting, and telephone service repair or replacement;
- f) Routine replacement of high-efficiency particulate air filters;
- g) Inspection and/or treatment of currently installed utility poles;
- h) Repair of road embankments;
- i) Repair or replacement of fire protection sprinkler systems;
- j) Road and parking area resurfacing, including construction of temporary access to facilitate resurfacing, and scraping and grading of unpaved surfaces;
- k) Erosion control and soil stabilization measures (such as reseeding, gabions, grading, and revegetation);
- l) Surveillance and maintenance of surplus facilities in accordance with DOE Order 435.1, "Radioactive Waste Management," or its successor;
- m) Repair and maintenance of transmission facilities, such as replacement of conductors of the same nominal voltage, poles, circuit breakers, transformers, capacitors, crossarms, insulators, and downed powerlines, in accordance, where appropriate, with 40 CFR part 761 (Polychlorinated Biphenyls Manufacturing, Processing, Distribution in Commerce, and Use Prohibitions) or its successor;
- n) Routine testing and calibration of facility components, subsystems, or portable equipment (such as control valves, in-core monitoring devices, transformers, capacitors, monitoring wells, lysimeters, weather stations, and flumes);
- o) Routine decontamination of the surfaces of equipment, rooms, hot cells, or other interior surfaces of buildings (by such activities as wiping with rags, using strippable latex, and minor vacuuming), and removal of contaminated intact equipment and other material (not including spent nuclear fuel or special nuclear material in nuclear reactors); and
- p) Removal of debris.

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 November 2023 and September 2024 and participated in many conference calls with DTE 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 DTE's designated representative in the Corporate Validation section is an indication of DTE's concurrence with the findings and determinations presented above.

Comment(s):

Corporate Validation:

Name and Title (Print):

Fadi Mourad, P.E. - Director, Environmental Strategy

Signature and Date:



May 9, 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 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