

Subject: Finding of No Significant Environmental Impact and Necessary
Environmental Findings for Absolute Energy, LLC Installation of
Fluidized Bed Reactor System to existing Ethanol Facility
St. Ansgar, Iowa
9004 Repowering Assistance Program


To: Project File

The attached environmental assessment for the subject proposal has been prepared and reviewed by the appropriate Rural Development official(s). After reviewing the assessment and the supporting materials attached to it, I find that the subject proposal will not significantly affect the quality of the human environment. Therefore, the preparation of an environmental impact statement is not necessary.

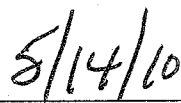
I also find that the assessment properly documents the proposal's status of compliance with the environmental laws and requirements listed therein.

Conditions:

- a. The applicant must provide a copy of all air quality permit(s) and permit modification(s) for the project prior to the issuance of any RD funding. If no air quality permit(s) or modification(s) are required for the project, then documentation must be submitted substantiating this claim.



JUDITH A. CANALES
Administrator
Rural Business and Cooperative Service



Date

Position 3

USDA-Rural Development
Form RD 1940-21
(Rev. 6-88)

ENVIRONMENTAL ASSESSMENT FOR CLASS I ACTION

1. Description

- a. Name of Project: Absolute Energy, LLC
- b. Project Number: IA-1016
- c. Location: 1372 State Line Road, S.t Ansgar, IA 50472 (Mitchell County)

2. Protected Resources

The following land uses or environmental resources will either be affected by the proposal or are located within the project site. (Check appropriate box for every item of the following checklist. If more than one item is checked "yes" the environmental assessment format for a Class II action must be completed, except if the action under review is either (1) an application for a Housing Preservation Grant or (2) normally a categorical exclusion that has lost its exclusion status. The reviewer should not initiate the Assessment for a Class I action when it is obvious that the assessment format for a Class II action will be required.)

	YES	NO
a. Wetlands	<input type="checkbox"/>	<input checked="" type="checkbox"/>
b. Floodplains	<input type="checkbox"/>	<input checked="" type="checkbox"/>
c. Wilderness (designated or proposed under the Wilderness Act)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
d. Wild or Scenic River (proposed or designated under the Wild and Scenic Rivers Act)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
e. Historical, Archeological Sites	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>(listed on the National Register of Historic Places or which may be eligible for listing)</i>		
f. Critical Habitat or Endangered/Threatened Species (listed or proposed)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
g. Coastal Barrier included in Coastal Barrier Resources System	<input type="checkbox"/>	<input checked="" type="checkbox"/>
h. Natural Landmark (listed on National Registry of Nature Landmark)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
i. Important Farmlands	<input type="checkbox"/>	<input checked="" type="checkbox"/>
j. Prime Forest Lands	<input type="checkbox"/>	<input checked="" type="checkbox"/>
k. Prime Rangeland	<input type="checkbox"/>	<input checked="" type="checkbox"/>
l. Approved Coastal Zone Management Area	<input type="checkbox"/>	<input checked="" type="checkbox"/>
m. Sole Source Aquifer Recharge Area	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<i>(designated by Environmental Protection Agency)</i>		

For an item checked "yes", I have attached as Exhibit 1 both the necessary documentation to demonstrate compliance with the Agency's requirements for the protection of the resource and a discussion setting forth the reasons why the potential impact on the resource is not considered to be significant. If item e. is checked "no", the results of the consultation process with the State Historic Preservation Officer is also attached.

3. General Impacts

I have reviewed the environmental data submitted, dated and signed by the applicant as well as any previously completed environmental impact analysis and conclude the following:

- a. The project, the project area, and the primary beneficiaries are adequately identified;
- b. No incompatible land uses will be created nor direct impacts to parks, beaches, dunes, barrier islands, or important wildlife habitats or recreational areas; and
- c. Only minimal impacts or no impacts will result to the following checked items:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Air Quality | <input checked="" type="checkbox"/> Wildlife |
| <input checked="" type="checkbox"/> Water Quality | <input checked="" type="checkbox"/> Energy |
| <input checked="" type="checkbox"/> Solid Waste Management | <input checked="" type="checkbox"/> Construction Impacts |
| <input checked="" type="checkbox"/> Transportation | <input checked="" type="checkbox"/> Secondary Impacts |
| <input checked="" type="checkbox"/> Noise | |

An analysis of an item which cannot be checked, therefore having a potential for more than minimal impacts, is attached as Exhibit _____.
(If more than one item is unchecked, the environmental assessment format for a Class II action must be completed).

4. State, Regional and/or Local Government Consultation

Yes No This project is subject to review by State, regional, or local agencies under the requirements of Executive Order 12372, Intergovernmental Review of Federal Programs.

If "Yes" is checked, complete (a), or (b) or (c). *(If negative environmental comments have been received, the environmental assessment format for a Class II action must be completed).*

- a. The review period has expired and no comments were received.
- b. No negative comments of an environmental nature were received and the review period is complete, with the comments attached.
- c. Negative comments of an environmental nature have been received.

5. Controversy

Yes No This action is controversial for environmental reasons or is the subject of an environmental complaint. If yes, check one of the following::

The action is the subject of isolated environmental complaints or questions have been raised which focus on a single impact. Attached as Exhibit _____ is an analysis of the complaint or questions, and no further analysis is considered necessary.

6. Cumulative Impacts

Yes No The cumulative impacts of this action and other Rural Development actions, other federal actions, or related nonfederal actions exceed the criteria for a Class I action; or the action represents a phase or segment of a larger project, the latter which exceeds the criteria for a Class I action.

7. Need for the Project and Alternatives to it

Attached as Exhibit A is a brief statement of Rural Development's position regarding the need for the project. Also, briefly discussed are (a) the alternatives which have been considered by the applicant and Rural Development and (b) the environmental impacts of these alternatives. Alternatives include alternative locations, alternative designs, alternative projects having similar benefits, and no action.

8. Measures to Avoid or Mitigate Adverse Environmental Impacts

- Yes No Mitigation measures are required. Attached as Exhibit B is a description of the site or design change that the applicant has agreed to make as well as mitigation measures that will be placed as special condition within the offer of financial assistance or subdivision approval.

9. Compliance With Highly Erodible Land and Wetland Conservation Requirements

- Yes No This action is subject to the highly erodible and wetland conservation requirements contained in Exhibit M of RD Instruction 1940-G.

If "yes" is checked, complete (a), (b), (c), and (d).

a. Attached as Exhibit _____ is a completed Form SCS-CPA-026 which documents the following:

- Yes No Highly erodible land is present on the farm property.
- Yes No Wetland is present on the farm property.
- Yes No Converted wetland is present on the farm property.

b. Yes No This action qualifies for the following exemption allowed under Exhibit M :

c. Yes No The applicant must complete the following requirements prior to approval of the action in order to retain or regain its eligibility for Agency financial assistance:

d. Yes No Under the requirements of Exhibit M, the applicant's proposed activities are eligible for Agency financial assistance.

10. Environmental Determinations

The following recommendations shall be completed and the environmental reviewer shall sign the assessment in the space provided below.

a. Based on an examination and review of the foregoing information and such supplemental information attached hereto, I recommend that the approving official determine that this project:

- will have a significant effect on the quality of the human environment and an Environmental Impact Statement must be prepared;
- will not have a significant effect on the quality of the human environment,
- will require further analysis through completion of the assessment format for a Class II action.

b. I recommend that the approving official make the following compliance determinations for the below listed environmental requirements.

Not In Compliance	In Compliance	
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Clean Air Act
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Federal Water Pollution Control Act
<input type="checkbox"/>	<input type="checkbox"/>	Safe Drinking Water Act-Section 1424(e)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Endangered Species Act
<input type="checkbox"/>	<input type="checkbox"/>	Coastal Barrier Resources Act
<input type="checkbox"/>	<input type="checkbox"/>	Coastal Zone Management Act-Section 307(c)(1) and (2)
<input type="checkbox"/>	<input type="checkbox"/>	Wild and Scenic Rivers Act
<input type="checkbox"/>	<input checked="" type="checkbox"/>	National Historic Preservation Act
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Archeological and Historic Preservation Act
<input type="checkbox"/>	<input type="checkbox"/>	Highly Erodible Land and Wetland Conservation, Food Security Act
<input type="checkbox"/>	<input type="checkbox"/>	Executive Order 11988, Floodplain Management
<input type="checkbox"/>	<input type="checkbox"/>	Executive Order 11990, Protection of Wetlands
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Farmland Protection Policy Act
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Departmental Regulation 9500-3, Land Use Policy
<input type="checkbox"/>	<input type="checkbox"/>	State Office Natural Resource Management Guide

c. I have reviewed and considered the types and degrees of adverse environmental impacts identified by this assessment. I have also analyzed the proposal for its consistency with Rural Development environmental policies, particularly those related to land use, and have considered the potential benefits of the proposal. Based upon a consideration and balancing of these factors, I recommend from an environmental standpoint that the project

- be approved
- not be approved because of the attached reasons (see Exhibit _____).

Kravis P. Mantz
Signature of Preparer*

1/13/2010
Date

Title Environmental Protection Specialist

*See Section 1940.302 for listing of officials responsible for preparing assessment.

Judith A. Cook

5/14/10

Signature of Concurring Official ¹

Date

Title

ADMINISTRATOR

I have reviewed this environmental assessment and supporting documentation. Following are my Positions regarding its adequacy and the recommendations reached by the preparer. For any matter in which I do not concur, my reasons are attached as Exhibit _____

Do not
Concur

Concur

- Adequate Assessment
- Environmental Impact Determination
- Compliance Determinations
- Project Recommendation

Judith J. Rodgers

01/14/2010

Signature of State Environmental Coordinator ²

Date

National Office - Acting Director - PSS

¹ See Section 1940.316 for both the instances when a concurring official must sign the assessment and who is authorized to sign as the concurring official.

² See Section 1940.316 for instances when State Environmental Coordinator's review is required.

Appendix A

Project Description

Rural Development proposes to provide financial assistance to Absolute Energy, LLC for purchase and installation of a fluidized bed reactor and material handling infrastructure related to the use of biofuels at the Absolute Ethanol Plant. Absolute Ethanol is located at 1372 State Line Road, St. Ansgar, IA 50472-Mitchell County). Absolute Energy is an ethanol plant capable of producing approximately 100 million gallons of ethanol (and other feed products)/year, and consumes approximately 3,000,000 MMBtu's/year of natural gas to fuel the plant. The proposal would install a new fuel combustion system to run biomass corn syrup which is a byproduct of the ethanol production process at the plant. The reactor would replace approximately 50% of the natural gas consumed, as well as generating approximately 3.2 MW of electrical power which will further reduce fossil fuel consumption. The proposed fluidized reactor area is approximately .025 of an acre and within the existing plant site (as shown on attached maps and photos). The entire plant area was graded and profoundly disturbed during construction in 2006; the proposed site is graded and is used as an unloading area for the ethanol production process.

Alternatives Considered

No Action

If RD takes no action on providing financial assistance, Absolute Energy could still proceed with the action to install the fluidized bed reactor based upon its assessment of fuel cost savings. The economics of the changeover would be a longer term to return the investment but the environmental impacts would be the same as under the proposed action. Should Absolute Energy decide to not proceed with fuel switching on the basis of denied RD funding, the impacts of burning natural gas (at approximately 3,000,000 MMBtu's/year) would continue. The major pollutants emitted with natural gas burning are NOx. Therefore, No Action could result in the continuation of adverse environmental impacts to air quality which is not significant.

Appendix B- Mitigation

Absolute may need to obtain a new air quality permits from the State of Iowa for the fluidized bed reactor, depending upon the total emissions estimated under the proposed action. No total emissions estimates were presented by Absolute Energy in its application but it is likely that emissions of pollutants, primarily NOx, will be below those from burning natural gas.

Therefore, it is recommended as mitigation that Absolute Energy provide a copy of all new or revised air quality permits prior to RD funding of this project.

January 8, 2010

In reference to R&C: 091266050

Mr. Frank Mancino
USDA Rural Development
1400 Independence Ave. SW MS 0761
Washington, D.C. 20250

RE: RECD – MITCHELL COUNTY – CITY OF SAINT ANSGAR – ABSOLUTE ETHANOL PLANT – INSTALL A FLUIDIZED BED REACTOR AND MATERIAL HANDLING INFRASTRUCTURE PROJECT — SEC. 10, T100N-R18W

Dear Mr. Mancino,

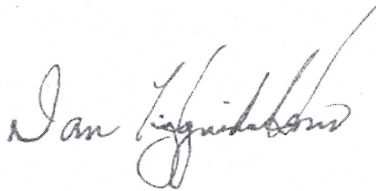
We have received your December 4, 2009 submittal regarding the above-referenced federal undertaking. We make the following comments and recommendations based upon our review of this material and in accordance with Section 106 of the National Historic Preservation Act of 1966 (16 U.S.C. 470 *et seq.*) and its implementing regulations 36 CFR Part 800 (revised, effective August 5, 2004).

Considering the scope and location of the undertaking, it is our consulting opinion that the proposed action will result in no effects to historic properties. Therefore, based upon the available information, we are able to concur with your determination of 'no historic properties affected.'

If design changes are made for this project which would involve undisturbed new rights-of-way or easements, please forward additional information to our office for further comment along with the Agency Official's determination of effect. If project activities uncover an item(s) that might be of archeological, historical or architectural interest, or if important new archeological, historical or architectural data should be encountered in the project APE, the applicant should make reasonable efforts to avoid further impacts to the property until an assessment can be made by a qualified archaeologist.

Do not hesitate to call me at (515) 281-8744 or email me at daniel.higginbottom@iowa.gov if you have any questions or require further assistance in this matter.

Sincerely,



Daniel K. Higginbottom, Archaeologist
Iowa State Historic Preservation Office

Cc: Lee Merrick, State Environmental Coordinator, USDA Rural Development

Rural Development
Environmental Justice (EJ) and Civil Rights Impact Analysis (CRIA)
Certification

1. Applicant's name and proposed project description: Absolute Energy, LLC proposes to install a fluidized bed reactor to burn biofuels from its plant processes

2. Rural Development's loan/grant program/guarantee or other Agency action: RD provides financial payments annually based upon the fossil fuel replaced by renewable biofuels.

3. Attach a map of the proposal's area of effect identifying location or EJ populations, location of the proposal, area of impact or

Attach results of EJ analysis from the Environmental Protection Agency's (EPAs) EnviroMapper with proposed project location and impact footprint delineated.

4. Does the applicant's proposal or Agency action directly, indirectly or cumulatively affect the quality and/or level of services provided to the community?

Yes No N/A

5. Is the applicant's proposal or Agency action likely to result in a change in the current land use patterns (types of land use, development densities, etc)?

Yes No N/A

6. Does a demographic analysis indicate the applicant's proposal or Agency's action may disproportionately affect a significant minority and/or low-income populations?

Yes No N/A

If answer is no, skip to item 12. If answer is yes, continue with items 7 through 12.

7. Identify, describe, and provide location of EJ population _____

8. If a disproportionate adverse affect is expected to impact an EJ population, identify type/level of public outreach implemented. _____

9. Identify disproportionately high and adverse impacts on EJ populations. _____

10. Are adverse impacts appreciably more severe or greater in magnitude than the adverse impacts expected on non-minority/low-income populations?

Yes No N/A

11. Are alternatives and/or mitigation required to avoid impacts to EJ populations?

Yes No N/A

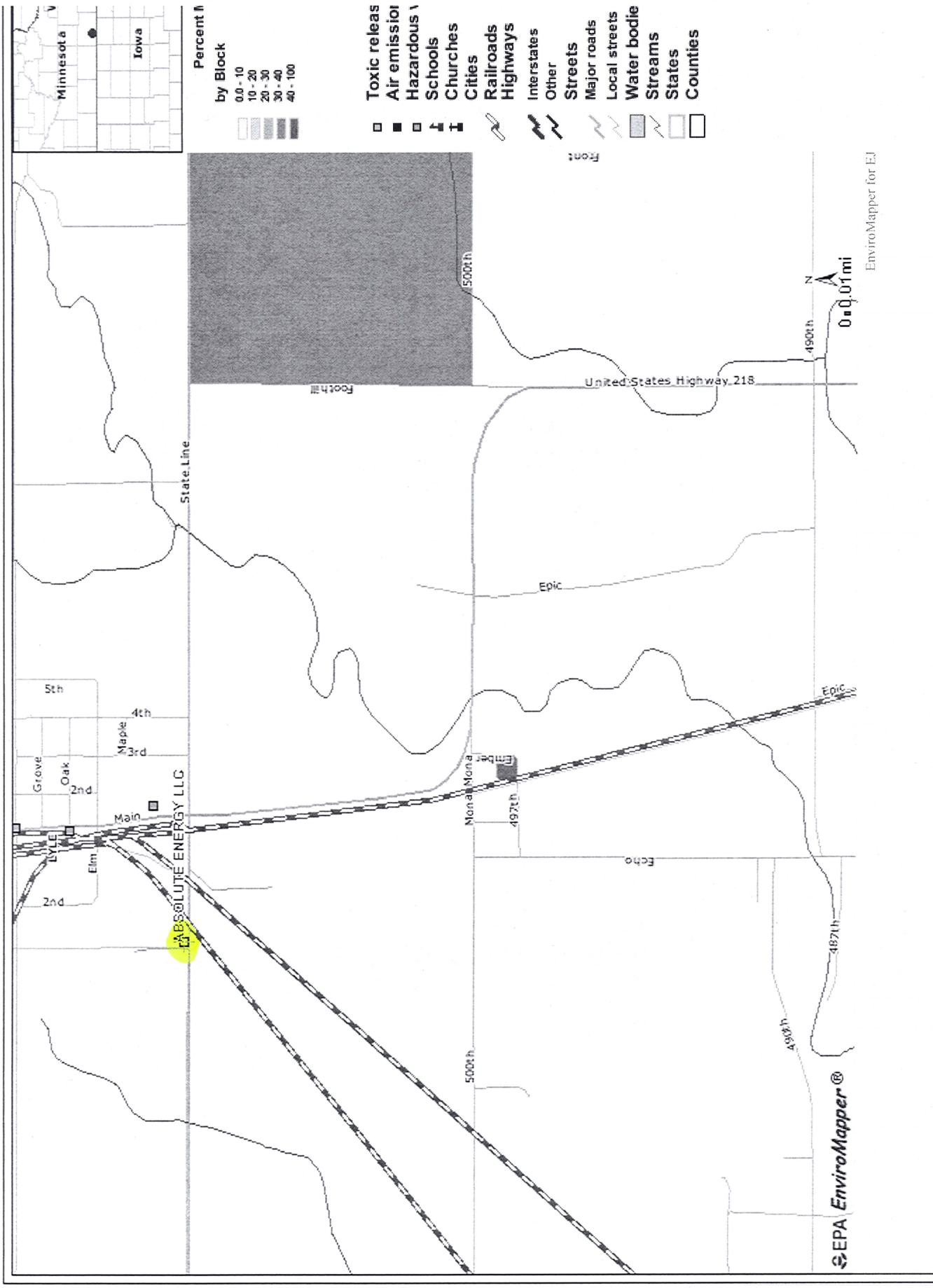
If yes, describe _____

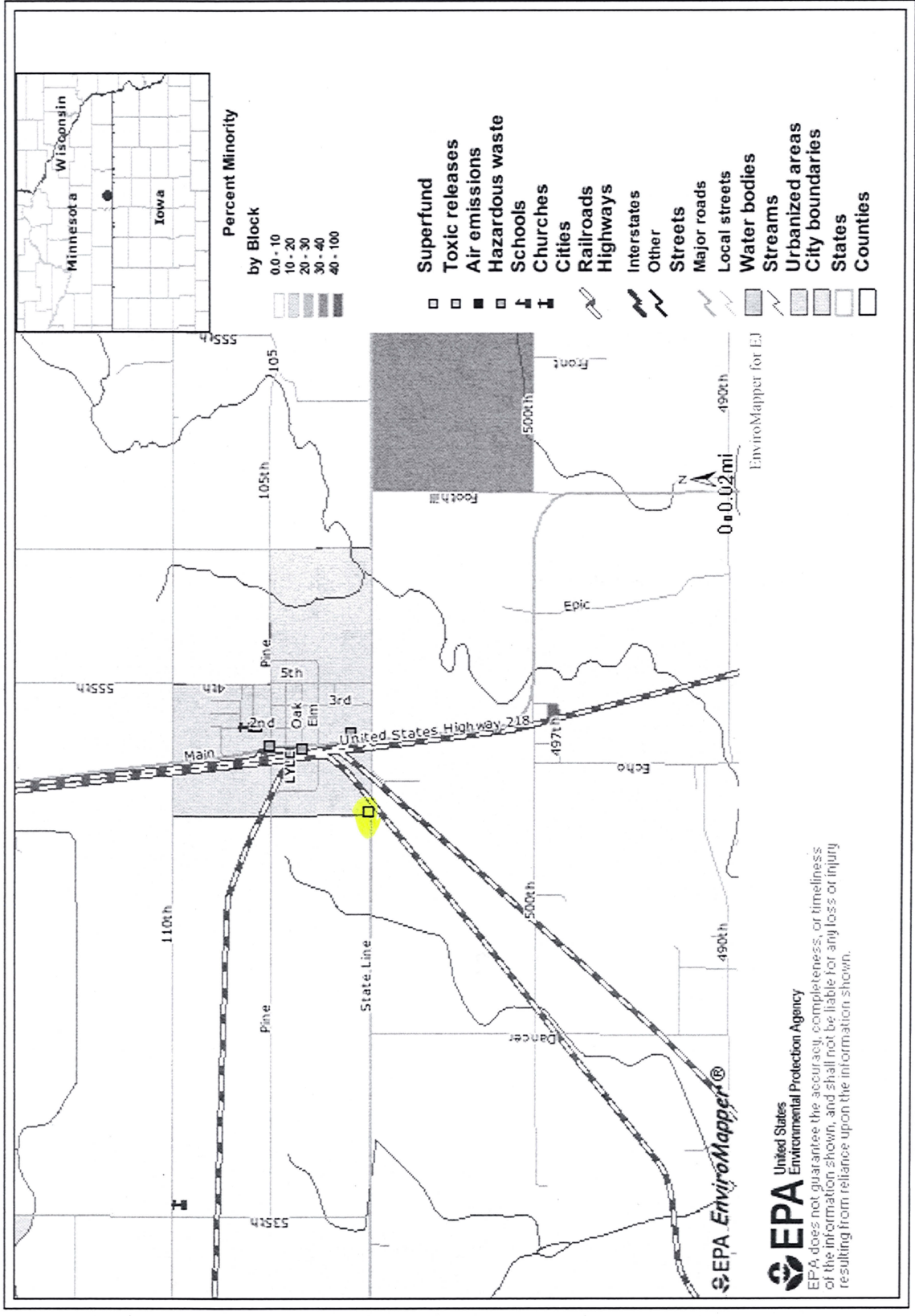
12. I certify that I have reviewed the appropriate documentation and have determined that:

- No major EJ or civil rights impact is likely to result if the proposal is implemented.
 A major EJ or civil rights impact is likely to result if the proposal is implemented.

Frank P. Marino
Name and Title of Certifying Official

1/13/2010
Date





State & County QuickFacts

Mitchell County, Iowa

People QuickFacts	Mitchell County	Iowa
Population, 2008 estimate	10,710	3,002,555
Population, percent change, April 1, 2000 to July 1, 2008	-1.5%	2.6%
Population estimates base (April 1) 2000	10,874	2,926,381
Persons under 5 years old, percent, 2008	5.8%	6.7%
Persons under 18 years old, percent, 2008	23.8%	23.7%
Persons 65 years old and over, percent, 2008	20.3%	14.8%
Female persons, percent, 2008	50.8%	50.6%
White persons, percent, 2008 (a)	99.2%	94.2%
Black persons, percent, 2008 (a)	0.2%	2.7%
American Indian and Alaska Native persons, percent, 2008 (a)	0.1%	0.4%
Asian persons, percent, 2008 (a)	0.2%	1.6%
Native Hawaiian and Other Pacific Islander, percent, 2008 (a)	Z	0.1%
Persons reporting two or more races, percent, 2008	0.3%	1.1%
Persons of Hispanic or Latino origin, percent, 2008 (b)	0.8%	4.2%
White persons not Hispanic, percent, 2008	98.5%	90.3%
Living in same house in 1995 and 2000, pct 5 yrs old & over	69.4%	56.9%
Foreign born persons, percent, 2000	0.5%	3.1%
Language other than English spoken at home, pct age 5+, 2000	4.1%	5.8%
High school graduates, percent of persons age 25+, 2000	84.4%	86.1%
Bachelor's degree or higher, pct of persons age 25+, 2000	12.8%	21.2%
Persons with a disability, age 5+, 2000	1,636	446,665
Mean travel time to work (minutes), workers age 16+, 2000	19.3	18.5
Housing units, 2008	4,726	1,329,352
Homeownership rate, 2000	81.6%	72.3%
Housing units in multi-unit structures, percent, 2000	8.6%	18.4%
Median value of owner-occupied housing units, 2000	\$66,500	\$82,500
Households, 2000	4,294	1,149,276
Persons per household, 2000	2.47	2.46
Median household income, 2007	\$43,506	\$47,324
Per capita money income, 1999	\$16,809	\$19,674
Persons below poverty, percent, 2007	9.0%	11.0%
Business QuickFacts	Mitchell County	Iowa
Private nonfarm establishments, 2007	331	83,158 ¹
Private nonfarm employment, 2007	3,073	1,303,436 ¹

Private nonfarm employment, percent change 2000-2007	-1.1%	3.0% ¹
Nonemployer establishments, 2007	856	202,717
Total number of firms, 2002	1,063	236,515
Black-owned firms, percent, 2002	F	0.7%
American Indian and Alaska Native owned firms, percent, 2002	F	0.3%
Asian-owned firms, percent, 2002	F	0.8%
Native Hawaiian and Other Pacific Islander owned firms, percent, 2002	F	0.0%
Hispanic-owned firms, percent, 2002	F	0.6%
Women-owned firms, percent, 2002	31.0%	27.0%
<hr/>		
Manufacturers shipments, 2002 (\$1000)	201,279	65,042,043
Wholesale trade sales, 2002 (\$1000)	205,463	33,546,948
Retail sales, 2002 (\$1000)	64,322	31,195,012
Retail sales per capita, 2002	\$5,919	\$10,629
Accommodation and foodservices sales, 2002 (\$1000)	D	3,698,955
Building permits, 2008	13	8,412
Federal spending, 2008	81,214	23,927,449 ¹
Geography QuickFacts	Mitchell County	Iowa
Land area, 2000 (square miles)	468.92	55,869.36
Persons per square mile, 2000	23.2	52.4
FIPS Code	131	19
Metropolitan or Micropolitan Statistical Area	None	

1: Includes data not distributed by county.

(a) Includes persons reporting only one race.

(b) Hispanics may be of any race, so also are included in applicable race categories.

D: Suppressed to avoid disclosure of confidential information

F: Fewer than 100 firms

FN: Footnote on this item for this area in place of data

NA: Not available

S: Suppressed; does not meet publication standards

X: Not applicable

Z: Value greater than zero but less than half unit of measure shown

Source U.S. Census Bureau: State and County QuickFacts. Data derived from Population Estimates, Census of Population and Housing, Small Area Income and Poverty Estimates, State and County Housing Unit Estimates, County Business Patterns, Nonemployer Statistics, Economic Census, Survey of Business Owners, Building Permits, Consolidated Federal Funds Report

Last Revised: Tuesday, 17-Nov-2009 12:17:52 EST

Additional Information can be obtained from Water Discharge Permit Information PCS
 Query.

AIRS / AFS Information

<u>PLANT NAME:</u>	ABSOLUTE ENERGY LLC	<u>COMPLIANCE SYSTEM PLANT ID:</u>	00042
<u>AFS PLANT ID:</u>		<u>LONGITUDE:</u>	0
<u>LATITUDE:</u>	0	<u>PRINCIPAL PRODUCT:</u>	
<u>DUNS NUMBER:</u>		<u>EMERGENCY CONTROL:</u>	
<u>INVENTORY YEAR:</u>		<u>COMPLIANCE STATUS:</u>	IN COMPLIANCE WITH PROCEDURAL REQUIREMENTS
<u>CLASS CODE:</u>	POT EMISSIONS BELOW MAJR SOURCE THRESHOLDS IF COMPLIES WITH FED REGS/LIMITS		

The current AIRS/AFS database does not have any pollutant data for this facility.

RCRAInfo

HANDLER ID: IAR000512814

LIST OF NAICS CODES AND DESCRIPTIONS

NAICS CODE	NAICS DESCRIPTION
325193	Ethyl Alcohol Manufacturing

HANDLER / FACILITY CLASSIFICATION

HANDLER TYPE
Conditionally Exempt Small Generator

http://oaspub.epa.gov/enviro/lrt_viewer.map_page?sys_id=110027236621

Last updated on Monday, January 4th, 2010.

Locational Reference Tables (LRT)



You are here: [EPA Home](#) [Envirofacts](#) [FRS](#) Location Information

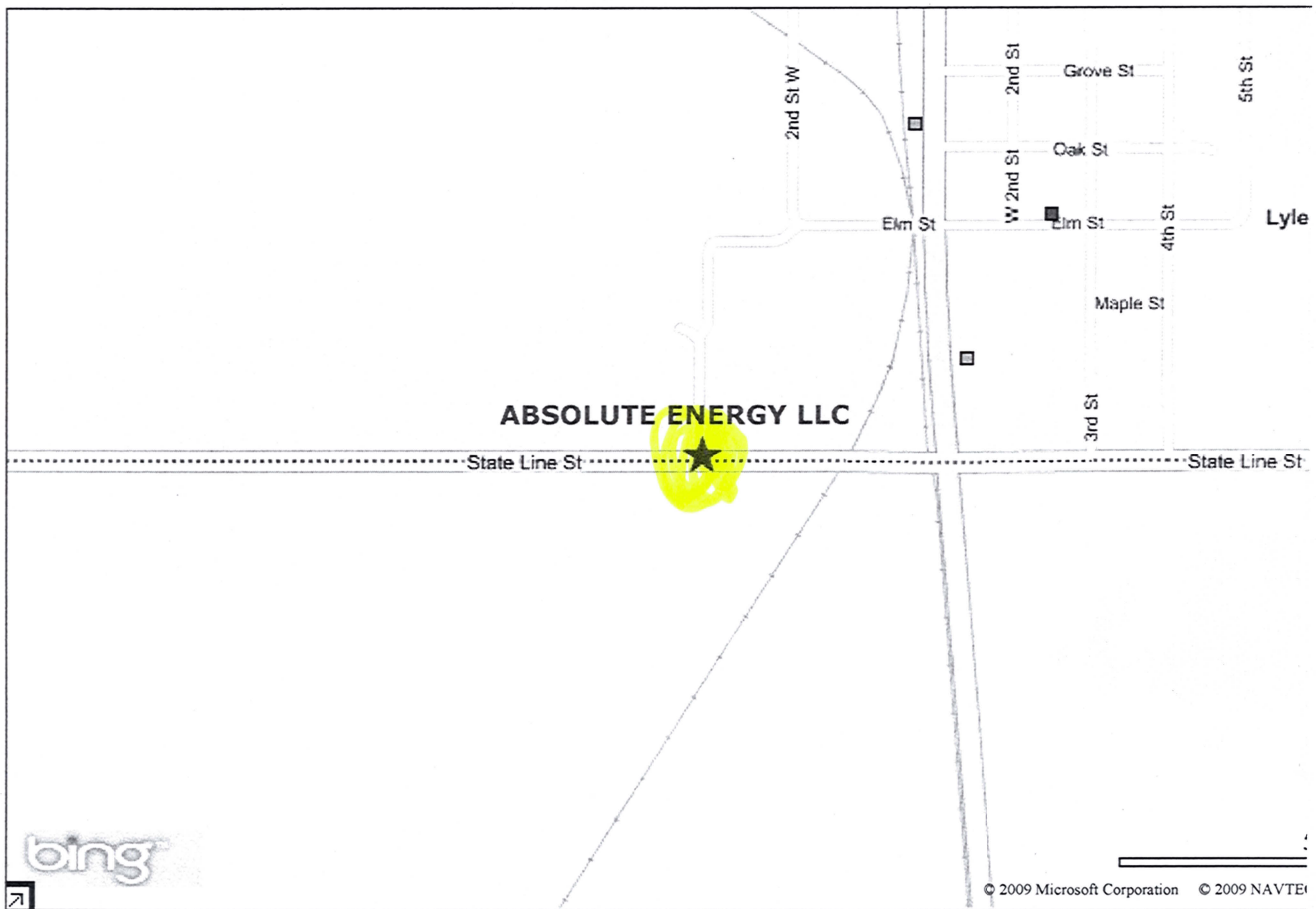


Locational Information

Facility Location Information

Report an Error

ABSOLUTE ENERGY LLC
1372 STATELINE ROAD
ST ANSGAR (MONA) IA 50472
Latitude: 43.499789 Longitude: -92.949365



The latitude and longitude coordinates above come from the Envirofacts Locational Reference Tables (LRT). The method used to derive the Most Accurate Coordinates was ADDRESS MATCHING-HOUSE NUMBER. These coordinates correspond to N/A and represent the best location for the facility. The coordinates were obtained from EPA HEADQUARTERS.

Query executed on JAN-04-2010

U.S. DEPARTMENT OF AGRICULTURE Rural Development - Energy Division	For Agency Use Only
	Agreement Number
REPOWERING ASSISTANCE PROGRAM - APPLICATION	
<p><i>NOTE: The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 et seq.), as amended. The authority for requesting the following information is Section 9001 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-234). The information will be used to complete the terms of an Agreement between the owner of an eligible biorefinery (Biorefinery) and the Agency. Furnishing the requested information is voluntary, however, without it, eligibility to enter into an Agreement with the Agency cannot be determined. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 15 USC 714m; 18 USC 286, 287, 371, 641, 1001, 1014; and 31 USC 3729, may be applicable to the information provided.</i></p> <p><i>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0193. The time required to complete this information collection is estimated to average 24 hours per response, including the time for reviewing instructions searching existing data sources gathering and maintaining the data needed and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM TO: USDA RURAL DEVELOPMENT-ENERGY DIVISION, REPOWERING ASSISTANCE PROGRAM, 1400 INDEPENDENCE AVENUE, SW, STOP 3225, WASHINGTON, DC 20250-3225.</i></p>	

1. Operating name of Biorefinery Absolute Energy LLC		
2A. Mail Address (Regular Mail) 1372 State line Road St. Ansgar, IA 50472	2B. Congressional District IA-4	
3. IRS Tax Identification Number 20-3841025	4A. Contact Person Rick Schwarck	
4B. Contact Person's Title CEO	5. Telephone No. (Include Area Code) (641) 326-2220	
6. FAX No. (Include Area Code) (641) 326-2224	7. E-Mail Address rick.schwarck@absenergy.org	
8. DUNS Number: 794106463	9. Are the Certification (s) required by the applicable Notice or regulations as amended attached? (Check one) <input checked="" type="checkbox"/> yes <input type="checkbox"/> no	10. Is the Feasibility Study required by the applicable Notice or regulations as amended attached? (Check one) <input checked="" type="checkbox"/> yes <input type="checkbox"/> no

Part A - Provide the information specified in Table A, either in the spaces provided or on attached pages.**Table A. Biorefinery Information**

<p>1. What is the typical operating schedule for the Biorefinery?</p> <p>_____ 24 _____ hours/day; _____ 353 _____ days/year</p>
<p>2. Electric use data. (Provide information on the electric service to the Biorefinery; typical consumption, peak and average demand; monthly and seasonal use patterns, etc.)</p> <p>Electric service to Ethanol Plant: 20,000 amps Average monthly electric usage from 2/15/2008 to 9/30/2009: 5,070,796 KWHs Attachment "A" has monthly use patterns</p>
<p>3. Fuel use data. (Provide information on the current fuel use for boilers and process heaters, including fuel type, costs, and use patterns)</p> <p>Fuel Type: Natural Gas Average monthly fuel usage from 2/15/2008 to 9/30/2009: 237,584 MMBTUS Average monthly fuel cost from 2/15/2008 to 9/30/2009: \$1,752,946 Attachment "B" has monthly use patterns</p>
<p>4. Thermal loads. (Provide information on existing thermal loads, including type (steam, hot water, direct heat), conditions (temperature, pressure), and use patterns)</p> <p>Attachment "C" has information on thermal loads for Absolute Energy Ethanol plant.</p>
<p>5. Existing equipment. (Provide information on the existing heating and cooling equipment, including type, capacities, efficiencies and emissions)</p> <p>Attachment "D" has information on existing equipment at the Absolute Ethanol Plant.</p>
<p>6. Site-specific data. (Provide information on other site-specific issues, such as expansion plans or neighborhood considerations that might impact the proposed new system design or operation)</p> <p>Absolute Energy LLC has no expansion plans for this site. In the planning stages for the current ethanol plant, the plans for construction of an ethanol plant were known and supported by the public in the area.</p>
<p>7. Biofuel production. (Provide information on the liquid transportation fuels production; type, gallons per year)</p> <p>Absolute Energy LLC currently owns, operates and maintains an ethanol facility capable of producing approximately 110 million gallons of ethanol annually. Attachment "E" has information on plant and proposed project.</p>

8. Projected Return on Investment (Provide information on the projected return on investment demonstrated by calculating actual base energy use costs for the 24-month period prior to submission of the application, or based on engineering, design, and site plans for biorefineries with less than 24 months of operating data)

Capital Expense	\$28,547,807	
-----	-----	= 2.49
Savings in Annual Operating Costs (feasibility study year #1-appendix B, page 17)	\$11,442,227	

9. Projected Reduction of Fossil Fuel. (Provide information on the projected reduction in fossil fuel use based on actual fossil fuel use for the 24-month period prior to submission of the application, or at least 12-months of actual data and on engineering, design, and site plans for biorefineries with less than 24 months of actual operating data)

According to the feasibility study the natural gas usage at the plant will be reduced by approximately 1,515,000 MMMtus annually, a 50% reduction. With this system, we would also offset 3.2 Mega watts of electricity coming from coal fired power plants. This would eliminate the burning of 9,152 tons of coal per year.

Part B - Provide the information specified in Table B, either in the spaces provided or on attached pages.

Table B. Repowering Project Information

<p>1. a. Identify the sources and uses of funds.</p> <p>This project will be financed through Home Federal Savings Bank. Attachment "F" The funds will be used to purchase equipment and construction of project.</p> <p>b. Identify the total project costs.</p> <p>The total estimated cost for this project is \$28,547,807. Attachment "G" contains a cost breakdown for this project.</p>								
<p>2. List costs that are eligible project costs for the Repowering Assistance Program. (Eligible project costs include only those costs that are for equipment, construction and engineering services for renewable biomass systems used to replace fossil fuels used to produce heat or power to operate the biorefinery. Thus, if the renewable biomass system will also be used to generate heat or power that is to be sold, the percentage of costs associated with that activity must be deducted from the total repowering project cost.)</p> <p>The total eligible project cost is \$28,547,807. Attachment "G" contains a cost breakdown for this project.</p>								
<p>3. Dollar amount of Repowering Assistance to be requested. (Based on planned energy production from renewable biomass and calculated using a payment amount of \$0.50 per Million Btu. Maximum payment amount is the lesser of \$5 million dollars or 50 percent of the eligible project cost.)</p> <p style="text-align: center;">\$2,514,111.00</p>								
<p>4. Provide information on the expected schedule of the repowering project. (Give the estimated date the repowering project will be initiated, the estimated calendar time to complete the project, the projected completion date, and the projected date by which full energy production will be reached.)</p> <table style="width: 100%; border: none;"> <tr> <td style="padding-left: 20px;">DNR Permit for operation-</td> <td style="padding-left: 20px;">March 30, 2010</td> </tr> <tr> <td style="padding-left: 20px;">Start construction of facility-</td> <td style="padding-left: 20px;">April 1, 2010</td> </tr> <tr> <td style="padding-left: 20px;">Finish construction phase</td> <td style="padding-left: 20px;">June 1, 2011</td> </tr> <tr> <td style="padding-left: 20px;">Full Production at plant</td> <td style="padding-left: 20px;">July 1, 2011</td> </tr> </table>	DNR Permit for operation-	March 30, 2010	Start construction of facility-	April 1, 2010	Finish construction phase	June 1, 2011	Full Production at plant	July 1, 2011
DNR Permit for operation-	March 30, 2010							
Start construction of facility-	April 1, 2010							
Finish construction phase	June 1, 2011							
Full Production at plant	July 1, 2011							
<p>5. Percentage of energy produced from renewable biomass that will be used for:</p> <p>_____ steam production; _____ direct heat; _____ process heat; <u>100.00</u> electricity generation;</p>								
<p>6. Will production of energy from renewable biomass be uniform throughout the year? If not, describe seasonal and other variations.</p> <p>The plant runs 24/7; 353 days/year. Corn for the ethanol plant is bought each month to provide year around operation of the plant. The plant is shut down 12 days per year to complete normal year maintenance items.</p>								
<p>7. Type(s) of renewable biomass feedstock to be used. (If more than one type of biomass feedstock is expected to be used, give the estimated percentage of each type.)</p> <p>The fuel source will be renewable biomass corn syrup that is a by-product of the ethanol production process at the Absolute energy plant.</p>								
<p>8. Provide an estimate of the number of jobs created, saved, or lost as a result of the repowering project.</p> <p><u>4</u> jobs created; <u>41</u> jobs saved; _____ jobs lost</p>								

Part C - Certification of Biorefinery Documentation and Acceptance

CERTIFICATION AND ACCEPTANCE	
I certify that, to the best of my knowledge and belief, the information included with this Application is true and correct, that the Biorefinery reported is an eligible Biorefinery that was in existence on or before June 18, 2008, and that the Biorefinery is producing liquid transportation fuels from an eligible renewable biomass feedstock. I certify that the Biorefinery does not receive Title I payments for biomass used as feedstock in this repowering project.	
1. BIOREFINERY	
A.	<u>Absolute energy LLC</u> (PRODUCER NAME)
B. By:	<input checked="" type="checkbox"/> <u>Phil A. Schell</u> (Officer, Member, Partner, Proprietor)
C. Title:	<u>CEO</u>
D. Date:	<input checked="" type="checkbox"/> <u>10-27-09</u>

REQUEST FOR ENVIRONMENTAL INFORMATION

Name of Project	Fluidized Bed Project
Location	N 1/2, NW 1/4, NE 1/4, Section 10 T100-R18W

- Item 1a.** Has a Federal, State, or Local Environmental Impact Statement or Analysis been prepared for this project?
 Yes No Copy attached as EXHIBIT I-A.
- 1b.** If "No." provide the information requested in Instructions as EXHIBIT I.
- Item 2.** The State Historic Preservation Officer (SHOP) has been provided a detailed project description and has been requested to submit comments to the appropriate Rural Development Office. Yes No Date description submitted to SHPO _____
- Item 3.** Are any of the following land uses or environmental resources either to be affected by the proposal or located within or adjacent to the project site(s)? (Check appropriate box for every item of the following checklist).

	Yes	No	Unknown		Yes	No	Unknown
1. Industrial	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	19. Dunes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Commercial	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	20. Estuary	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. Residential	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	21. Wetlands	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Agricultural	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	22. Floodplain	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Grazing	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	23. Wilderness	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Mining, Quarrying	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(designated or proposed under the Wilderness Act)			
7. Forests	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	24. Wild or Scenic River	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Recreational	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(proposed or designated under the Wild and Scenic Rivers Act)			
9. Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	25. Historical, Archeological Sites	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Parks	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(Listed on the National Register of Historic Places or which may be eligible for listing)			
11. Hospital	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	26. Critical Habitats	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
12. Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(endangered /threatened species)			
13. Open spaces	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	27. Wildlife	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
14. Aquifer Recharge Area	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	28. Air Quality	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
15. Steep Slopes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	29. Solid Waste Management	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
16. Wildlife Refuge	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	30. Energy Supplies	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Shoreline	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	31. Natural Landmark	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18. Beaches	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(Listed on National Registry of Natural Landmarks)			
				32. Coastal Barrier Resources System	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Item 4. Are any facilities under your ownership, lease, or supervision to be utilized in the accomplishment of this project, either listed or under consideration for listing on the Environmental Protection Agency's List of Violating Facilities? Yes No

10-27-09
(Date)

Signed: Paul A. Schul president/CEO
(Applicant)

president/CEO
(Title)

EXHIBIT I

ABSOLUTE ENERGY LLC
PROJECT NAME: FLUIDIZED BED PROJECT

Item 1B--- Impact Analysis—Class I Action

1. Primary Beneficiaries:

The primary beneficiary for this Fluidized Bed Project will be Absolute Energy LLC who is the sole owner/operator of the planned Fluidized Bed. There are no corporate parents, affiliates or subsidiaries.

2. Area Description:

This project will involve the installation of a Fluidized Bed on the Absolute Energy LLC Ethanol production site located in Section 10 of OtrantoTwp. in Mitchell County Iowa. Approximately $\frac{1}{4}$ acre of the site will be utilized by the Fluidized Bed Project. Legal Description: N1/2, NW1/4, NE1/4, Section 10, T100N-R18W.

The Fluidized Bed site is part of the existing disturbed industrial site. The terrain is 0-4 percent slopes. The adjacent land is used for agricultural crop production.

Exhibit II is attached with the following information: aerial photograph of site, soil map of site, topographic map of site and flood hazard information.

13. Public Reaction:

There has been no public opposition for this project, a hearing has not been held. The Mitchell County Economic Development Commission supports this project. Their Board consists of local bankers, business and community leaders, and local elected county and city officials.

15. Mitigation Measures:

If it appears that any environmental impacts will result by the installation of the Fluidized Bed at the planned location, an alternative site will be procured.

16. Permits:

There are two permits of environmental nature which will be needed for this project. They are:

- Construction air permit
- Operating air permit for the boiler

The application for these permits will be completed later this fiscal year.

17. Other Federal Action:

We are not aware of any other federal programs or pending actions associated with this project or located near the area.

Exhibit II

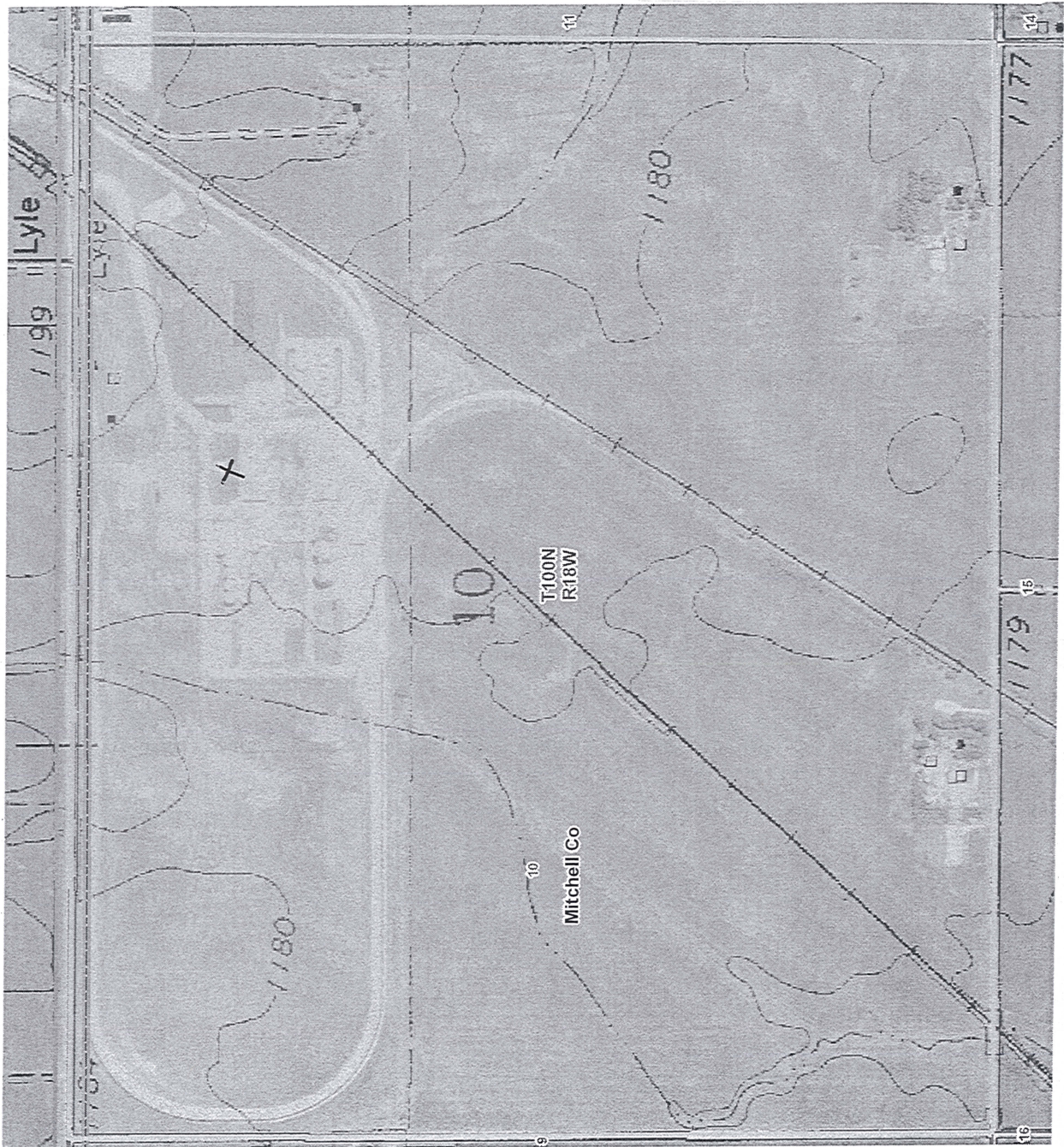
Soil map of Site



X - Location Fluidized Bed Project

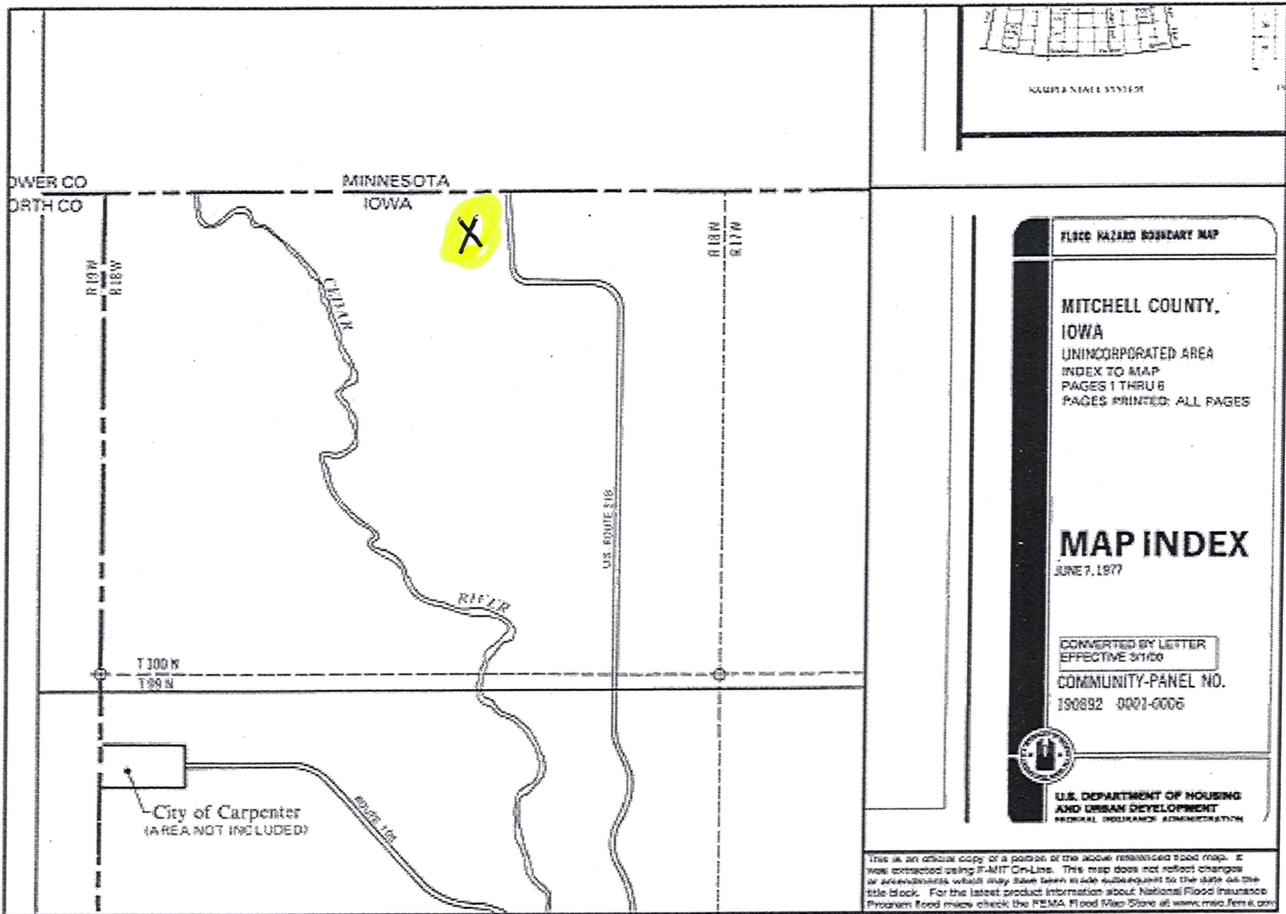
Exhibit II

Topo map of Site



X - Location Fluidized Bed Project

Exhibit II



Flood Hazard Map

X - Location of Fluidized Bed Project

REQUEST FOR SHPO COMMENT ON A PROJECT

Submit one copy with each property for which our comment is requested. Please print or type.

Return to: State Historical Society of Iowa, State Historic Preservation Office, 600 E. Locust St, Des Moines, IA 50319-0290

I. GENERAL INFORMATION

This is a new submittal

This is more information relating to SHPO R&C #: _____

- a. Property Name: Absolute Energy, LLC
- b. Property Street & Number: 1372 State Line Road
- c. County: Mitchell City: St. Ansgar Zip: 50472
- d. Federal Agency: USDA, Rural Development Federal Funding Program/Permit: REAP 9004 Program
- e. Agency Project No.: tbd If HUD, circle one: 24 CFR Part 50 or Part 58
- f. Contact Person on Project: Frank Mancino Phone: 202-720-1827
- g. Contact Address: 1400 Independence Ave, SW MS 0761 Washington, DC Zip: 20250
email: frank.mancino@wdc.usda.gov

II. IDENTIFICATION OF HISTORIC PLACES

Scope of Effort Applied

As agreed in programmatic or other agency agreements with SHPO (if applicable)

Includes the attached elements required under 36 CFR 800.4(a)

- 1) Area of potential effects, as defined in 800.16(d), is shown on map
- 2) Existing information has been reviewed on historic properties in the property area at SHPO office and/or other locations of inventory data
- 3) Information has been sought from parties likely to have knowledge about historic properties in the project area
- 4) Information gathered from Indian tribes, as appropriate

Identification Results

History and Architecture

An attached Iowa Site Inventory form is completed for each building 50 years of age or older

Archaeology

Yes No The project will involve excavation

If yes, submit all of the following information (use attachments of necessary)

- 1) Precise project location map (preferably U.S.G.S. 7.5 min Quad with name, date, & location)
- 2) Site plan showing limits of proposed excavation
- 3) Number of acres in project 0.25
- 4) Legal location: Section(s) 10 Township(s) 100 Range(s) 18W
- 5) Description of width and depth of proposed excavation and current conditions of project area

III. APPLICANT CERTIFICATION (Check Either Adverse Effect or No Adverse Effect for Historic Property Affected category)

Findings (Check One)

No historic properties will be affected (i.e., none are present or there are historic properties present but the project will have no effect upon them) and adequate documentation under 800.11 is provided, including:

- 1) A description of the undertaking, specifying the Federal involvement, and its area of potential effects, including photographs, maps, drawings, as necessary **and**
- 2) A description of the steps taken to identify historic properties, including, as appropriate, efforts to seek information pursuant to 800.4(b) **and**
- 3) The basis for determining that no historic properties are present or affected.

I understand that the SHPO has 30 days from receipt to object to the finding, after which the applicant's responsibilities under Section 106 of the Historic Preservation Act are fulfilled.

An historic property will be affected for which documentation is provided as required in 36 CFR Part 800.11(e) and, in applying the criteria of adverse effect under 800.5, propose that the project be considered to have **(Check One)**:

- A **No Adverse Effect** under which, in consultation with the SHPO, the project will be modified or conditions imposed to avoid adverse effects. I understand that failure of the SHPO to provide a dated response within 30 days from receipt to the finding shall be considered agreement of the SHPO with the finding
- An **Adverse Effect** is found and the applicant, or other federally authorized representative, will consult with the SHPO and other consulting parties to resolve the adverse effect under 800.6

Federally Authorized Signature: Frank P. Mancino
Type name below → Frank Mancino, Environmental Protection Specialist, RD, USDA

Date: 12/04/2009

IV. STATE HISTORIC PRESERVATION OFFICE COMMENT

- Agree with the finding in section III above (move to reader's file) See attached follow-up letter
- Object to the finding for reasons indicated in attached letter
- Cannot review until information is sent as follows: _____

Authorized Signature: _____ Date: _____

Attachment 1

II 36 CFR 800.4(a)

1. Area of potential effects (APE), as defined in 800.16(d), is shown on the attached maps. The APE is defined as the site footprint for the ethanol plant.
2. A review of the Iowa OAS and GIS files show no historic properties in the property area.
3. No known Tribal resources are in this area.

III Findings

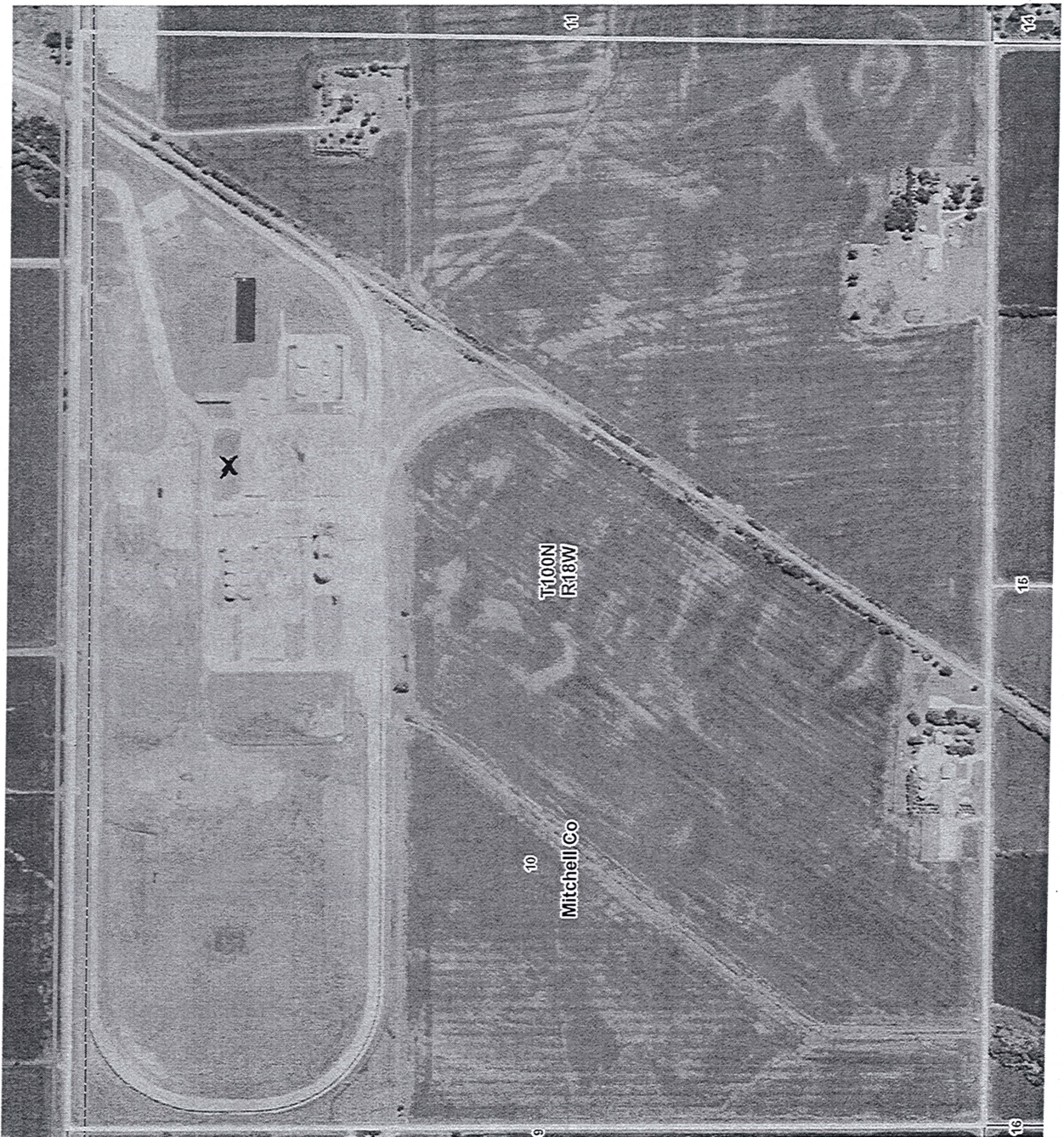
1. Undertaking Description

Rural Development proposes to provide financial assistance to Absolute Energy, LLC for purchase and installation of a fluidized bed reactor and material handling infrastructure related to the use of biofuels at the Absolute Ethanol Plant. Absolute Ethanol is located at 1372 State Line Road, St. Ansgar, IA 50472-Mitchell County). Absolute Energy is an ethanol plant capable of producing approximately 100 million gallons of ethanol (and other feed products)/year, and consumes approximately 3,000,000 MMBtu's/year of natural gas to fuel the plant. The proposal would install a new fuel combustion system to run biomass corn syrup which is a byproduct of the ethanol production process at the plant. The reactor would replace a large part of the natural gas consumed, as well as generating approximately 3.2 MW of electrical power which will further reduce fossil fuel consumption. The proposed fluidized reactor area is approximately .025 of an acre and within the existing plant site (as shown on attached maps and photos). The entire plant area was graded and profoundly disturbed during construction in 2006; the proposed site is graded and is used as an unloading area for the ethanol production process.

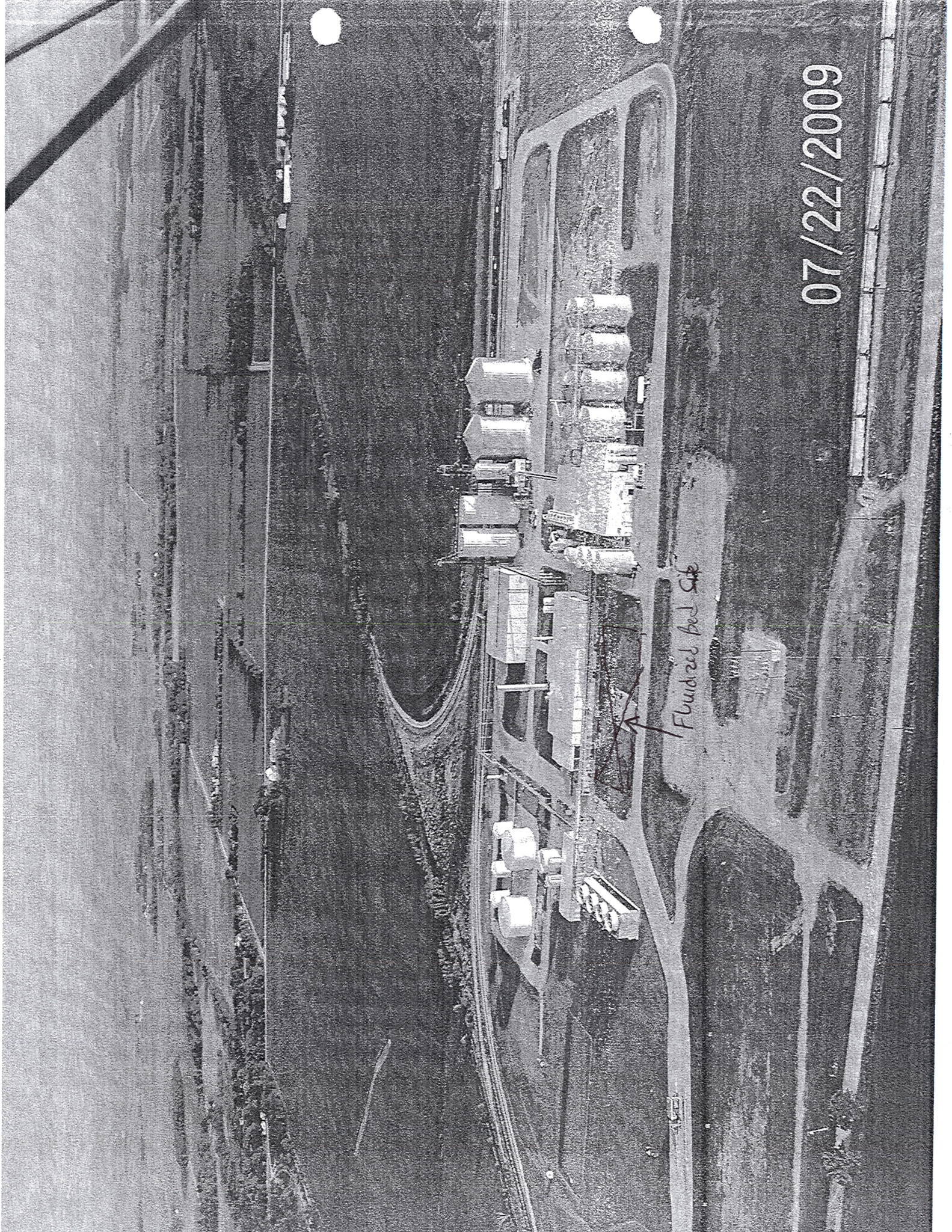
2. Survey of Iowa databases of existing historic resources show no historic structures eligible for, or listed on the National Register of Historic Places within at least 1 mile of the ethanol plant.
3. The basis for determining that no historic properties are present or affected is: a) the plants buildings and structures are less than 50 years old; and b) the site has been graded and profoundly disturbed during plant construction.

Exhibit II

Aerial Photo of site



X - site Fluidized Bed Project

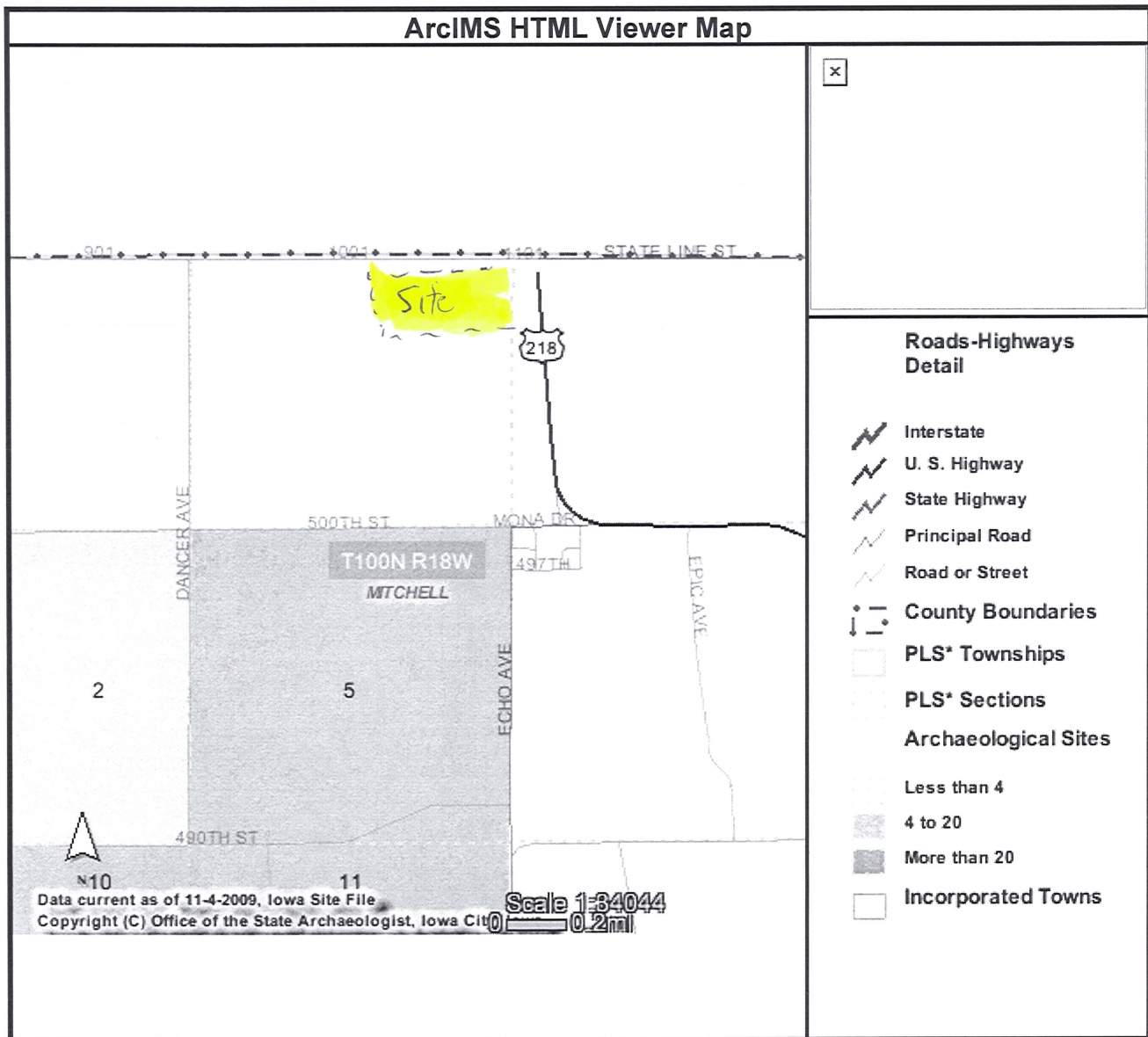


Fluidized bed site

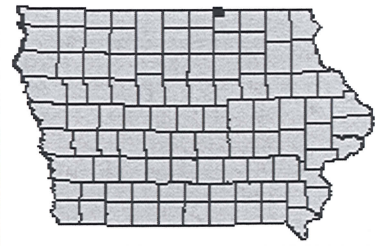
07/22/2009

Mitchell County

Property	Address	City	Date Listed
Cedar Valley Seminary	N. 6th and Mechanic Sts.	Osage	11/17/1977
Deering, Nathaniel Cobb and Lucetia Baily, House	903 State Street	Osage	1/26/2001
First Lutheran Church	212 N. Main Street	St. Ansgar	12/12/1976
Mitchell County Courthouse	500 State Street	Osage	08/29/1977
Mitchell Powerhouse and Dam	Red Cedar River	Mitchell	12/08/1978
Osage Commercial Historic District	Main Street Blks. 700, 600 and parts of 500	Osage	9/12/2002
Otranto Bridge	480th Ave. over Big Cedar River Street	Ansgar vicinity	5/15/98
Severson Nels Barn	N of Carpenter	Carpenter	07/15/1977
Union Presbyterian Church	NW of Stacyville	Stacyville	04/13/1977
Walnut Grove School	3272 Foothill Ave.	Osage vicinity	9/12/2002

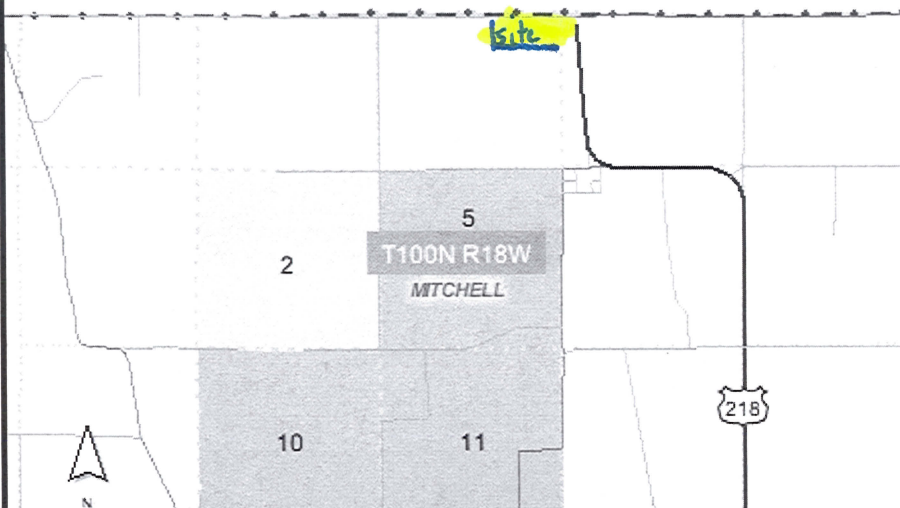


ArcIMS HTML Viewer Map



Roads-Highways Detail

- Interstate
- U. S. Highway
- State Highway
- Principal Road
- Road or Street
- County Boundaries
- PLS* Townships
- PLS* Sections
- Archaeological Sites**
 - Less than 4
 - 4 to 20
 - More than 20
- Incorporated Towns



Data current as of 11-4-2009, Iowa Site File
Copyright (C) Office of the State Archaeologist, Iowa City
Scale 1:68089
0.39mi