



**United States Department of Agriculture
Rural Development**

September 16, 2011

SUBJECT: Finding of No Significant Impact (FONSI)
e-biofuels, LLC
Biogas Anaerobic Digester Facility
In Middletown, Indiana

DESCRIPTION OF ACTION

The U.S. Department of Agriculture, Rural Business-Cooperative Service (RBS) has received an application from e-biofuels, LLC for funding under the RBS 9004 Repowering Assistance Program. The proposed funding request is for construction and operation of a new Biogas Anaerobic Digester for an existing biodiesel facility located on the existing 6 acre plant located at 710 Norfleet Drive, Henry County, Middletown, Indiana. The environmental analysis of this proposed action is contained in the attached Environmental Assessment (EA) prepared by RBS.

The proposal would include the construction and operation of a biogas facility to convert swine manure, as well as waste glycerol to biogas (methane) to be utilized as a replacement for natural gas. The estimated amount of feedstock utilized in the biogas facility is 50-tons of feedstock per day.

The intent of this proposal is to produce enough biogas to replace the normal average natural gas consumption of 300 mc³/day for the biodiesel plant operation. If successful, natural gas usage will be reduced approximately 100 percent, thereby contributing to the overall reduction of CO₂ emissions in the U.S. Construction of the biogas anaerobic digestion facility is proposed to be initiated in the early 2012, and is proposed to be in operation up to full energy production by Summer 2012.

This proposal, construction and operation of the biogas facility, would have no adverse effects during construction and operation to air quality, water quality, and local flora and fauna and does not pose significant adverse effects to the natural or human environment.

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BASIS FOR FINDINGS

As required by the National Environmental Policy Act and agency regulations, RBS has assessed the potential environmental effects of the proposal. After consideration of the applicant's proposal, comments from Federal and State environmental regulatory and natural resource agencies, the agency has determined that the proposal will not have a significant adverse effect on the natural or human environment. Therefore, RBS will not prepare an Environmental Impact Statement for this proposal.

FINDINGS

The attached environmental assessment for the subject proposal has been prepared and reviewed by the appropriate Rural Business-Cooperative Service officials. 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.

Prepared by: Frank Mancino 9/14/2011
FRANK MANCINO Date
Environmental Protection Specialist, Program Support Staff

Recommended: Linda J. Rodgers 9/14/2011
LINDA J. RODGERS Date
Director, Program Support Staff

Recommended: William C. Smith 9/15/2011
WILLIAM C. SMITH Date
Director, Energy Division, Rural Business-Cooperative Service

Approved: Judith A. Canales 9/21/11
JUDITH A. CANALES Date
Administrator, Rural Business-Cooperative Service

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

ENVIRONMENTAL ASSESSMENT FOR CLASS I ACTION

1. Description

- a. Name of Project: _____
- b. Project Number: _____
- c. Location: _____

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 type="checkbox"/>
b. Floodplains	<input type="checkbox"/>	<input type="checkbox"/>
c. Wilderness (designated or proposed under the Wilderness Act)	<input type="checkbox"/>	<input type="checkbox"/>
d. Wild or Scenic River (proposed or designated under the Wild and Scenic Rivers Act)	<input type="checkbox"/>	<input type="checkbox"/>
e. Historical, Archeological Sites	<input type="checkbox"/>	<input type="checkbox"/>
(listed on the National Register of Historic Places or which may be eligible for listing)		
f. Critical Habitat or Endangered/Threatened Species (listed or proposed)	<input type="checkbox"/>	<input type="checkbox"/>
g. Coastal Barrier included in Coastal Barrier Resources System	<input type="checkbox"/>	<input type="checkbox"/>
h. Natural Landmark (listed on National Registry of Nature Landmark)	<input type="checkbox"/>	<input type="checkbox"/>
i. Important Farmlands	<input type="checkbox"/>	<input type="checkbox"/>
j. Prime Forest Lands	<input type="checkbox"/>	<input type="checkbox"/>
k. Prime Rangeland	<input type="checkbox"/>	<input type="checkbox"/>
l. Approved Coastal Zone Management Area	<input type="checkbox"/>	<input type="checkbox"/>
m. Sole Source Aquifer Recharge Area	<input type="checkbox"/>	<input type="checkbox"/>
(designated by Environmental Protection Agency)		

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 type="checkbox"/> Air Quality | <input type="checkbox"/> Wildlife |
| <input type="checkbox"/> Water Quality | <input type="checkbox"/> Energy |
| <input type="checkbox"/> Solid Waste Management | <input type="checkbox"/> Construction Impacts |
| <input type="checkbox"/> Transportation | <input type="checkbox"/> Secondary Impacts |
| <input 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 _____ 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 _____ 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"/>	Endangèred 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 checked="" 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 checked="" type="checkbox"/>	Highly Erodible Land and Wetland Conservation, Food Security Act
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Executive Order 11988, Floodplain Management
<input type="checkbox"/>	<input checked="" 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. Marotta
Signature of Preparer*

9/15/2011
Date

Environmental Protection Specialist
Title

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

Judith A. Condr

9/2/11
Date

Signature of Concurring Official ¹

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 A

Do not
Concur Concur

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

Judith Rodgers

9/14/2011
Date

Signature of State Environmental Coordinator ²

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 e-biofuels, LLC for purchase and installation of an anaerobic digester to process waste materials to produce bio-methane that will replace natural gas combustion at the e-biofuels biodiesel plant. E-biofuels is located at 710 Norfleet Drive, Middletown, Henry County, IN 47356. E-biofuels is a biodiesel plant that produces approximately 15 million gallons of biodiesel/year, and consumes approximately 600 m³/day of natural gas, and 2050 kWh/day of electricity. The proposal would install and operate an anaerobic digester convert swine manure and glycerol into methane, and combust it for on-site power generation. Approximately 50 tons/day of swine manure would be trucked in from the surrounding area where there exists at least 120 ton/day of manure from operations within Henry County; another 1 ton/day of glycerol generated from the biodiesel process would be used in the digester, as well. Construction of the digester and genset would be on the 6 acres of the facility, which has been graded and disturbed during construction previously.

There are no critical resources such as wetlands, streams, or wildlife located on or near the proposed site which is a developed industrial facility. There are no impacts to air quality since the methane produced will replace the natural gas combusted on-site.

Water Quality/Quantity

There are no increases in water amounts used for the digester. Effluent from the digester will have reduced nutrient levels and will reduce glycerol amounts to wastewater flows, compared to the existing production process. Overall water quality impacts would be beneficial due to the processing of swine manure which has adverse impacts to water resources from high nutrient, BOD and bacterial levels, all of which will be reduced or eliminated by use of the proposed anaerobic digester.

Farmland Protection Policy Act

There are no impacts to prime or important farmlands as the 6 acre site has already been developed for biofuel production.

National Historic Preservation Act

RD has made a determination of no potential to affect historic resources since the site has been previously disturbed, graded, and paved, and there are no historic properties within the APE of the plant or near-by. The determination of no effect to historic resources was sent to the Indiana SHPO and no objections have been received within the 30 day period.

Alternatives Considered

No Action

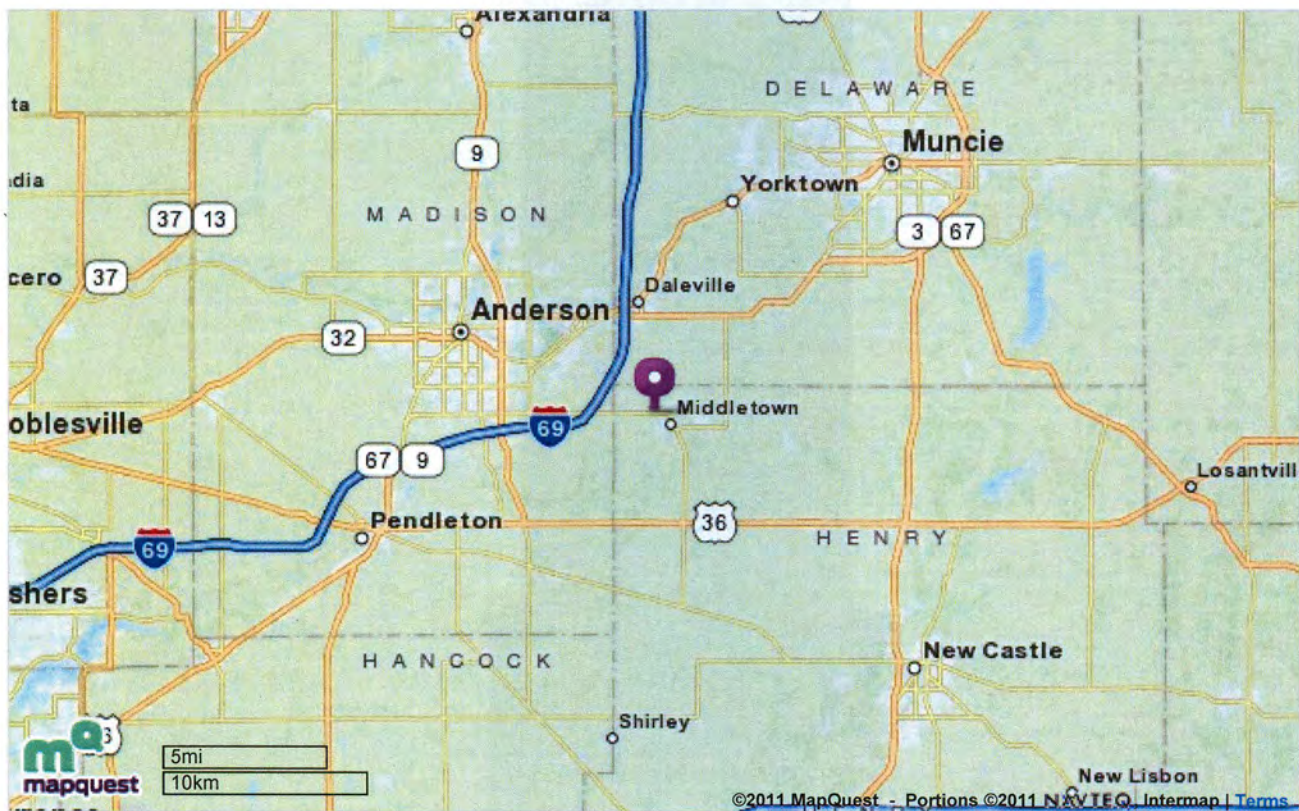
If RD takes no action on providing financial assistance, e-biofuels, LLC could still proceed with the action to install digester. The economics of the changeover would be a longer term to return the investment but the environmental impacts would be the same as under the proposed action. Should e-biofuels not proceed with fuel switching on the basis of denied RD funding, the impacts of using approximately 300 m³/day of natural gas would be unchanged.



Notes

Map of:

[700-799] Norfleet Dr W
Middletown, IN 47356



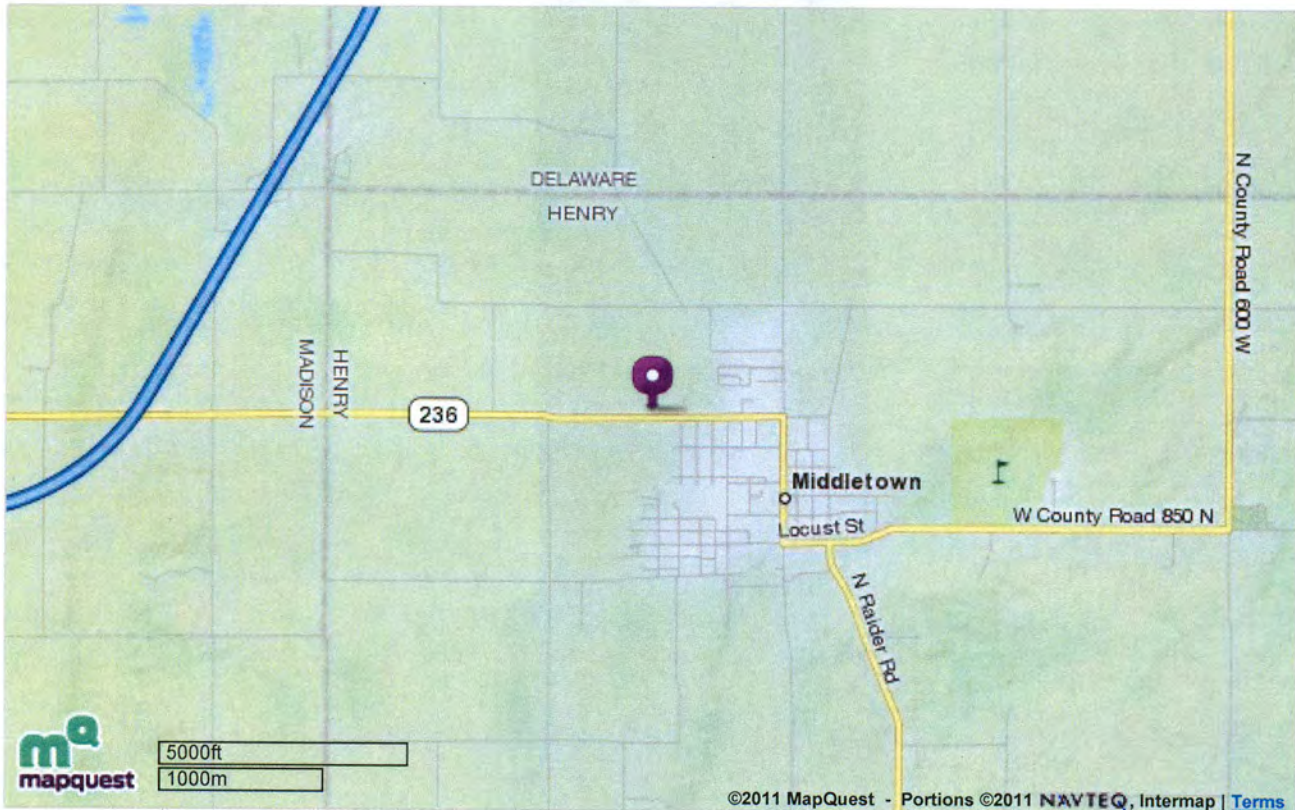
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Map of:

[700-799] Norfleet Dr W
Middletown, IN 47356

Notes



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Map of:

[700-799] Norfleet Dr W
Middletown, IN 47356

Notes

E-Biofuels Facility



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

1. Applicant's name and proposed project description: e-biofuels, LLC proposes to install an anaerobic digester to process local swine manure, produce and burn bio-methane

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:

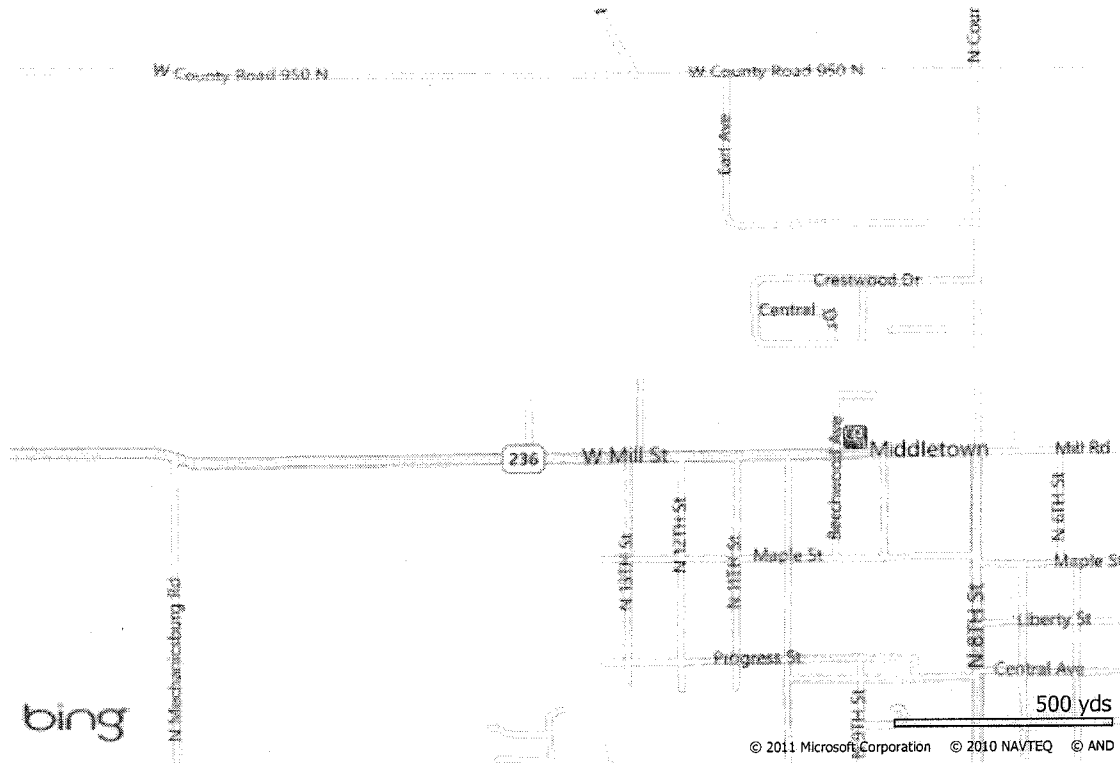
- No major EJ or civil rights impact is likely to result if the proposal is implemented.
 A major EJ or civil rights impact is likely to result if the proposal is implemented.

Frank Marotta
Name and Title of Certifying Official

9/14/2011
Date

e-biofuels, LLC 710 Norfleet Dr, Middletown, IN 47356

Media: Waste
Single facility
Facility cluster





U.S. Census Bureau

American FactFinder

FACT SHEET

Henry County, Indiana

2005-2009 American Community Survey 5-Year Estimates - what's this? Data Profile Highlights:

Note: The following links are to data from the American Community Survey and the Population Estimates Program.

NOTE: Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns and estimates of housing units for states and counties.

	Estimate	Percent	U.S.	Margin of Error	
Social Characteristics - show more >>					
Average household size	2.34	(X)	2.60	+/-0.04	map
Average family size	2.82	(X)	3.19	+/-0.07	
Population 25 years and over	33,326			+/-124	
High school graduate or higher	(X)	82.9	84.6%	(X)	map
Bachelor's degree or higher	(X)	13.2	27.5%	(X)	map
Civilian veterans (civilian population 18 years and over)	4,450	12.0	10.1%	+/-323	map
With a Disability	(X)	(X)	(X)	(X)	
Foreign born	240	0.5	12.4%	+/-79	map
Male, Now married, except separated (population 15 years and over)	11,479	58.2	52.3%	+/-418	
Female, Now married, except separated (population 15 years and over)	10,976	56.9	48.4%	+/-390	
Speak a language other than English at home (population 5 years and over)	900	2.0	19.6%	+/-219	map
Household population	45,025			+/-557	
Group quarters population	(X)	(X)	(X)	(X)	
Economic Characteristics - show more >>					
In labor force (population 16 years and over)	21,956	57.4	65.0%	+/-554	map
Mean travel time to work in minutes (workers 16 years and over)	27.6	(X)	25.2	+/-1.4	map
Median household income (in 2009 inflation-adjusted dollars)	41,816	(X)	51,425	+/-1,614	map
Median family income (in 2009 inflation-adjusted dollars)	53,374	(X)	62,363	+/-1,863	map
Per capita income (in 2009 inflation-adjusted dollars)	20,410	(X)	27,041	+/-647	
Families below poverty level	(X)	9.5	9.9%	+/-1.7	
Individuals below poverty level	(X)	12.6	13.5%	+/-1.8	map
Housing Characteristics - show more >>					
Total housing units	21,473			+/-247	
Occupied housing units	19,228	89.5	88.2%	+/-414	
Owner-occupied housing units	14,580	75.8	66.9%	+/-416	
Renter-occupied housing units	4,648	24.2	33.1%	+/-427	
Vacant housing units	2,245	10.5	11.8%	+/-358	
Owner-occupied homes	14,580			+/-416	map
Median value (dollars)	92,900	(X)	185,400	+/-2,777	map
Median of selected monthly owner costs					
With a mortgage (dollars)	955	(X)	1,486	+/-25	map
Not mortgaged (dollars)	349	(X)	419	+/-13	
ACS Demographic Estimates - show more >>					
	Estimate	Percent	U.S.	Margin of Error	

Total population	47,481			*****	
Male	24,104	50.8	49.3%	+/-108	
Female	23,377	49.2	50.7%	+/-108	
Median age (years)	40.4	(X)	36.5	+/-0.4	map
Under 5 years	2,620	5.5	6.9%	+/-44	
18 years and over	36,995	77.9	75.4%	+/-88	
65 years and over	7,487	15.8	12.6%	+/-38	
One race	47,181	99.4	97.8%	+/-98	
White	46,087	97.1	74.5%	+/-164	map
Black or African American	710	1.5	12.4%	+/-91	map
American Indian and Alaska Native	44	0.1	0.8%	+/-33	map
Asian	31	0.1	4.4%	+/-36	map
Native Hawaiian and Other Pacific Islander	4	0.0	0.1%	+/-8	map
Some other race	305	0.6	5.6%	+/-156	map
Two or more races	300	0.6	2.2%	+/-98	map
Hispanic or Latino (of any race)	473	1.0	15.1%	*****	

Source: U.S. Census Bureau, 2005-2009 American Community Survey


Explanation of Symbols:

'***' - The median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.

'*****' - The estimate is controlled. A statistical test for sampling variability is not appropriate.

'N' - Data for this geographic area cannot be displayed because the number of sample cases is too small.

'(X)' - The value is not applicable or not available.

The letters PDF or symbol  indicate a document is in the Portable Document Format (PDF). To view the file you will need the Adobe® Acrobat® Reader, which is available for free from the Adobe web site.

Division of Historic Preservation & Archaeology • 402 W. Washington Street, W274 • Indianapolis, IN 46204-2739
Phone 317-232-1646 • Fax 317-232-0693 • dhpa@dnr.IN.gov



September 9, 2011

Frank Mancino
Rural Development
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250

Federal Agency: USDA Rural Development

Re: Project information and notification of Rural Development's finding of "no effect" regarding installation of an anaerobic digester at E-Biofuels, LLC at 710 Norfleet Drive using repowering assistance program funds (DHPA #12195)

Dear Mr. Mancino:

Pursuant to Section 106 of the National Historic Preservation Act (16 U.S.C. § 470f) and 36 C.F.R. Part 800, the staff of the Indiana State Historic Preservation Officer ("Indiana SHPO") has conducted an analysis of the materials dated and received on August 19, 2011 for the above indicated project in Middletown, Henry County, Indiana.

We concur with the USDA Rural Development's August 19, 2011 finding that there are no historic buildings, structures, districts or objects within the area of potential effects that will be affected by the above indicated project.

In accordance with 36 C.F.R. 800.4(b)(1), the Federal agency official shall make a reasonable and good faith effort to carry out appropriate identification and evaluation efforts and take into account past planning, research and studies, the magnitude and nature of the undertaking as well as the extent of potential effects the identified undertaking may have on historic properties.

The Indiana SHPO respectfully cites this regulation to remind the Federal agency official(s) that it is their responsibility to identify not only the undertaking but what (if any) effects said undertaking may have on historic properties.

If you have questions regarding our comments please contact Miriam Burkett at (317) 233-3883 or mburkett@dnr.IN.gov.

Very truly yours,

James A. Glass, PhD
Deputy State Historic Preservation Officer

JAG:MLB:mlb

emc: Anthony Kirkland, USDA Rural Development, Muncie Area Office