



**United States Department of Agriculture
Rural Development**

September 12, 2011

SUBJECT: Finding of No Significant Impact (FONSI)
ZeaChem Boardman Biorefinery LLC
Proposed Cellulosic Ethanol Biorefinery
In Boardman, Oregon

DESCRIPTION OF ACTION

The USDA, Rural Business-Cooperative Service is considering an application for loan guarantee pursuant to Section 9003 of the Food, Conservation, and Energy Act of 2008 received from Silicon Valley Bank, for ZeaChem Boardman Biorefinery, LLC (ZeaChem) to construct and operate a Cellulosic Ethanol Biorefinery to be located in Boardman, Oregon. The proposal would include the construction of the biorefinery and its related infrastructure to be located on approximately 25 acres of land. The biorefinery proposes the use of woody biomass and agricultural residues for production of ethanol and other biproducts that will contribute to meeting the requirements of the federal Renewable Fuel Standard requirements. The environmental analysis of this proposed action is contained in an Environmental Assessment (EA) prepared by RBS.

The Biorefinery will have anticipated annual production reaching approximately 25 million gallons per year of cellulosic ethanol from the conversion of 225,000 bone dry tons (BDT) per year of cellulosic biomass. The intent of the proposal is to generate renewable fuels while contributing to the overall reduction of CO₂ emissions in the U.S.

This proposal, construction and operation of the biorefinery, would have minor adverse effects to air quality, water quality, and local flora and fauna. Further archeological studies are being conducted to determine if historic properties would be impacted by its implementation, and a programmatic agreement will be utilized in order to conclude Section 106 of the National Historic Preservation Act (NHPA) to ensure any impacts to potential historic properties are avoided or mitigated in accordance with the NHPA. RBS has determined that the proposal does not pose significant adverse effects to the natural or human environment.

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

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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.

The Applicant must obtain and comply with all appropriate Federal, State, and local permits and approvals required for construction and operation of the biorefinery, and this requirement shall be incorporated and enforceable through the Agency's Conditional Commitment for Guarantee.

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: *Juliet Bochicchio* 09/12/2011
JULIET C. BOCHICCHIO Date
Environmental Protection Specialist, Program Support Staff

Recommended: *Linda J. Rodgers* 9/12/2011
LINDA J. RODGERS Date
Director, Program Support Staff

Recommended: *William C. Smith* 9/12/2011
WILLIAM C. SMITH Date
Director, Energy Division, Rural Business-Cooperative Service

Approved: *Judith A. Canales* 9/12/11
JUDITH A. CANALES Date
Administrator, Rural Business-Cooperative Service