



**United States Department of Agriculture
Rural Development**

September 1, 2011

SUBJECT: Finding of No Significant Impact (FONSI)
Imperium Aviation Fuels Biorefinery
Hoquiam, Washington

DESCRIPTION OF ACTION

The U.S. Department of Agriculture, Rural Business-Cooperative Service (RBS) has received an application from Imperium Renewables, Inc. for funding under the RBS 9003 Biorefinery Assistance Program. The proposed funding request is for construction of an advanced biofuels refinery adjacent to Imperium's existing biodiesel production facility at 3011 Port Industrial Road, Hoquiam, WA, Grays Harbor County, Washington. The environmental analysis of this proposed action is contained in an Environmental Assessment (EA) prepared by RBS.

The proposal would include the construction and operation of an aviation fuels biorefinery including a processing and storage facilities in an existing industrial location in the Port of Grays Harbor at Terminal # 1. The facility is proposed for a 12.5 acre site adjacent to the existing Imperium facility.

The intent of this proposal is to generate aviation biofuels for both commercial and military aviation use. The proposed facility will produce up to approximately 88 million gallons per year of several different types of advanced biofuels. The biofuels produced are "drop in" fuels, directly replacing petroleum based fuels, thereby helping to meet the RFS2 goals for advanced biofuel production.

This proposal, construction and operation of an advanced biofuels facility, does not pose significant adverse effects to the natural or human environment.

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BASIS FOR FINDINGS

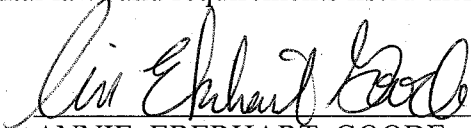
As required by the National Environmental Policy Act and agency regulations, RBS has assessed the potential environmental effects of the proposal. After consideration of the applicant's proposal, comments from Federal and State environmental regulatory and natural resource agencies, the agency has determined 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.

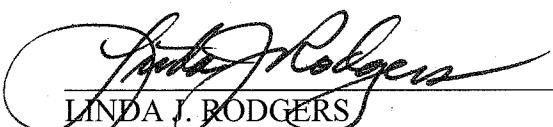
The Applicant must obtain and comply with all appropriate Federal, State, and local permits and approvals required for construction and operation of the biorefinery, and this requirement shall be incorporated and enforceable through the Agency's Conditional Commitment for Guarantee.

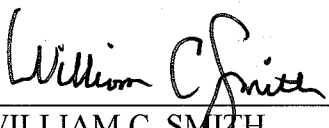
FINDINGS

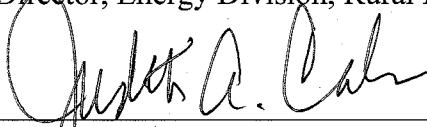
The attached environmental assessment for the subject proposal has been prepared and reviewed by the appropriate Rural Business-Cooperative Service officials. After reviewing the assessment and the supporting materials attached to it, I find that the subject proposal will not significantly affect the 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:  9/1/2011
ANNIE EBERHART GOODE Date
Environmental Protection Specialist, Program Support Staff

Recommended:  9/1/2011
LINDA J. RODGERS Date
Director, Program Support Staff

Recommended:  9/6/2011
WILLIAM C. SMITH Date
Director, Energy Division, Rural Business-Cooperative Service

Approved:  9/6/11
JUDITH A. CANALES Date
Administrator, Rural Business-Cooperative Service

ENVIRONMENTAL ASSESSMENT

**CONSTRUCTION AND OPERATION OF A PROPOSED
AVIATION FUELS BIOREFINERY
IMPERIUM RENEWABLES, INC.
HOQUIAM, GRAYS HARBOR COUNTY, WASHINGTON**

**U. S. DEPARTMENT OF AGRICULTURE
RURAL BUSINESS COOPERATIVES SERVICE
1400 INDEPENDENCE AVENUE, SW
WASHINGTON, DC 20250-3225**

SEPTEMBER 1, 2011

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I. Project Description and Need

Location

Imperium Renewables, Inc.

3122 Port Industrial Road

Hoquiam, WA 98550

Project Summary

Imperium Renewables Inc. proposes to develop a biorefinery to produce for Hydrotreated Renewable Jet fuel (HRJ) and Hydrotreated Renewable Diesel (HRD). Production will be based on a new processing platform to provide “drop-in” renewable fuels specifically tailored to the needs of the US military and commercial fleets.

The proposed facility will be located and constructed in an industrial park within the town of Hoquiam, WA in Grays Harbor County. The site sits approximately 14 miles inland from the Pacific Ocean, located on the Chehalis River, a US Army Corp. of Engineers maintained channel, providing direct access to the deepwater port of Grays Harbor. The proposed site is part of a 25-acre parcel, 12.5-acres of which is already developed with Imperium’s existing biodiesel refinery. Imperium would exercise its right of first refusal on the remaining 12.5 acre green belt to the North and West of facility to develop the proposed biorefining capacity..

The proposed facility would be the first to operate a new hydrotreating technology developed by United Oil Processing, LLC (UOP) at a commercial scale. The proposed processing technology, referred to as Ecofining, converts natural oils and fats to HRJ for blending with petroleum based jet fuel, resulting in commercial and military grade jet fuels that are drop-in replacements for petroleum-based jet fuel. The Ecofining process also produces HRD and can swing between maximum jet and diesel production.

Imperium would produce both drop-in HRJ and HRD from oilseed crops such as soy and canola. The process is designed to accept other oils (e.g. camelina, jatropha, and algae) as they become commercially available. The facility will process up to 100 million gallons per year of feedstock and produce 54-88 mgy of product depending upon the mix of liquid fuels produced at any given time. The production facility is designed to operate on a continuous basis and can offer multiple products based on market demand.

Project Description and Need

The purpose of this action is to provide a loan guarantee to assist in the development and construction of commercial-scale biorefineries and the retrofitting of existing facilities using eligible technology for the development of advanced biofuels. The authority for such loan guarantees is Section 9003 of the Farm Security and Rural Investment Act of 2002 (FSRIA) (as amended by Section 9001 of the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill)) which provides for the financing of commercial-scale biorefineries to produce advanced biofuels. These policies are designed to enhance energy independence and to reduce carbon emissions. Advanced biofuels are defined under The Energy Independence and Security Act of 2007 which established a national goal of renewable fuel standard production of some 36 billion gallons of renewable fuels by 2022. The applicant, Imperium, proposes to expand an existing facility to produce up to approximately 88 million gallons per year of advanced biofuels to help meet that goal.

This action supports implementation of additional initiatives undertaken by the agency to develop advanced biofuels for use in commercial and military aviation:

- USDA Memorandum of Understanding with the Department of the Navy establishes a goal of the development of renewable aviation fuels – 366 mgy by 2020
- Farm-to-Fly Initiative (USDA, Boeing, American Transport Association), a public-private collaborative effort to advance the production and use of biofuels in commercial aviation.

The program's related purpose is to support economic development in rural communities to create jobs and contribute to overall economic vitality in rural communities. The Applicant's purpose is to expand an existing facility which produced biodiesel so that a broader range and greater volume of advanced biofuels can be produced.

The proposed facility is comprised of 3 primary elements:

- Process Block
- Steam Reformer
- 3 Additional Storage Tanks

These new facilities would be constructed adjacent to Imperium's existing biodiesel production facility which will provide rail and port facilities for loading of feedstock and offloading of product, a transesterification unit where the refined oil feedstock is converted to biodiesel and storage capacity through sharing of 8 existing storage tanks (2 million gallons of capacity each).

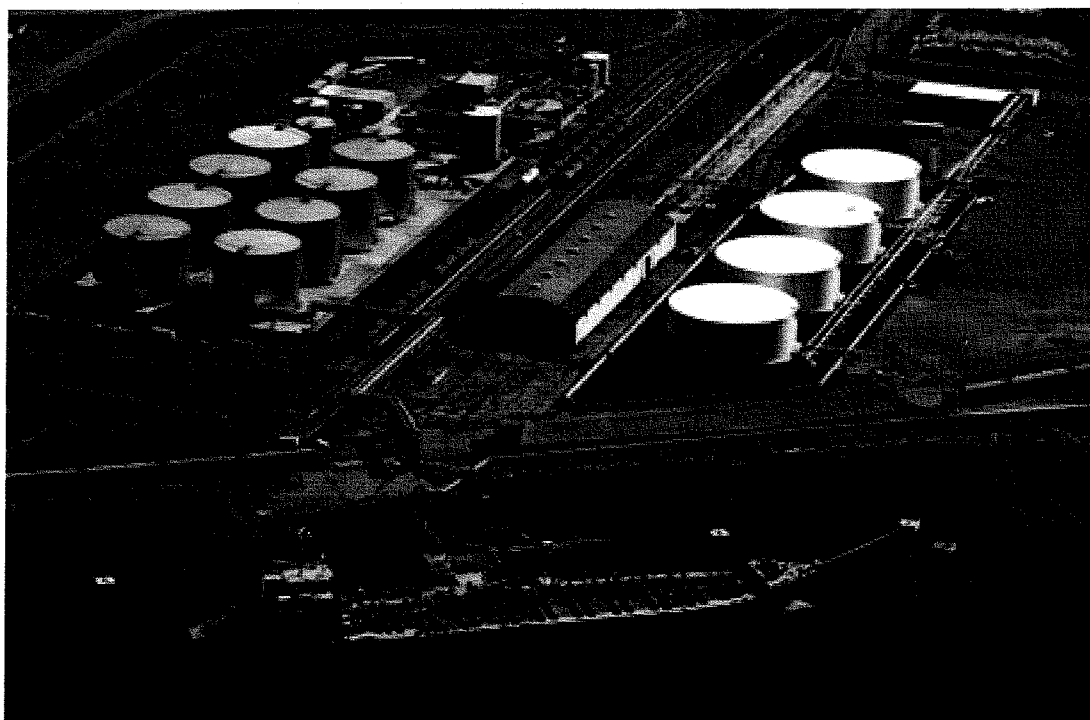
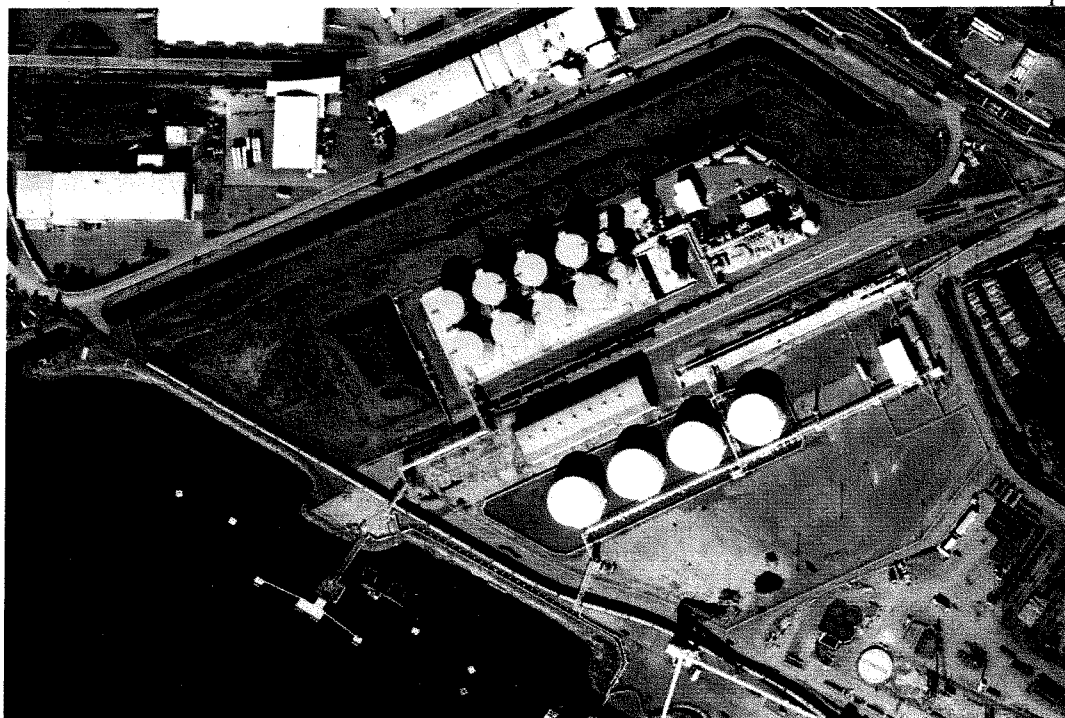


Figure 1: Existing Facility

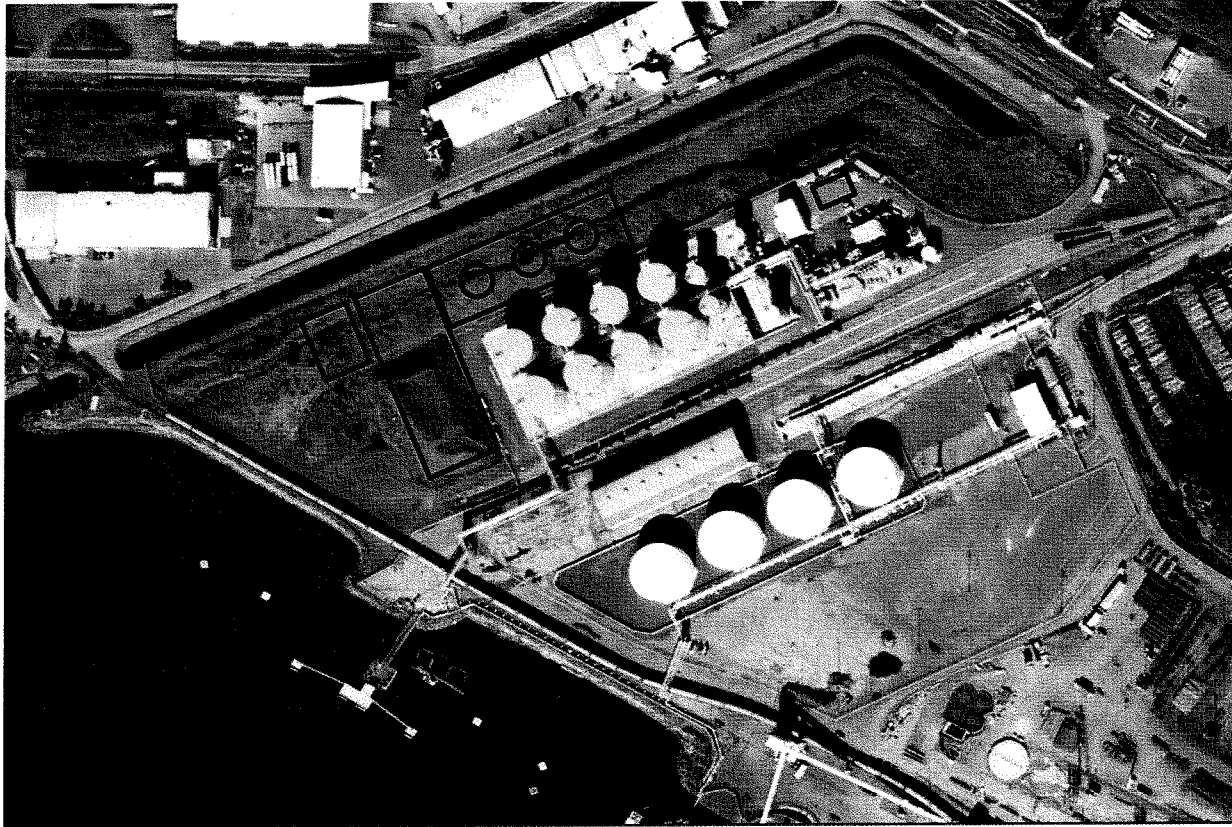


Figure 2: Proposed Location of New Facility

The propriety catalyst was developed by UOP, LLC, a subsidiary of Honeywell. It uses a Nickel-Molybdenum (Ni-Mo) first stage catalyst and then, as the second stage, a Platinum (Pt) catalyst. (See discussion of disposition of catalyst in Environmental Impacts – Waste Management, p. 11)

The IAFB is designed to process 100 mgy of feedstock. The volume of fuel produced is dependent upon how the facility is operated. When operated to maximize the production of renewable diesel, the facility will produce 88 mgy of diesel and naphtha liquid fuels with vast majority being diesel. The facility will also produce gaseous fuel (methane, ethane, propane and butane) which will be burned on site for energy input of the process and/or sold based on the best economic outcome for the project.

II. Primary Beneficiaries and Related Activities

The proposed HRJ facility will offer significant regional solutions to the US Navy and other branches of the US Military. They will supply renewable fuels that meet their stringent specifications, while also being regionally sourced for added operational security. The initial HRJ facility to be constructed in Hoquiam, Washington is within a 12 hour drive to

Manchester Naval Fuel Depot, as well as 150 miles or less to many other regional naval stations such as Naval Base Kitsap, Naval Base Everett, Naval Air Station Whidbey Island. These Naval bases, along with Joint base Lewis McChord, represent over 100,000,000 gallons of market demand alone.

The economic value to the Grays Harbor region, which has suffered high unemployment for the past 2 decades as a result of decline of timbering and paper mills, is significant. The Applicant states that IAFB will create 50 direct jobs, 100 indirect jobs and 350 construction jobs. Further, upon commissioning, the plant will enhance the markets for canola, soy and tallow feedstocks.

III. Description of Project Area

The existing Imperium Grays Harbor biodiesel facility, and proposed new facility, is located on property owned by the Port of Grays Harbor, a port district with extensive port facilities and industrial properties at the mouth of the Chehalis River where it empties into Grays Harbor. The proposed site, located at Terminal #1, is approximately 14 miles inland from the Pacific Ocean, located on the Chehalis River in the town of Hoquiam, WA. The applicant, Imperium Grays Harbor, currently leases a 12.5 acre portion of a 25 acre parcel, and has the right of first refusal on the remaining 12.5 acres. The proposed facilities would be located on the second half of the site, currently undeveloped, adjacent to the existing facilities.

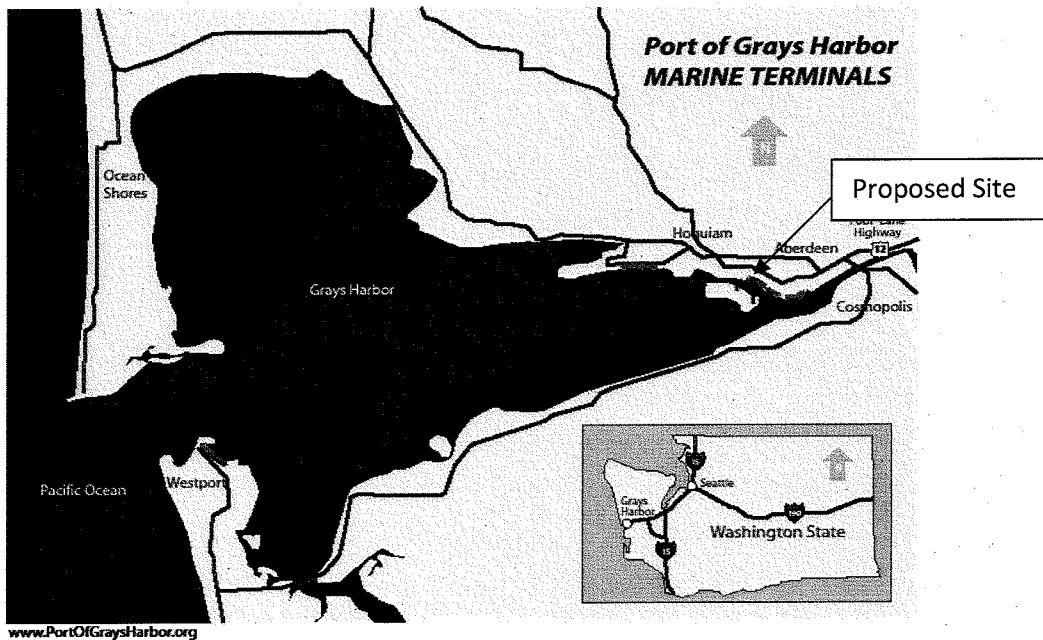


Figure 3: Location of proposed site within Grays Harbor

The Port of Grays Harbor, established in 1911, is the only deepwater port on Washington's Pacific coast. The port facilities are a defining economic development feature of the region, and the entire terminal complex of Grays Harbor is included in a Foreign Trade Zone (#173). Imperium Grays Harbor has access to the Port of Grays Harbor Barge Terminal #1 and Vessel Terminal #2. Both terminals are owned, operated, and maintained as public terminals by the Port of Grays Harbor and are capable of handling barges of up to 80,000 barrels in size and Panamax class vessels (the maximum size of ship that can be accommodated by the Panama Canal, currently 60,000 DWT, (deadweight tonnage)). Both terminals have dedicated feedstock and finished product transfer lines to, and from the facility. The Chehalis River is a US Army Corp. of Engineers maintained channel.

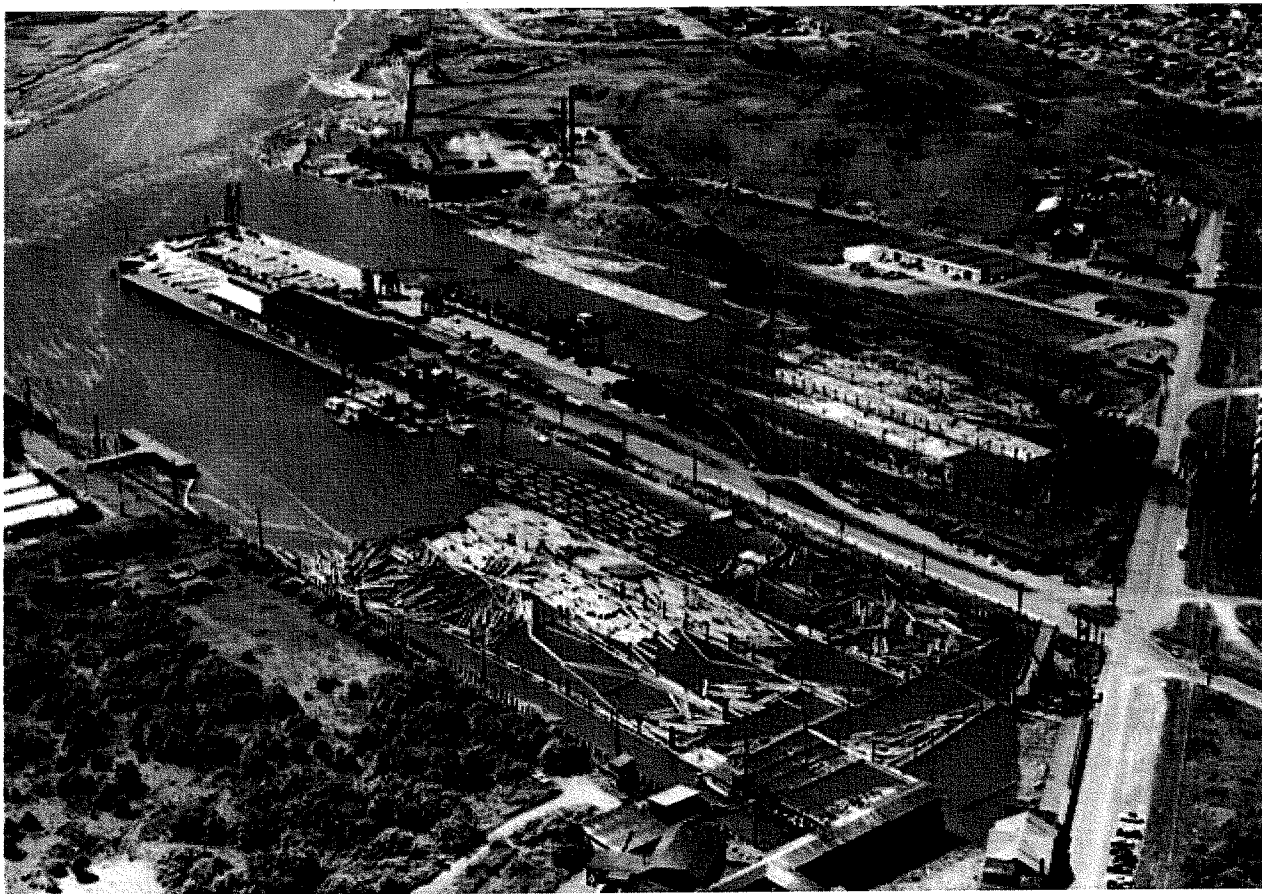


Figure 4: Aerial view of the Port of Grays Harbor marine piers 1 & 2 in 1956. Log rafting was a common practice for moving logs from the forests downstream to the Port's docks. This area has since been filled and is now the land under Imperium Grays Harbor, Westway Terminals, and AGP.

The construction of Terminal # 1 was completed in the mid-80s. In 2009, work began on improvements to Terminal #1 to increase berth capacity to accommodate Panamax class vessels and to repair and improve wharf structures. The dredging associated with these improvement, along with maintenance dredging is ongoing.

IV. Environmental Impact

1. *Air Quality.* During construction, dust and exhaust from construction equipment are anticipated. Following construction, emissions are likely to consist of exhaust from transport vehicles --ship and rail engines. Air emissions from the facility will be identified and managed under appropriate approvals and required permits of the Olympic Region Clean Air Agency (ORCAA).

According to the Applicant, air emissions from the production facility will not exceed the following: CO - 100 tons per year, VOC - 40 tons per year, SO₂ -40 tons per year, NO_x - 40 tons per year, PM - 25 tons per year, Total Toxic Air Pollutants (TAPs) - 25 tons per year, and any single TAP - 10 tons per year. The production facility will implement modern engineering and technological advances to ensure meeting all ORCAA standards.

The existing biodiesel facility received an air emissions permit (Order of Approval on the Notice of Construction 10MOD37) from the Olympic Region Clean Air Agency ("ORCAA") on 12/29/2010. This permit includes a number of conditions that address sampling, monitoring and reporting. Additionally, Imperium added a catalytic oxidizer at the request of ORCAA to control methanol losses from standing tanks. The IAFB is expected to have a new set of specific Conditions of Approval because of its multi-fuel production capability.

ORCAA was provided an opportunity to comment on the subject application and noted the following:

"ORCAA implements a New Source Review (NSR) program in the Grays Harbor area that meets all requirements in the Washington Clean Air Act for approving new sources of air pollution. The overarching goal of ORCAA's NSR program is to assure new businesses and industries will not cause or contribute to violation of any ambient air standard or jeopardize the health or welfare of the public. Therefore, provided the proposed Jet Fuel Bio-refinery Plant (JFBP) is approved through ORCAA's NSR program, it will be consistent with ORCAA's goal of maintaining good air quality for the area. ORCAA's approval must be secured prior to commencing construction."
(Correspondence from Mark Goodin, ORCAA, dated 8/11/2011)

As a result of the permitting framework in place in the state and region, air emissions will be within limits established by the Clean Air Act. Greenhouse gas emissions will be reduced by 65-80% for jet fuel production and up to 80% for diesel production, relative to petroleum-based fuels.

2. *Water Quality.* Water supply and discharge needs of the IAFB are projected to be similar in quality and quantity to the existing facility, allowing for modification of existing permits. Terminal #1 is located on the Chehalis River at its confluence with Grays Harbor. The Chehalis River is a Corps-maintained ship channel in this location and has been in industrial use for over a century.

The Chehalis River flows approximately 125 miles in southwestern Washington north-northwesterly to Grays Harbor and the Pacific Ocean, draining an area of approximately 2,700 square miles. The Chehalis River Basin is the second largest basin in Washington State. It is bounded on the west by the Pacific Ocean, on the east by the Deschutes River Basin, on the north by the Olympic Mountains, and on the south by Cowlitz River Basin. The basin includes portions of Grays Harbor, Lewis, Mason, and Thurston Counties and the Cities of Aberdeen, Centralia, Chehalis, and Hoquiam, and the Confederated Tribes of the Chehalis Reservation. Population in the Chehalis River Basin was about 141,000 in 2000. (<http://wa.water.usgs.gov/projects/chehalis/>).

Issues of concern within the Chehalis basin have been flooding and groundwater supply. In addition, there is a TMDL (basin-wide discharge limit) that addresses temperature, dissolved oxygen and fecal coliform. (The Chehalis/Grays Harbor Watershed Dissolved Oxygen, Temperature and Fecal Coliform Bacteria TMDL, Detailed Implementation Plan, November, 2004. Washington Department of Ecology.) "This plan does not create the need to change any industrial facility permit...." (Plan, p. 21). The TMDL documentation notes that plans for new or expanded facilities must demonstrate that the discharges will not cause a violation of water quality standards as prescribed within the TMDLs. The primary pollutant of concern for the lower Chehalis basin is fecal coliform, and the proposed facility is not a source of fecal coliform.

September 1, 2011

Storm Water: Non-contact storm water discharges to the Chehalis River through a general storm water permit issued by the Department of Ecology May 4, 2007 to Imperium Grays Harbor (Industrial Stormwater General Permit number SO3-006655). The permit requires development and maintenance of a Stormwater Pollution Prevention Plan (SWPPP) and defines monitoring, testing and reporting protocols. The permit defines Best Management Practices (BMPs) including housekeeping/maintenance, source control, treatment/containment, flow control, and sediment/erosion control. Notwithstanding the similarities between the existing biodiesel plant and the proposed IAFB, the new IAFB is expected to require modification to the existing SWPPP and stormwater permit.

Water Supply. Imperium Grays Harbor currently has a large volume of industrial water supply from a 48 inch industrial water line that runs in front of the facility, supplied from the large Lake Aberdeen reservoir. This line has ample supply for the proposed facility.

The current biodiesel facility uses a modest amount of water, and the proposed IAFB is expected to use less than 2m gallons/month, primarily to replenish cooling water. The Grays Harbor Economic Development Council estimates that the industrial waterline has up to 10m gal/day of excess capacity. The process water is non-potable industrial water from the Lake Aberdeen Reservoir, which has a large volume served by extensive infrastructure. Since the closure of numerous pulp mills, which had a very high water demand, in recent decades, the volume of industrial water to the site is effectively unlimited. The City of Aberdeen does not issue a user's permit for industrial water supply but rather simply bills industrial consumers based upon usage and the current rate.

Wastewater. Wastewater treatment is currently provided through the City of Aberdeen Publicly Owned Treatment Works (POTW). The IAFB project has limited process water generation and the POTW discharge will handle the projected volume and will require permit modification.

Imperium holds a wastewater discharge permit from the Department of Ecology (No. ST 6214), issued September 12, 2007. This permit allows for the discharge of 35,000 gal/day to the POTW and does not require pretreatment. The actual average discharge from the existing biodiesel plant is less than 2,000 gal/day.

Based on engineering for the IAFB, additional discharge is expected to be 21,000 gal/day. This water will be related to steam generation and process cooling which is consistent with the wastewater discharged from the current biodiesel production facility. Imperium does not anticipate that the new wastewater will be subject to pretreatment either and intends on modifying the wastewater permit with the Department of Ecology and the City of Aberdeen POTW during review of the detailed engineering drawings.

3. Solid Waste Management. The IAFB process is not projected to generate any significant additional waste streams for the Imperium Grays Harbor facility. Recovery of the catalytic materials Ni, Mo and Pt is technically feasible. While recovery of the PT will be economically feasible, recovery of Ni and Mo will be determined by Imperium based on costs. If not recovered, the catalyst will be disposed of per EPA regulations utilizing the services of a specialized waste management firm. Imperium anticipates that the Ni-Mo catalyst will be listed as a hazardous waste for both ignitability and toxicity hazardous characteristics and will be managed as required. This belongs under Environmental impacts, hazmat.

Any wastes will be managed within existing state and federal guidelines.

4. Land Use. IAFB will be built within the Port of Grays Harbor at Terminal #1. This area is zoned commercial industrial and has a number of businesses operating manufacturing and distribution activities. The Chehalis River provides marine logistics and is a US Army Corp. of Engineers maintained channel. No Sensitive Areas will be affected. Terminal # 1, site of the existing bio refinery location and proposed project site, was constructed in 1981 on structural fill. No sensitive features such as wetlands, highly erodible soils, prime farmland, important habitat or historic resources, are present.

5. Transportation. The Imperium site is strategically located to take full advantage of tri-modal transportation i.e. vessel, rail, and truck.

Marine Vessels. Imperium Grays Harbor has access to the Port of Grays Harbor Barge Terminal #1 and Vessel Terminal #2. Both terminals are owned, operated, and maintained as public terminals by the Port of Grays Harbor and can handle barges of up to 80,000 barrels in size (Terminal #1) and up to Panamax class vessels (60,000 DWT). Both terminals have dedicated feedstock and finished product transfer lines to, and from the facility.

Rail. After marine vessels, Imperium's second preference for material transfers is rail. Imperium Grays Harbor is serviced by Puget Sound and Pacific (PSAP) regional railroad with connections to both Union Pacific (UP) and Burlington Northern Santa Fe (BNSF), both major carriers. The Imperium site accesses this continental rail network via the Port of Grays Harbor extensive rail loop network. Imperium's internal rail-yard consists of four parallel tracks capable of accommodating a 90-car unit train. A separate track is dedicated for unloading process chemicals, designed to provide full containment in the event of a spill. Current operations provide for loading 20+ railcars and unloading 30+ railcars each day. This capacity will be increased with new product segregation additions to the loadout infrastructure.

Truck. Imperium Grays Harbor is 50 minutes west of Interstate 5 on Highway 12, providing close truck access to both the Seattle and Portland markets. The current truck rack system is capable of handling up to 30 trucks/day, and includes inline dye & additive addition. Feedstock is not delivered via truck due to economic considerations. Only de minimus increases in inbound truck traffic is anticipated, so road infrastructure will not be affected by the Project. IAFB road use is consistent with other traffic in the area.

Overall, Imperium estimates that the new IAFB facility will add the following:

- Outbound trucks: 6-10 / day
- Outbound rail: 2-4 railcars/day
- Outbound marine vessels: 1 vessel/mo.
- Inbound trucks: 1-2/week
- Inbound rail: 2-5 railcars/day
- Inbound marine vessels: 1-2 vessels/mo.

Transportation facilities and traffic patterns will not be adversely affected by the proposed IAFB facilities. The project prioritizes the use of rail and port facilities, as anticipated in regional plans and uses existing system capacity in all modes.

6. Natural Environment. No impacts to wildlife or the natural environment are anticipated with this project. The area is not listed on the National Registry of Natural Landmarks. There is no vegetation on site other than grass for stabilization of bare soil and there are no threatened or endangered species on site. No unregulated process or stormwater discharges to the Chehalis River are permitted by the proposed project.

7. Human Population. The Imperium Grays Harbor facility is located at the Port of Grays Harbor within an industrial zoned area. Fire protection and services currently exist on site. The land is under option by Imperium and the proposed construction will not impact any homes. The noise, odor and aesthetics of the process are consistent with general industrial processes. The primary impact of the proposed project on the community is creation of construction jobs as well as long term employment opportunities.

8. Construction. The Imperium Grays Harbor facility is located at the Port of Grays Harbor within an industrial zoned area. It is fully contained and has hosted multiple construction projects in the last few years. Best management practices will be employed to ensure compliance with air, water and noise quality standards. A grading plan will be developed by a registered professional engineer to ensure compliance with erosion standards and, as noted in the stormwater management discussion, the Stormwater Pollution Prevention Plan (SWPPP)

and general permit will be revised to address construction management.

9. Energy Impacts.

Natural Gas. Imperium Grays Harbor has current utility access via a natural gas supply pipeline. Natural gas is supplied from a spur of the Williams pipeline (west) which provides fuel for the 51 MMBTU Thermal Oil Heater Unit that provides process heating for the facility. Natural gas is purchased through Shell Energy, a national supplier. Increased usage at this location, projected to be 265-308 MMBTU/hr, will have no effect on natural gas supplies or pricing. The Thermal oil heater can also run on Biodiesel in the unlikely event of curtailment.

It should be noted that in the UOP process, natural gas provides process heat, but it is also a chemical input. The majority of the natural gas feeds to a reformer to generate hydrogen for the process.

Electrical Service. Imperium Grays Harbor currently has a dependable electrical supply. Electricity is supplied through BPA main transmission lines to Grays Harbor PUD, and delivered to the facility at a current transformer capacity of 2500 KVA. Currently 2-2500 KVA transformers are available to ensure consistently available electricity, and prior to startup, Imperium will install a third 2500KVA transformer as a supplement to the two existing. IAFB is expected to use 2,922kwh/hr and will have no material effect on electricity supplies or pricing. While the UOP process appears to be demanding, competing technologies such as gasification are more intensive electricity consumers.

10. Other Impacts

Noise. No noise impacts are anticipated.

Vibrations. No vibrations are expected.

Safety. All safety precautions will be taken in the design of this project.

Seismic. A detailed geotechnical analysis of the site has been conducted and the engineering detailed design will ensure compliance with applicable seismic standards.

Fire-prone location. Due to the large amount of rain, the plant is not located in a fire-prone area.

Radiation. No known radiation is present around the proposed plant location.

Aesthetics. The project should not have aesthetic issues. The plant will be located adjacent to an existing similar facility.

V. Coastal Zone Management Act*

The proposed project is located within the State of Washington's Coastal Zone Management Area. Because the Applicant is a private sector entity, a determination that the project is consistent with the state's coastal management program is not required. It should be noted however, that expansion of Terminal #1, at which the proposed new facilities are located, was found to be consistent with Washington's CZMP and the Department of Ecology concurred on 10/23/2009. The Terminal # 1 expansion involved dredging and construction that was far more extensive than the proposed subject development.

VI. Compliance With Advisory Council on Historic Preservation's Regulations

The proposed action is an undertaking as defined by 36 CFR 800, implementing regulations for Section 106 of the National Historic Preservation Act. The area on which both the existing and proposed Imperium facilities are located is comprised of structural fill; the modest amount of disturbance anticipated would be to a highly disturbed man-made location which is less than 50 years old. As such, there is no potential to effect historic properties. The Applicant's submission included correspondence with the SHPO that the property is not listed as a historical landmark .

VII. Compliance With the Wild and Scenic Rivers Act

The project will not impact the Wild and Scenic River System.

VIII. Compliance With the Endangered Species Act

The project will not impact any habitat. All land disturbance is on a structural fill area and no

terrestrial or marine habitat impacts are anticipate. All stormwater will be managed pursuant to a Stormwater Manage Pollution Prevention Plan and associate stormwater permit.

IX. Compliance With Farmland Protection Policy Act and Departmental Regulation 9500-3, Land Use Policy

The project will neither directly nor indirectly convert an important land resource.

X. Compliance With Executive Order 11988, Floodplain Management, and Executive Order 11990, Protection of Wetlands

The project is not located within a 100-year floodplain (500-year floodplain for a critical action) or a wetland.

XI. Compliance With Coastal Barrier Resources Act

The project is not located within the Coastal Barrier Resources System.

XII. State Environmental Policy Act

This application will be reviewed by the Department of Ecology pursuant to the State Environmental Policy Act (SEPA), and a Determination of either significance or nonsignificance will be made. SEPA review will occur when project site engineering is more fully developed and may be coordinated with the Joint Aquatic Resource Permits Application (JARPA) for a more comprehensive review of detailed environmental regulations. JARPA application will address Shoreline Permit and several water quality standards. The Applicant has demonstrated that the environmental impacts of the proposed facility will fall within the range of permissible discharges. Further, the environmental value of reduction of greenhouse gases, anticipated to be important, will be assessed and cataloged by the ORCAA at the time of permitting.

XIII. Consultation Requirements of Executive Order 12372, Intergovernmental Review of Federal Programs

The City of Hoquiam, in which the proposed project will be located, was informed of this project and provided 60 days to review.

XIV. Environmental Analysis of Participating Federal Agency

No other Federal Agency besides the USDA is providing funding for the project.

XV. Reaction to Project

The permit process for the initial biodiesel facility did not elicit any adverse comments on their suite of environmental permits. In addition, a bulk methanol terminal that was built in 2009 on bordering property did not receive any adverse comments.

XVI. Cumulative Impacts

The primary cumulative impact of the proposed project is anticipated reduction of Greenhouse Gases. The following anticipated impacts of operation are well within currently resource capacity or regulatory limits:

- Water usage. Industrial water supply is ample.
- Water discharges. Proposed discharges limited and manageable by existing POTW with no additional pre-treatment. Stormwater is managed consistent with a state-approved Stormwater Pollution Prevention Plan, which will be updated to incorporate any additional facilities.
- Air emissions. Proposed to be modest and will be evaluated and managed through the State of Washington's Clean Air Act-compliant New Source Review process.
- Transportation. The site is well served by marine vessel and rail, providing extremely efficient materials management. Increases in truck traffic are well below site and system capacity limits, avoiding air quality impacts of congestion and a large increase in the number of vehicles.
- Environmental Resources. Because the site is located on structural fill (no potential for any sensitive resources on site) and there will be virtually no unregulated water

discharges to the Chehalis River, no significant cumulative impacts to natural resources are anticipated.

Cumulative impacts assessment should take into consideration other activities in the vicinity of the proposed project. The primary such activity is improvement of Terminal #1 by the Port of Grays Harbor, pursuant to Permit # NWS-2009-601, issued by the Department of the Army (Corps of Engineers). The permitted project included dredging to expand the berthing area at Terminal #1, maintenance dredging and a variety of repairs to the wharf structures.

The Corps permit establishes a number of mitigation requirements addressing protection of bull trout and green sturgeon and tribal fishing rights including the seasonal limitations and management controls on dredging. In addition, the Department of Ecology issued a Water Quality Certification pursuant to Section 401 of the Clean Water Act, and established additional conditions related to management of construction-related stormwater, wash water, construction debris and other issues associated with the dredging and construction of the Terminal #1 project.

The proposed IAFB will have virtually none of the extensive construction activity included in the Terminal #1 improvement project, even though the locations are very close. During final permitting of the IAFB, reference to any related mitigation conditions associated with Terminal #1 may be useful.

XVII. Adverse Impact

No adverse environmental impacts have been identified.

XVIII. Alternatives

Because of operational efficiencies associated with the proposed location – adjacent to an existing biorefinery – no alternative locations were reviewed. The primary alternative for consideration is the “No Action” alternative.

The “No Action” alternative is likely to have a negative environmental impact associated primarily with higher green house gas emissions. In addition, the economic value in terms of jobs for a region with historically high unemployment would not be realized.

IX. Mitigation Measures

No mitigation measures are recommended for this project. Local, state and federal regulations discussed in this EA set and enforce environmental standards that will ensure no significant environmental impact from the proposed action.

XX. Consistency With FmHA or Its Successor Agency Under Public Law 103-354 Environmental Policies

There are no inconsistencies between Federal and State agencies. The project as described is consistent with the USDA's Rural Development environmental policies.

XXI. Environmental Determinations

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

Not in compliance		In compliance		
		X		Clean Air Act.
		X		Federal Water Pollution Control Act.
		X		Safe Drinking Water Act—Section 1424(e).
		X		Endangered Species Act.
		X		Coastal Barrier Resources Act.
		X		Coastal Zone Management Act—Section 307(c)(1)
		X		Wild and Scenic Rivers Act.
		X		National Historic Preservation Act.
		X		Archeological and Historic Preservation Act.
		X		Subpart B, Highly Erodible Land Conservation
		X		Subpart C, Wetland Conservation, of the
		X		Executive Order 11988, Floodplain
		Xx		Executive Order 11990, Protection of Wetlands.
		X		Farmland Protection Policy Act.
		X		Departmental Regulation 9500-3, Land Use
		X		State Office Natural Resource Management Guide.

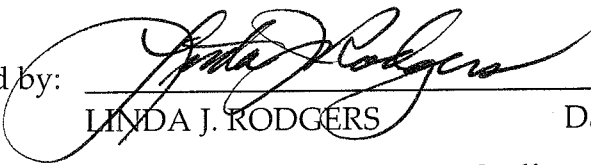
September 1, 2011

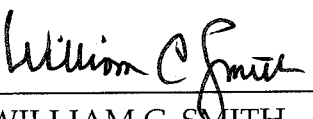
I have reviewed and considered the types and degrees of adverse environmental impacts identified by this assessment. I have also analyzed the proposal for its consistency with FmHA or its successor agency under Public Law 103-354 environmental policies, particularly those related to important farmland protection, 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

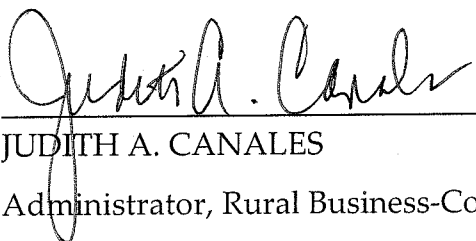
be approved.

not be approved because of the attached reasons.

Prepared by:  9/1/2011
ANNIE EBERHART GOODE Date
Environmental Protection Specialist, Program Support Staff

Recommended by:  9/1/2011
LINDA J. RODGERS Date
Director, Program Support Staff

Recommended by:  9/6/2011
WILLIAM C. SMITH Date
Director, Energy Division, Rural Business-Cooperative Service

Approved by:  9/6/11
JUDITH A. CANALES Date
Administrator, Rural Business-Cooperative Service

List of Figures

Figure 1: Existing Facility

Figure 2: Proposed Facility

Figure 3: Location of proposed site within Grays Harbor

Figure 4: Aerial view of the Port of Grays Harbor marine piers 1 & 2 in 1956

Figure 5: Map of Chehalis River Basin

Appendix I: Agency and Tribal Contacts and Correspondence

IMPERIUM

WASHINGTON

NEPA COORDINATION/CONSULTATION MAILING LIST AND TRACKING

Applicant: Imperium

Project

Location: 3011 Port Industrial Road
Hoquiam, WA

Lender: Sovereign Bank

National Office Contact: Mary Traxler

PROCEDURES

Public Notice

No preliminary notice required (no wetlands, floodplains, farmland or historic resources)

Public notice of availability of FONSI

- Applicant to advertise for 3 consecutive days
- No action will be taken for 15 days after publication of notice of FONSI/EA

INTERGOVERNMENT REVIEW/ CONSULTATION

Stakeholder	Contact for Early Consultation	Provide FONSI Determination
Intergovernmental Review 1. Permitting Agencies 2. Hoquiam Planning entity	x	x
SHPO	No potential to effect	
USFWS	x	x
Tribes (per Janis Roderick, SEC) -Chehalis -Quinault	x	x
Adjacent Property Owners		x

Date	Correspondence/Call	Purpose	Outcome
8/3	Robert Moody Olympic Region Clean Air Agency	Air permit needs	Letter received 8/11/11
8/3	Kelly Susewind WA Department of Ecology	Water permit needs	No written comments received.
8/3	Chehalis and Quinault Tribes	Tribal Consultation	No written comments received
7/15	Alyssa Thurman Hoquiam Dept of Planning	Intergov Review	Conferred by phone (land use consistent) no written comments received.
5/5	Applicant contact to SHPO		RD determined that there is no potential to effect historic properties
5/5	Applicant contact to FWS		Applicant confirmed on 8/30/11 that USFWS not responding.
5/5	Applicant contact to USACE		5/23 USACE responded that no permit needed

Contact information:

Confederated Tribes of the Chehalis Reservation Mr. David Burnett, Chair of the Business Committee Cc: Richard Bellow, Tribal Administrator	420 Howanut Road PO Box 536 Oakville, WA 98568
Quinault Tribe Fawn Sharp, Chair, Quinault Tribal Council Cc: Justine James, Cultural Resources Dept.	PO Box 189 Taholah, WA 98587
Department of the Army Seattle District, Corps of Engineers David Martin, Section Chief	PO Box 3755 Seattle, WA 98124-3755
Olympic Region Clean Air Agency Robert Moody, Compliance Supervisor	2940 Limited Lane, Ste. B Olympia, WA 98502
Washington Department of Ecology Water Quality Program, Southwest Regional Office Kelly Susewind	PO Box 47774 Olympia, WA 98504-7775
Hoquiam Department of Planning Alissa Thurman	City of Hoquiam 609 8th St. Hoquiam, WA 98550



United States Department of Agriculture
Rural Development

August 3, 2011

Robert Moody, Compliance Supervisor
Olympic Region Clean Air Agency
2940 Limited Lane, Suite B
Olympia, WA 98502

Subject: Intergovernmental Review
Review of Proposed Jet Fuel Biorefinery

Dear Mr. Moody:

We are initiating the Executive Order 12372, "Intergovernmental Review of Federal Programs" process on behalf of the U.S. Department of Agriculture, Rural Development (RD). The Agency is being asked to consider providing financial assistance for the proposal described below and your comments are invited on this proposal regarding:

- 1) Consistency with State and local government planning goals;
- 2) Extent to which the proposal duplicates, runs counter to, or needs to be coordinated with other activities, or might be revised to increase its effectiveness;
- 3) Contribution to achieving State or local government goals relating to natural and human resources, or economic and community development;
- 4) Extent of environmental impacts and alternatives that should be considered in the Agency's environmental review;
- 5) Influence on area growth or delivery of services, including any disproportionate effects on minority groups;
- 6) Impacts on energy resource supply and demand;
- 7) Possible displacement of people or businesses; and
- 8) Location in a Coastal Zone or Coastal Barrier Resource Area and consistency with any State coastal management plan.

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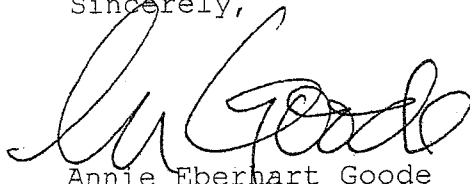
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Robert Moody
August 3, 2011
Page 2.

In particular, the Applicant anticipates that the proposed facility will not be considered a major new source. The Applicant has not yet initiated permitting action, so detailed review by your agency may be premature. Nonetheless, we appreciate any comments you may have at this time.

If you choose not to respond within 30 days of this correspondence, the Agency will assume that you have chosen not to respond and may proceed with a decision on this proposal. Please feel free to contact me with any comments or questions at annie.goode@wdc.usda.gov or at 202.720.9653. Thank you for forwarding all correspondence to me via email or to my attention at the address below.

Sincerely,



Annie Eberhart Goode
Environmental Protection Specialist

cc:

Attachments: 1) Environmental analysis excerpted from application
2) General vicinity map
3) Aerial Photograph with Project Location

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Mail Stop 0761
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2940-B Limited Lane NW
Olympia, WA 98502

1-800-422-5623 • (360) 539-7610
Fax: (360) 491-6308

August 11, 2011

Annie Eberhart Goode
Rural Development
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250
Mail Stop 0761

Re: Intergovernmental Review of Proposed Jet Fuel Bio-refinery.

Dear Ms. Eberhart Goode:

Thank you for forwarding information on the Jet Fuel Bio-refinery plant proposed by Imperium Renewables Inc. for their facility in Grays Harbor, Washington. Olympic Region Clean Air Agency (ORCAA) is happy to provide responses to your questions and to assist as needed in completing the "Intergovernmental Review of Federal Programs" for this project. The following are ORCAA's comments on the topic areas you requested be addressed as well as answers to your specific questions:

- 1) Consistency with State and local government planning goals.
ORCAA implements a New Source Review (NSR) program in the Grays Harbor area that meets all requirements in the Washington Clean Air Act for approving new sources of air pollution. The overarching goal of ORCAA's NSR program is to assure new businesses and industries will not cause or contribute to violation of any ambient air standard or jeopardize the health or welfare of the public. Therefore, provided the proposed Jet Fuel Bio-refinery Plant (JFBP) is approved through ORCAA's NSR program, it will be consistent with ORCAA's goal of maintaining good air quality for the area. ORCAA's approval must be secured prior to commencing construction.
- 2) Extent to which the proposal duplicates, runs counter to, or needs to be coordinated with other activities, or might be revised to increase its effectiveness.
The process of approving the JFBP can be coordinated to increase its effectiveness - ORCAA's NSR program requires a public notice/comment period and opportunity for a public hearing. These can be coordinated and integrated with public processes required by other government agencies (i.e.: concurrent public notices and joint public hearings) to avoid duplication, thereby saving time and money.
- 3) Contribution to achieving State or local government goals relating to natural and human

resources or economic and community development.
ORCAA's authority and scope of influence is strictly over air quality.

- 4) Extent of environmental impacts and alternatives that should be considered in the Agency's environment review.
ORCAA will review air quality implications of the project for all "Regulated Air Pollutants" including Greenhouse Gases (GHGs). However, ORCAA's authority over project alternatives on the basis of minimizing climate impacts is limited. Therefore, the Agency (USDA) should consider climate implications (i.e. Greenhouse gas emissions) in their review. To this end, ORCAA strongly recommends reviewing climate impacts of the project from a Life Cycle Assessment (LCA) approach including the effect of different feedstock. Feed stocks requiring energy intensive transport and/or processing, or that result in the open burning of forest biomass result in higher greenhouse emissions that should be attributed to the project and considered by the Agency.
- 5) Influence on area growth or delivery of services, including and disproportionate effects on minority groups.
ORCAA's authority and scope of influence is strictly over air quality.
- 6) Impacts on energy resource supply and demand.
ORCAA's authority and scope of influence is strictly over air quality.
- 7) Possible displacement of people or businesses.
ORCAA's authority and scope of influence is strictly over air quality.
- 8) Location in a Coastal Zone or Coastal Barrier Resource Area and consistency with any State coastal management plan.
ORCAA's authority and scope of influence is strictly over air quality.
- 9) In particular, the Applicant anticipates that the proposed facility will not be considered a major new source.
ORCAA's concurrence with this assertion will need to be deferred until a more complete project description is provided. ORCAA needs emissions estimates and equipment descriptions before an independent conclusion can be made.

Thank you for the opportunity to provide comments. If you have any questions, please feel free to either give me a call or to email. I can be reached at (360) 539-7610 ext. 108 and at mark.goodin@orca.org

Sincerely,

Mark V. Goodin

Engineer, P.E.



United States Department of Agriculture
Rural Development

August 3, 2011

Kelly Susewind
Program Manager (Lacey)
Water Quality Program
Dept of Ecology, Southwest Regional Office
PO Box 47775
Olympia, WA 98504-7775

Subject: Intergovernmental Review
Review of Proposed Jet Fuel Biorefinery

Dear Ms. Susewind:

We are initiating the Executive Order 12372, "Intergovernmental Review of Federal Programs" process on behalf of the U.S. Department of Agriculture, Rural Development (RD). The Agency is being asked to consider providing financial assistance for the proposal described below and your comments are invited on this proposal regarding:

- 1) Consistency with State and local government planning goals;
- 2) Extent to which the proposal duplicates, runs counter to, or needs to be coordinated with other activities, or might be revised to increase its effectiveness;
- 3) Contribution to achieving State or local government goals relating to natural and human resources, or economic and community development;
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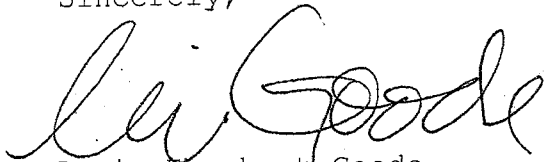
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Kelly Susewind
August 3, 2011
Page 2.

In particular, the Applicant anticipates that the proposed facility will operate within existing limits of NPDES permits. The Applicant has not yet initiated permitting action, so detailed review by your agency may be premature. Nonetheless, we appreciate any comments you may have at this time.

If you choose not to respond within 30 days of this correspondence, the Agency will assume that you have chosen not to respond and may proceed with a decision on this proposal. Please feel free to contact me with any comments or questions at annie.goode@wdc.usda.gov or at 202.720.9653. Thank you for forwarding all correspondence to me via email or to my attention at the address below.

Sincerely,



Annie Eberhart Goode
Environmental Protection Specialist

cc:

- Attachments:
- 1) Environmental analysis excerpted from application
 - 2) General vicinity map
 - 3) Aerial Photograph with Project Location

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Washington, DC 20250

Rural Business - Cooperative Service
Rural Housing Service
Rural Utilities Service

TEL: 202.720.9653
Annie Eherhart Goode
Environmental Protection
Specialist

Fawn Sharp, Chair
Quinault Tribal Council
P.O. Box 189
Taholah, Wa. 98587

SUBJECT: 6 CFR Part 800, Identification of Historic Properties,
Proposed Biorefinery
3122 Port Industrial Road
Hoquiam, WA 98550-4211

Dear Ms. Sharp:

Pursuant to 36 CFR Part 800, Section 800.3(a), USDA Rural Development (RD) is proposing to develop an undertaking addressing production of biofuels in Hoquiam, WA.

Per 36 CFR 800.16(d), the Area of Potential Effects (APE) is the property at 3122 Port Industrial Road, Hoquiam, WA 98550-4211. A reference map is enclosed for your review.

You have been identified as a possible consulting party under 26 CFR Part 800, Section 800.2. Therefore we respectfully request your comments on the attached information regarding the proposed project. We would appreciate any comments you may have on the following issues:

- The described project.
- The described area of potential effect.
- Information on any historic properties that might be present and could be affected by the proposed project, including property with religious or cultural significance to one or more Indian tribes.
- Any additional parties we should consider consulting.
- Any other comments or information related to historic preservation that you believe is relevant to the Section 106 review.

August 3, 2011

Because this review is time-sensitive and must adhere to the provisions of 36 CFR Part 800, please submit your comments within 30 days from the receipt of this letter.

If you have any questions, please contact me at 202.720.9653 or by e-mail at annie.goode@wdc.usda.gov

Thank you in advance for your cooperation.

Sincerely,



Annie Eberhart Goode
Environmental Protection Specialist
USDA Rural Development

cc: Justine James, Cultural Resources Department

Attachments:

Application Excerpts Addressing Environmental
Vicinity Map



United States
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1400 Independence Avenue, SW
Washington, DC 20250

Rural Business - Cooperative Service
Rural Housing Service
Rural Utilities Service

TEL: 202.720.9653
Annie Eherhart Goode
Environmental Protection
Specialist

David Burnett, Chair
Business Committee
Confederated Tribes of the Chehalis Reservation
420 Howanut Road
Po Box 536
Oakville, WA 98568

SUBJECT: 6 CFR Part 800, Identification of Historic Properties,
Proposed Biorefinery
3122 Port Industrial Road
Hoquiam, WA 98550-4211

Dear Mr. Burnett

Pursuant to 36 CFR Part 800, Section 800.3(a), USDA Rural Development (RD) is proposing to develop an undertaking addressing production of biofuels in Hoquiam, WA.

Per 36 CFR 800.16(d), the Area of Potential Effects (APE) is the property at 3122 Port Industrial Road, Hoquiam, WA 98550-4211. A reference map is enclosed for your review.

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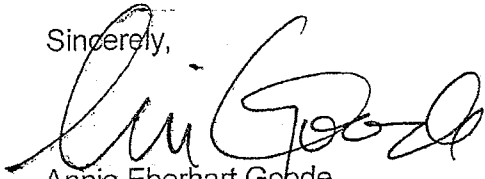
August 3, 2011

Because this review is time-sensitive and must adhere to the provisions of 36 CFR Part 800, please submit your comments within 30 days from the receipt of this letter.

If you have any questions, please contact me at 202.720.9653 or by e-mail at annie.goode@wdc.usda.gov

Thank you in advance for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Annie Goode". The signature is fluid and cursive, with the first name "Annie" written in a larger, more prominent script than the last name "Goode".

Annie Eberhart Goode
Environmental Protection Specialist
USDA Rural Development

Cc: Richard Bellon

Attachments:

Application Excerpts Addressing Environmental
Vicinity Map



United States Department of Agriculture
Rural Development

July 5, 2011

Alissa Thurman
City of Hoquiam Planning
609 8th Street
Hoquiam, WA 98550

Subject: Intergovernmental Review
Review of Proposed Jet Fuel Biorefinery

Dear Ms. Thurman

We are initiating the Executive Order 12372, "Intergovernmental Review of Federal Programs" process on behalf of the U.S. Department of Agriculture, Rural Development (RD). The Agency is being asked to consider providing financial assistance for the proposal described in Attachment 1, and your comments are invited on this proposal regarding the following:

- 1) Consistency with State and local government planning goals;
- 2) Extent to which the proposal duplicates, runs counter to, or needs to be coordinated with other activities, or might be revised to increase its effectiveness;
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Alissa Thurman
July 5, 2011
Page 2.

If you choose not to respond within 60 days of this correspondence, the Agency will assume that you have chosen not to respond and may proceed with a decision on this proposal. Please feel free to contact me with any comments or questions at annie.goode@wdc.usda.gov or at 202.720.9653. Thank you for forwarding all correspondence to me via email or to my attention at the address below.

Sincerely,



Annie Eberhart Goode
Environmental Protection Specialist

cc:

Attachments: 1) Project Description
 2) General vicinity map
 3) Aerial Photograph with Project Location
 4) Environmental analysis excerpted from
 application

Rural Development
U.S. Department of Agriculture
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Mail Stop 0761
Phone: 202.720.9653 | Fax: 202.690.4335
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May 5, 2011

Washington State Historic Preservation Office
Office of Archaeology and Historic Preservation
111 West 21st Ave., Box 48343 SW
Olympia, WA 98504-8343
360-407-0765

To Whom it may concern,

Attached please find request for SHPO Consultation. Your office is being made aware of a project being conducted within the Port of Grays Harbor, WA in the town of Hoquiam, WA. Imperium Renewables Inc. will be constructing a biorefinery and seeks a USDA Guaranteed Loan to finance the project.

Pursuant to USDA/Rural Development rules, please see the answers to the Environmental Assessment, Section 106 National Historic Preservation Act. Enclosed is various mapping of the site and related information. Please provide your written response to the office address below at your earliest convenience.

While Imperium Renewables Inc. is conducting the actual project, Westar Trade Resources is acting as their agent in the application process. Please direct all correspondence and questions to us. Our contact information is as follows:

Westar Trade Resources
2030 Main Street, Suite 410
Dallas, TX 75201
214-320-0900

Please do not hesitate to contact me or my office if you have any questions regarding our form. I look forward to your response.

Sincerely,

Laura Cutbirth
Project Specialist



May 5, 2011

Grays Harbor National Wildlife Refuge
U.S. Fish and Wildlife Service
Attention: Nisqually Wildlife Refuge
100 Brown Farm Road
Olympia, WA 98506
360-753-9467

To Whom it may concern,

Your office is being made aware of a project being conducted within the Port of Grays Harbor, WA in the town of Hoquiam, WA. Imperium Renewables Inc. will be constructing a biorefinery and seeks a USDA Guaranteed Loan to finance the project.

Pursuant to USDA/Rural Development rules, please see the answers to the Environmental Assessment, Section 7 Consultation of the Endangered Species Act. Enclosed is various mapping of the site and related information. Please provide your written response including any mitigation recommendations, if warranted, to the office address below at your earliest convenience.

While Imperium Renewables Inc. is conducting the actual project, Westar Trade Resources is acting as their agent in the application process. Please direct all correspondence and questions to us. Our contact information is as follows:

Westar Trade Resources
2030 Main Street, Suite 410
Dallas, TX 75201
214-320-0900

Please do not hesitate to contact me or my office if you have any questions regarding our form. I look forward to your response.

Sincerely,

Laura Cutbirth
Project Specialist



May 5, 2011

U.S. Army Corps of Engineers
Attention: PM-ER Evan Lewis,
Chief
P.O. Box 3755
Seattle, WA 98124-3755
206-764-3624

Dear Mr. Lewis,

Your office is being made aware of a project being conducted within the Port of Grays Harbor, WA in the town Hoquiam, WA. Imperium Renewables Inc. will be constructing a biorefinery and seeks a USDA Guaranteed Loan to finance the project.

Pursuant to USDA/Rural Development rules, we are requesting a wetlands determination. Enclosed is various mapping of the site and related information. Please provide your written response including any mitigation recommendations, if warranted, to the office address below at your earliest convenience.

While Imperium Renewables Inc. is conducting the actual project, Westar Trade Resources is acting as their agent in the application process. Please direct all correspondence and questions to us. Our contact information is as follows:

Westar Trade Resources
2030 Main Street, Suite 410
Dallas, TX 75201
214-320-0900

Please do not hesitate to contact me or my office if you have any questions regarding our form. I look forward to your response.

Sincerely,

Laura Cutbirth
Project Specialist



DEPARTMENT OF THE ARMY
SEATTLE DISTRICT, CORPS OF ENGINEERS
P.O. BOX 3755
SEATTLE, WASHINGTON 98124-3755

REPLY TO
ATTENTION OF

Regulatory Branch

MAY 23 2011

Mr. Troy Williams
Imperium Renewables, Inc.
1741 First Avenue South
Suite 200
Seattle, Washington 98134

Reference: NWS-2011-431
(071-OYB-2-008671)
Imperium Renewables

Dear Mr. Williams:

In the Corps of Engineers letter to Ms. Laura Cutbirth of Westar Trade Resources, dated May 11, 2011, we requested specific information to complete a jurisdictional determination for wetlands at the Port of Grays Harbor, Hoquiam, Grays Harbor County, Washington. We have reviewed the additional information that you provided and have determined that a jurisdictional determination is not required.

The information provided in the attached Corps letter dated March 4, 2008, indicates permit number 071-OYB-2-008671 authorized the filling of Slip 1 with hydraulically placed dredge material in the 1980s and early 1990s. Since the proposed work, constructing a biorefinery, would occur on authorized fill, no permit is required and no jurisdictional determination is required.


Under Section 10 of the Rivers and Harbors Act of 1899, a Section 10 DA permit is normally required for work or structures in or affecting navigable waters of the U.S. Because there will be no work in a water of the U.S., a Section 10 DA permit is not required.

Under Section 404 of the Clean Water Act, a DA permit is normally required for the discharge of dredged or fill material (e.g., fill, excavation, or mechanized land clearing) into waters of the U.S., including wetlands and navigable waters of the U.S. For more information, see the enclosed *Clean Water Act Extracts and Definitions*. However, because the site is not a water of the U.S., a Section 404 DA permit is not required.

While a DA permit is not required, local, state, and other federal requirements may still apply. For example, you may need to obtain a Shoreline Substantial Development Permit from the local government or a Hydraulic Project Approval from the Washington Department of Fish and Wildlife and the Washington Department of Ecology (Ecology) also has regulations

regarding work in wetlands. You should contact Ecology's Permit Assistance Center at (800) 917-0043 or ecypac@ecy.wa.gov for more information on how to obtain Ecology approval for your project. We are sending a copy of this letter to Ecology. If you have any questions about this letter or our regulatory program, please contact Ron Wilcox at (206) 766-6439 or via email at Ronald.J.Wilcox@usace.army.mil.

Sincerely,


for David Martin, Section Chief
Regulatory Branch

Enclosure

FARMLAND CONVERSION IMPACT RATING

PART I (To be completed by Federal Agency)	Date Of Land Evaluation Request 8/29/11
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Name Of Project Imperium Aviation Fuels Biorefinery	Federal Agency Involved USDA
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Proposed Land Use Industrial	County And State Grays Harbor, WA
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PART II (To be completed by NRCS)	Date Request Received By NRCS
--	-------------------------------

Does the site contain prime, unique, statewide or local important farmland? (If no, the FPPA does not apply -- do not complete additional parts of this form).	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>	Acres Irrigated 0	Average Farm Size N/A
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Major Crop(s)	Farmable Land In Govt. Jurisdiction Acres: %	Amount Of Farmland As Defined in FPPA Acres: %
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Name Of Land Evaluation System Used	Name Of Local Site Assessment System	Date Land Evaluation Returned By NRCS
-------------------------------------	--------------------------------------	---------------------------------------

PART III (To be completed by Federal Agency)	Alternative Site Rating			
	Site A	Site B	Site C	Site D
A. Total Acres To Be Converted Directly				
B. Total Acres To Be Converted Indirectly				
C. Total Acres In Site	0.0	0.0	0.0	0.0

PART IV (To be completed by NRCS) Land Evaluation Information	Site A	Site B	Site C	Site D
A. Total Acres Prime And Unique Farmland				
B. Total Acres Statewide And Local Important Farmland				
C. Percentage Of Farmland In County Or Local Govt. Unit To Be Converted				
D. Percentage Of Farmland In Govt. Jurisdiction With Same Or Higher Relative Value				

PART V (To be completed by NRCS) Land Evaluation Criterion Relative Value Of Farmland To Be Converted (Scale of 0 to 100 Points)	Site A	Site B	Site C	Site D
	0	0	0	0

PART VI (To be completed by Federal Agency) Site Assessment Criteria (These criteria are explained in 7 CFR 658.5(b))	Maximum Points	Site A	Site B	Site C	Site D
1. Area In Nonurban Use					
2. Perimeter In Nonurban Use					
3. Percent Of Site Being Farmed					
4. Protection Provided By State And Local Government					
5. Distance From Urban Builtup Area					
6. Distance To Urban Support Services					
7. Size Of Present Farm Unit Compared To Average					
8. Creation Of Nonfarmable Farmland					
9. Availability Of Farm Support Services					
10. On-Farm Investments					
11. Effects Of Conversion On Farm Support Services					
12. Compatibility With Existing Agricultural Use					
TOTAL SITE ASSESSMENT POINTS	0	0	0	0	0

PART VII (To be completed by Federal Agency)	Maximum Points	Site A	Site B	Site C	Site D
Relative Value Of Farmland (From Part V)	0	0	0	0	0
Total Site Assessment (From Part VI above or a local site assessment)	0	0	0	0	0
TOTAL POINTS (Total of above 2 lines)	0	0	0	0	0

Site Selected:	Date Of Selection	Was A Local Site Assessment Used? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
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Reason For Selection:

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

1. Applicant's name and proposed project description: Imperium Renewables, Inc.
Proposed Aviation Fuels Biorefinery

2. Rural Development's loan/grant program/guarantee or other Agency action: Loan Guarantee

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.

Ch. Goode, Environmental Protection Specialist
Name and Title of Certifying Official

08-30-2011
Date



Federal Emergency Management Agency

Washington, D.C. 20472

OCT 26 2006

**CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

The Honorable Chuck Gurrad
Mayor, City of Aberdeen
City Hall, 200 East Market Street
Aberdeen, WA 98520

IN REPLY REFER TO:

Case No.: 06-10-B484P
Community Name: City of Aberdeen, WA
Community No.: 530058
Effective Date of
This Revision: **OCT 26 2006**

Dear Mayor Gurrad:

The Flood Insurance Rate Map for your community has been revised by this Letter of Map Revision (LOMR). Please use the enclosed annotated map panel(s) revised by this LOMR for floodplain management purposes and for all flood insurance policies and renewals issued in your community.

Additional documents are enclosed which provide information regarding this LOMR. Please see the List of Enclosures below to determine which documents are included. Other attachments specific to this request may be included as referenced in the Determination Document. If you have any questions regarding floodplain management regulations for your community or the National Flood Insurance Program (NFIP) in general, please contact the Consultation Coordination Officer for your community. If you have any technical questions regarding this LOMR, please contact the Director, Federal Insurance and Mitigation Division of the Department of Homeland Security's Federal Emergency Management Agency (FEMA) in Bothell, Washington, at (425) 487-4682, or the FEMA Map Assistance Center, toll free, at 1-877-336-2627 (1-877-FEMA MAP). Additional information about the NFIP is available on our website at <http://www.fema.gov/nfip>.

Sincerely,

Kevin C. Long, CFM, Project Engineer
Engineering Management Section
Mitigation Division

For: William R. Blanton Jr., CFM, Chief
Engineering Management Section
Mitigation Division

List of Enclosures:

Letter of Map Revision Determination Document
Annotated Flood Insurance Rate Map

cc: The Honorable Jack Durney
Mayor, City of Hoquiam

Pacific International Engineering, PLLC

Mr. Larry D. Bledsoe
Public Works Director
City of Aberdeen

Mr. Gary Nelson
Executive Director
Port of Grays Harbor

Page 2 of 5	Issue Date: OCT 26 2006	Effective Date: OCT 26 2006	Case No.: 06-10-B484P	LOMR-APP
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Federal Emergency Management Agency
Washington, D.C. 20472

**LETTER OF MAP REVISION
DETERMINATION DOCUMENT (CONTINUED)**

OTHER COMMUNITIES AFFECTED BY THIS REVISION

CID Number: 530061 **Name: City of Hoquiam, Washington**

AFFECTED MAP PANELS			AFFECTED PORTIONS OF THE FLOOD INSURANCE STUDY REPORT
TYPE: FIRM*	NO.: 530061 0005 B	DATE: June 15, 1979	NO REVISION TO THE FLOOD INSURANCE STUDY REPORT

This determination is based on the flood data presently available. The enclosed documents provide additional information regarding this determination. If you have any questions about this document, please contact the FEMA Map Assistance Center toll free at 1-877-336-2627 (1-877-FEMA MAP) or by letter addressed to the LOMR Depot, 3601 Eisenhower Avenue, Alexandria, VA 22304. Additional information about the NFIP is available on our website at <http://www.fema.gov/nfip>.

Kevin C. Long

Kevin C. Long, CFM, Project Engineer
Engineering Management Section
Mitigation Division



Federal Emergency Management Agency

Washington, D.C. 20472

LETTER OF MAP REVISION DETERMINATION DOCUMENT (CONTINUED)

We have designated a Consultation Coordination Officer (CCO) to assist your community. The CCO will be the primary liaison between your community and FEMA. For information regarding your CCO, please contact:

Mr. Carl L. Cook, Jr.
Director, Federal Insurance and Mitigation Division
Federal Emergency Management Agency, Region X
Federal Regional Center
130 228th Street, Southwest
Bothell, WA 98021-9796
(425) 487-4682

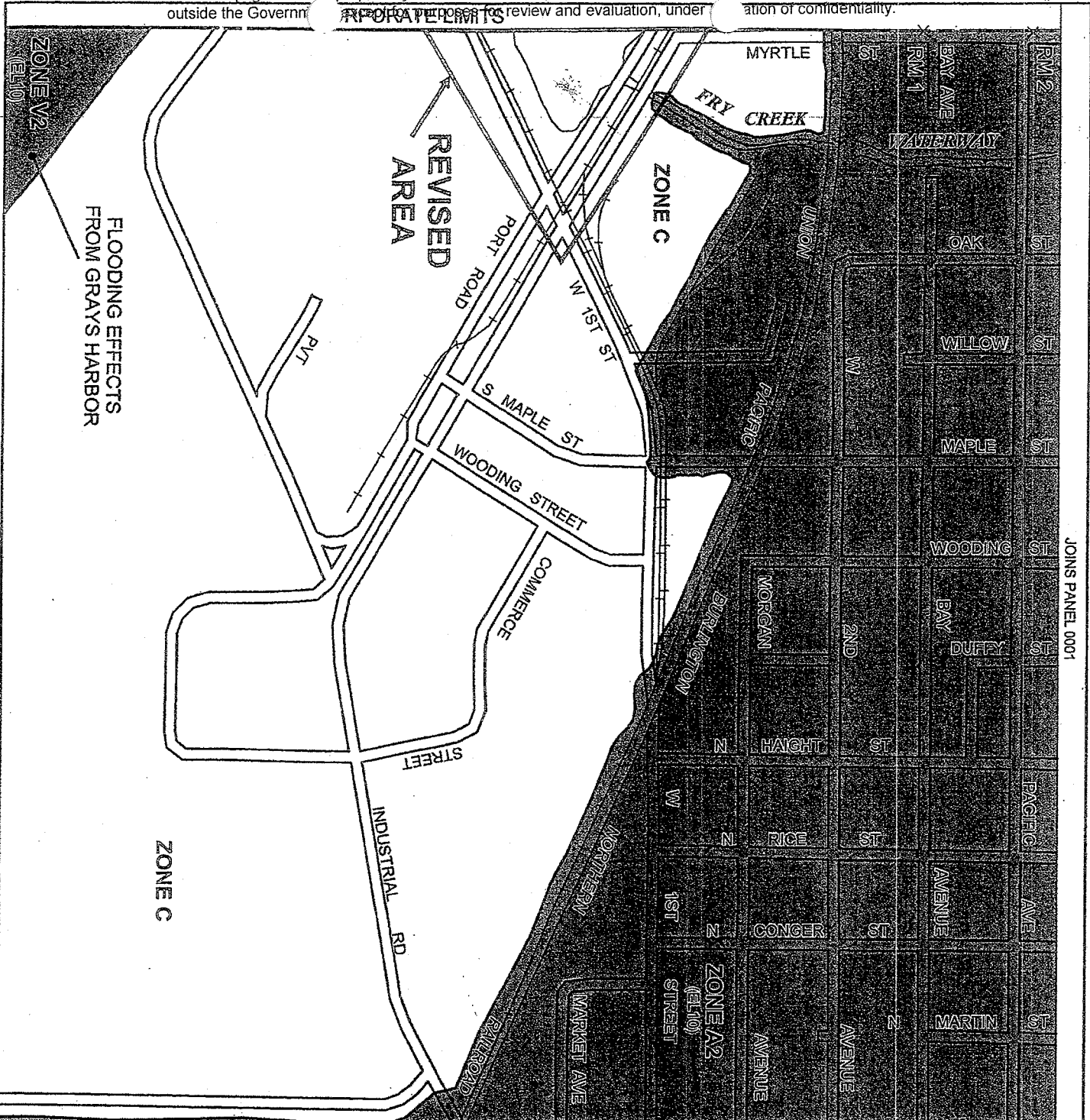
STATUS OF THE COMMUNITY NFIP MAPS

We will not physically revise and republish the FIRM for your community to reflect the modifications made by this LOMR at this time. When changes to the previously cited FIRM panel(s) warrant physical revision and republication in the future, we will incorporate the modifications made by this LOMR at that time.

This determination is based on the flood data presently available. The enclosed documents provide additional information regarding this determination. If you have any questions about this document, please contact the FEMA Map Assistance Center toll free at 1-877-336-2627 (1-877-FEMA MAP) or by letter addressed to the LOMR Depot, 3601 Eisenhower Avenue, Alexandria, VA 22304. Additional information about the NFIP is available on our website at <http://www.fema.gov/nfip>.

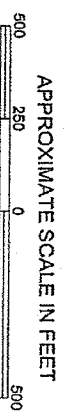
Handwritten signature of Kevin C. Long in cursive.

Kevin C. Long, CFM, Project Engineer
Engineering Management Section
Mitigation Division



JOINS PANEL 0001

- Legend**
- 1% annual chance (100-Year) Floodplain
 - 1% annual chance (100-Year) Floodway
 - 0.2% annual chance (500-Year) Floodplain



NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP

CITY OF
ABERDEEN,
WASHINGTON
GRAYS HARBOR COUNTY

PANEL 3 OF 4
(SEE MAP INDEX FOR PANELS NOT PRINTED)

REVISED TO
REFLECT LOMR
EFFECTIVE OCT 26 2006



COMMUNITY - PANEL NUMBER
530058 0003 B

EFFECTIVE DATE:
JULY 15, 1984

Federal Emergency Management Agency



Federal Emergency Management Agency

Washington, D.C. 20472

OCT 26 2006

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Jack Durney
Mayor, City of Hoquiam
609 Eighth Street
Hoquiam, WA 98550

IN REPLY REFER TO:

Case No.: 06-10-B484P
Community Name: City of Hoquiam, WA
Community No.: 530061
Effective Date of **OCT 26 2006**
This Revision:

Dear Mayor Durney:

The Flood Insurance Rate Map for your community has been revised by this Letter of Map Revision (LOMR). Please use the enclosed annotated map panel(s) revised by this LOMR for floodplain management purposes and for all flood insurance policies and renewals issued in your community.

Additional documents are enclosed which provide information regarding this LOMR. Please see the List of Enclosures below to determine which documents are included. Other attachments specific to this request may be included as referenced in the Determination Document. If you have any questions regarding floodplain management regulations for your community or the National Flood Insurance Program (NFIP) in general, please contact the Consultation Coordination Officer for your community. If you have any technical questions regarding this LOMR, please contact the Director, Federal Insurance and Mitigation Division of the Department of Homeland Security's Federal Emergency Management Agency (FEMA) in Bothell, Washington, at (425) 487-4682, or the FEMA Map Assistance Center, toll free, at 1-877-336-2627 (1-877-FEMA MAP). Additional information about the NFIP is available on our website at <http://www.fema.gov/nfip>.

Sincerely,

Handwritten signature of Kevin C. Long in cursive.

Kevin C. Long, CFM, Project Engineer
Engineering Management Section
Mitigation Division

For: William R. Blanton Jr., CFM, Chief
Engineering Management Section
Mitigation Division

List of Enclosures:

Letter of Map Revision Determination Document
Annotated Flood Insurance Rate Map

Mr. Larry D. Bledsoe
Public Works Director
City of Aberdeen

Mr. Gary Nelson
Executive Director
Port of Grays Harbor

Mr. Albert Liou, P.E.
Principal
Pacific International Engineering, PLLC

Ms. Kathleen A Sellman



Federal Emergency Management Agency
Washington, D.C. 20472

**LETTER OF MAP REVISION
DETERMINATION DOCUMENT (CONTINUED)**

OTHER COMMUNITIES AFFECTED BY THIS REVISION

CID Number: 530058 **Name:** City of Aberdeen, Washington

AFFECTED MAP PANELS			AFFECTED PORTIONS OF THE FLOOD INSURANCE STUDY REPORT
TYPE: FIRM*	NO.: 530058 0003 B	DATE: July 16, 1984	NO REVISION TO THE FLOOD INSURANCE STUDY REPORT

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Kevin C. Long

Kevin C. Long, CFM, Project Engineer
Engineering Management Section
Mitigation Division



Federal Emergency Management Agency

Washington, D.C. 20472

LETTER OF MAP REVISION DETERMINATION DOCUMENT (CONTINUED)

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Federal Emergency Management Agency, Region X
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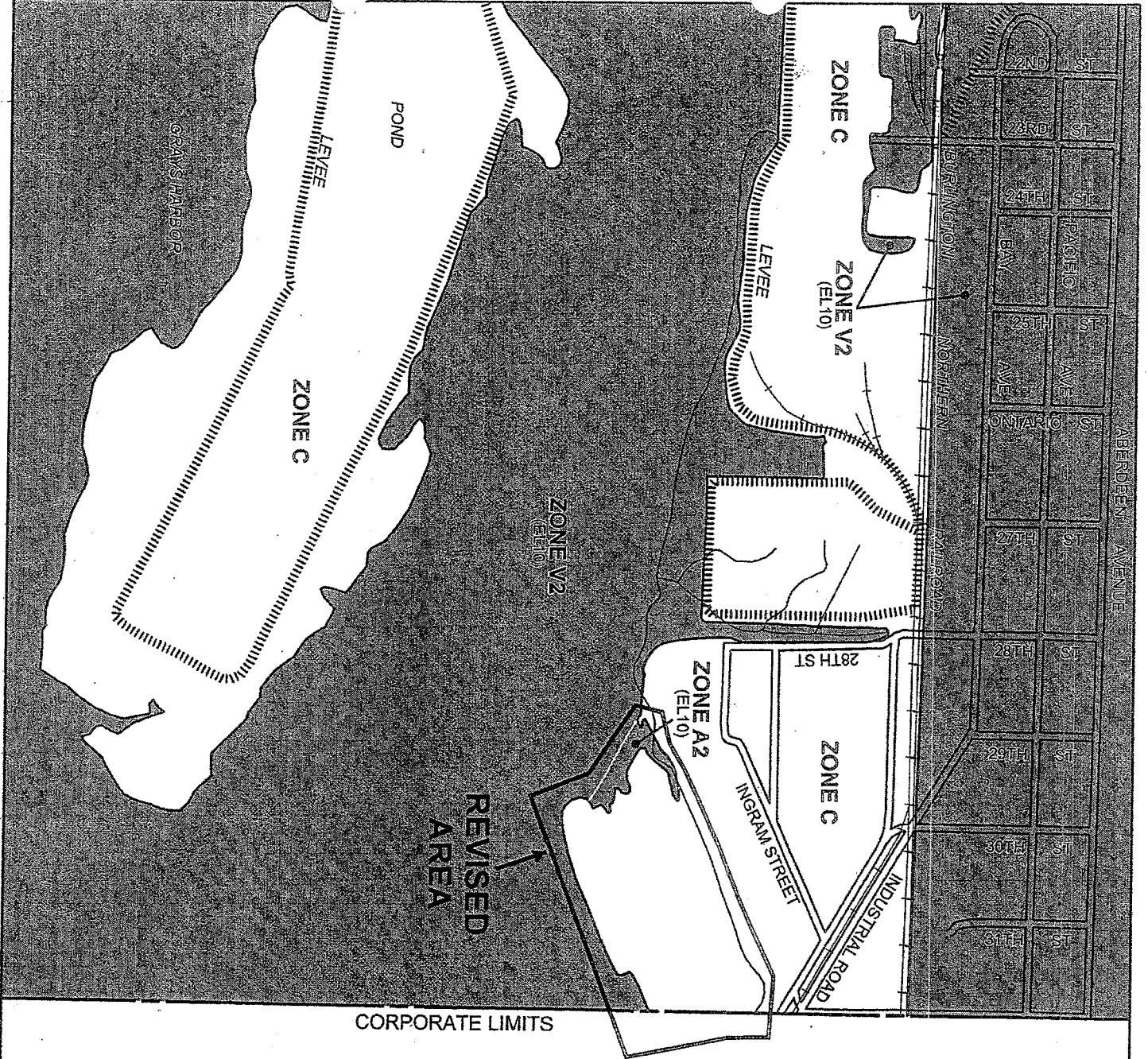
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Handwritten signature of Kevin C. Long in cursive.

Kevin C. Long, CFM, Project Engineer
Engineering Management Section
Mitigation Division



Legend

- 1% annual chance (100-Year) Floodplain
- 1% annual chance (100-Year) Floodway
- 0.2% annual chance (500-Year) Floodplain
- 1% annual chance (100-Year) Floodplain

APPROXIMATE SCALE IN FEET

800 400 0 800

NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP

CITY OF
HOQUIAM,
WASHINGTON
GRAYS HARBOR COUNTY

ONLY PANEL PRINTED

REVISED TO REFLECT LOMR EFFECTIVE OCT 26 2006

MAP NUMBER
530061 0005 B

MAP REVISED:
JUNE 15, 1979

Federal Emergency Management Agency