



**United States Department of Agriculture
Rural Development**

FROM: Linda J. Rodgers  October 8, 2010
Deputy Director
Program Support Staff
USDA, Rural Development

SUBJECT: Finding of No Significant Impact (FONSI)
Enerkem Corp.
Pontotoc, MS

DESCRIPTION OF ACTION

In accordance with applicable regulations and policies, Rural Business and Cooperative Service, an agency within the Department of Agriculture, has adopted an Environmental Assessment (EA) prepared by the Department of Energy (DOE) for the construction and operation of a heterogenous feedstock cellulosic ethanol production facility. The Applicant, Enerkem Corp. has requested a loan guarantee from the Agency in support of their proposal, which at its peak capacity would produce up to 10 million gallons of fuel grade ethanol per year, displacing the use of over 7 million gallons/year of petroleum-based gasoline production. The facility will be located in rural Pontotoc, Mississippi.

The Applicant proposes to construct a bio-refinery at an existing landfill and use post-sorted and dried municipal solid waste (MSW) as the primary biomass feedstock for ethanol production. The site located in Pontotoc, MS was selected for the proposal because the existing landfill site could easily accommodate an additional industrial facility and because the MSW source is projected to be consistent and provide the needed biomass for the refinery.

BASIS FOR FINDINGS

All discussion, analysis and findings related to the potential impacts of construction and operation of the Applicant's proposal (including required mitigation) are contained in the EA, prepared by DOE. Further, this finding is based on site investigation, data collection and research, and contact with agencies with special environmental expertise or jurisdictional responsibilities mandated by law. In reviewing the indicators of significance in the attached assessment as outlined in Rural Development Instruction, 7 CFR Part 1940, Subpart G, it has been determined that the Applicant's proposal to construct and operate a heterogenous feedstock cellulosic ethanol facility and the

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Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

Agency's financial support of it does not constitute a major Federal Action which will significantly affecting the quality of the human environment.

All of the environmental impacts identified in the EA are anticipated to be short-term and minor. However, adherence to local, State, and Federal requirements pertaining to standard construction design and operation practices would mitigate any potential negative impact identified in the EA and associated with this proposal. Beyond those negative impacts that would normally occur with activities of this type, no additional impacts are anticipated to occur with the operation of the action alternative.

The Applicant's commitment to obtain and comply with all necessary permits and to minimize potential environmental impacts through mitigation measures identified in the EA shall be incorporated into the Agency's Conditional Commitment for Guarantee. All preparatory site work, facility design, construction and operation must comply with Federal, State and local environmental codes, ordinances and laws.

FINDINGS

Pursuant to the provisions of the National Environmental Policy Act of 1969 (PL 91-190), regulations issued by the Council on Environmental Quality (40 CFR 1500-1508), Rural Development Instruction 7 CFR Part 1940, Subpart G, we advise you of our findings. It is our determination that the EA has adequately analyzed the preferred action alternative and we find the action alternative acceptable. The action in and of itself will not adversely affect the quality of the human and natural environment and an Environmental Impact Statement will not be required.

Prepared by:



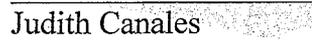
Annie Eberhart Goode
Environmental Protection Specialist
Program Support Staff

Recommended:



William Smith
Director, Energy Division
Rural Business Service

Approved:



Judith Canales
Administrator
Rural Business Service

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

1. Applicant's name and proposed project description: Enerkem. Proposed heterogenous feedstock
bio refinery

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.

Annie Edmund Geale, Env. Protection Spec
Name and Title of Certifying Official

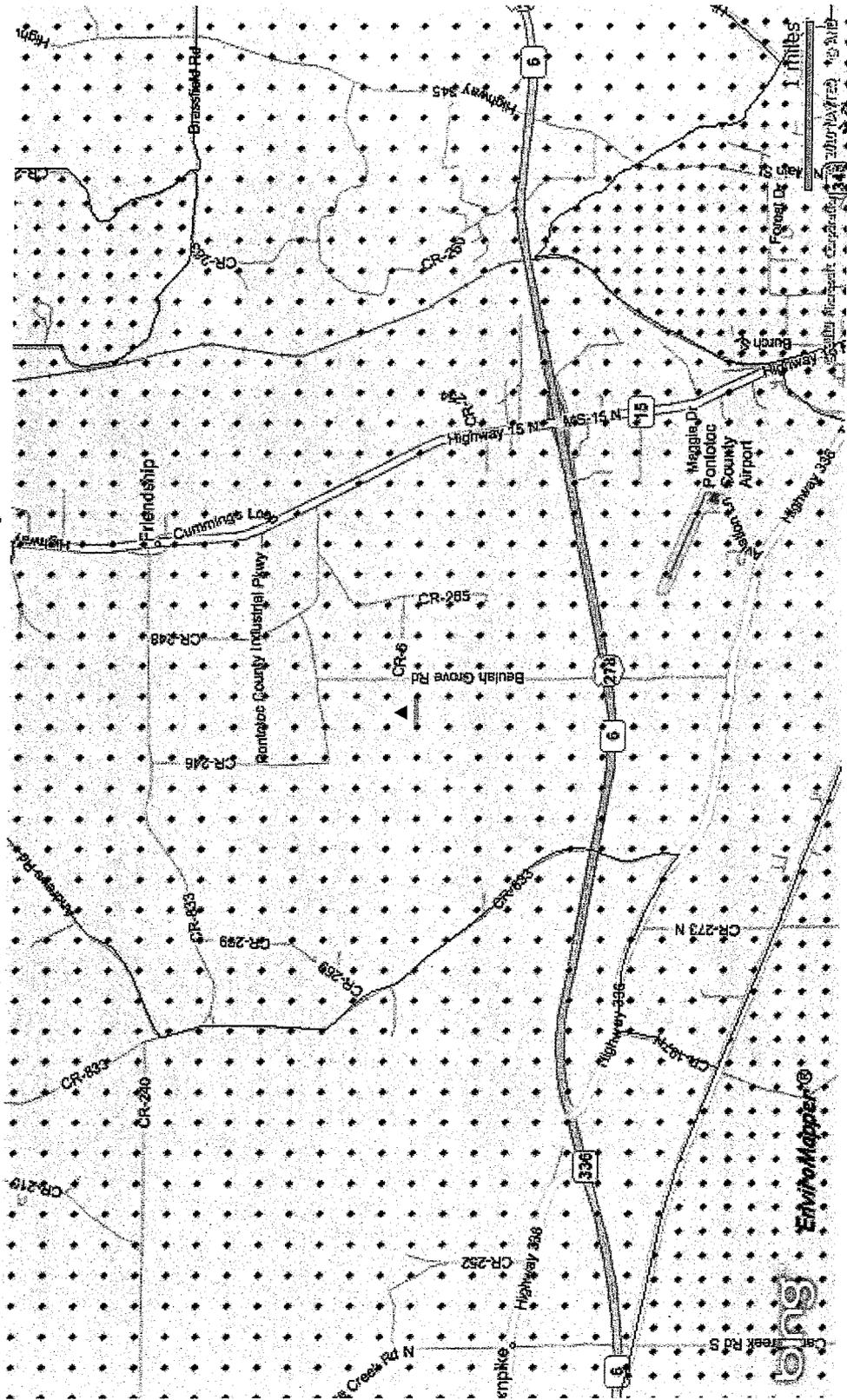
10-08-2010

Date

Pontotoc, Mississippi Percent Below Poverty = 9.4 Percent

by Blockgroup
 PERC_BPOV

- 0 - 10
- 10 - 20
- 20 - 30
- 30 - 40
- 40 - 100



Long Elevation Maps

DEPARTMENT OF HOMELAND SECURITY
 FEDERAL EMERGENCY MANAGEMENT AGENCY
STANDARD FLOOD HAZARD DETERMINATION FORM (SFHDF)

See The Attached
 Instructions

O.M.B. No. 1660-0040
 Expires December 31, 2011

SECTION I - LOAN INFORMATION

1. LENDER NAME AND ADDRESS Silicon Valley Bank One Newton Executive Park, Ste 200 Newton, MA 02462		2. COLLATERAL (Building/Mobile Home/Personal Property) PROPERTY ADDRESS (Legal Description may be attached) Property		
3. LENDER ID NO. 94-2875288	4. LOAN IDENTIFIER	5. AMOUNT OF FLOOD INSURANCE REQUIRED None		

SECTION II

A. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) COMMUNITY JURISDICTION

1. NFIP Community Name Pontotoc	2. County(ies) Pontotoc	3. State Miss	4. NFIP Community Number 2802340150D
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B. NATIONAL FLOOD INSURANCE PROGRAM (NFIP) DATA AFFECTING BUILDING/MOBILE HOME

1. NFIP Map Number or Community-Panel Number (Community name, if not the same as "A") 28115C0150D	2. NFIP Map Panel Effective/ Revised Date August 19, 2010	3. LOMA/LOMR <input type="checkbox"/> YES _____ Date	4. Flood Zone X	5. No NFIP Map
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C. FEDERAL FLOOD INSURANCE AVAILABILITY (Check all that apply)

- 1. Federal Flood Insurance is available (Community participates in NFIP). Regular Program Emergency Program of NFIP
- 2. Federal Flood Insurance is not available because community is not participating in the NFIP.
- 3. Building/Mobile Home is in a Coastal Barrier Resources Area (CBRA) or Otherwise Protected Area (OPA). Federal Flood Insurance may not be available.
 CBRA/OPA Designation Date: _____

D. DETERMINATION

**IS BUILDING/MOBILE HOME IN SPECIAL FLOOD HAZARD AREA
 (ZONES CONTAINING THE LETTERS "A" OR "V")?** YES NO

If yes, flood insurance is required by the Flood Disaster Protection Act of 1973.
 If no, flood insurance is not required by the Flood Disaster Protection Act of 1973.

E. COMMENTS (Optional)

This determination is based on examining the NFIP map, any Federal Emergency Management Agency revisions to it, and any other information needed to locate the building/mobile home on the NFIP map.

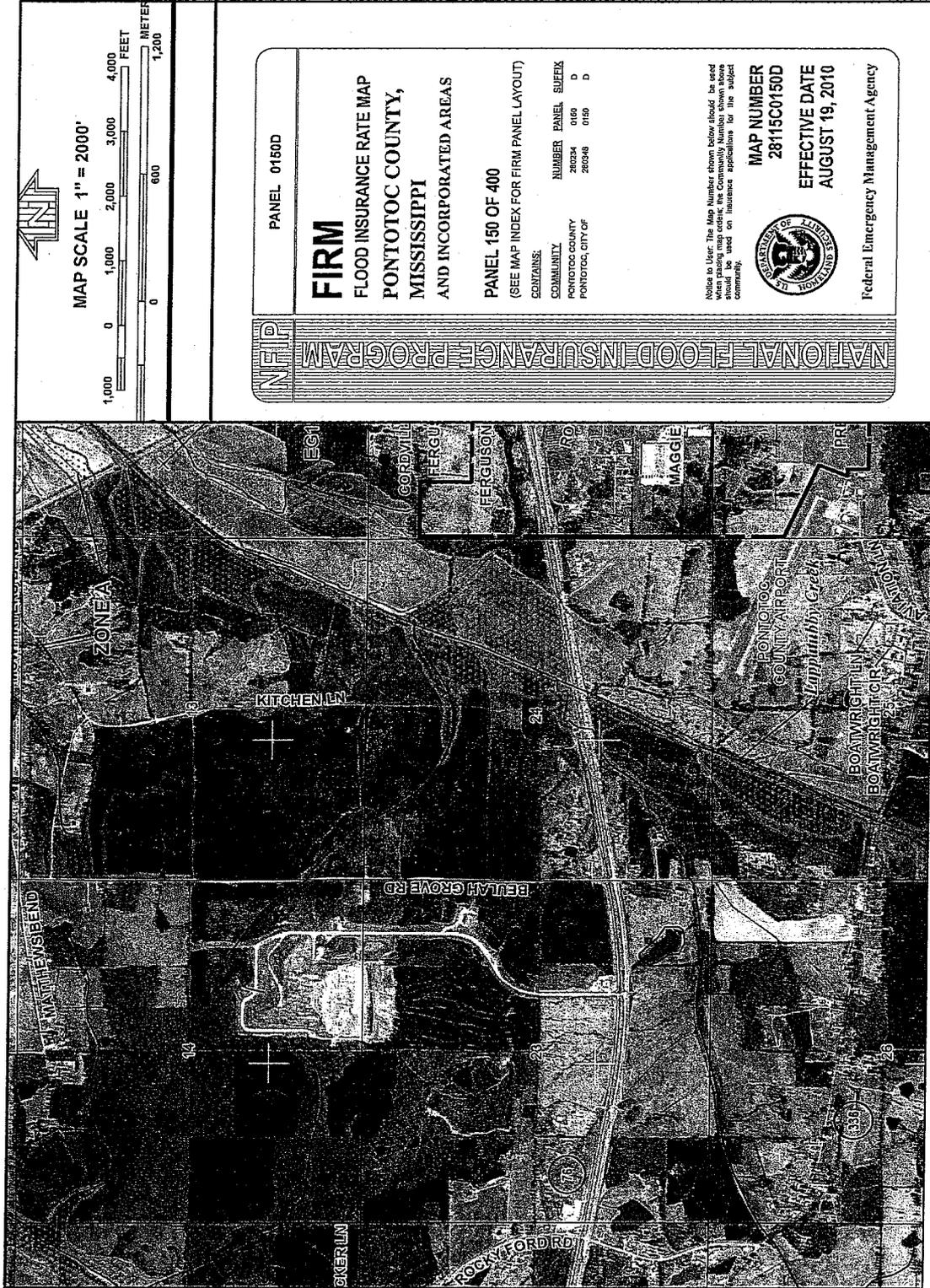
F. PREPARER'S INFORMATION

NAME, ADDRESS, TELEPHONE NUMBER (If other than Lender) Ann Eberhart Goode Rural Development 202.720.9653	DATE OF DETERMINATION October 7, 2010
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Your Flood Map

Prepared by: myFloodZone.com

www.myfloodzone.com | sales@myfloodzone.com



NATIONAL FLOOD INSURANCE PROGRAM

PANEL 0150D

FIRM
 FLOOD INSURANCE RATE MAP
 PONTOTOC COUNTY,
 MISSISSIPPI
 AND INCORPORATED AREAS

PANEL 150 OF 400
 (SEE MAP INDEX FOR FIRM PANEL LAYOUT)

CONTAINS:
 COMMUNITY PONTOTOC COUNTY
 PONTOTOC, CITY OF

NUMBER	PANEL	SUFFIX
28234	0150	D
28246	0150	D

Notice to User: The Map Number shown below should be used when purchasing flood insurance. The Community Number shown above should be used on insurance applications for the subject community.

MAP NUMBER 28145C0150D
 EFFECTIVE DATE AUGUST 19, 2010

Federal Emergency Management Agency

Thank you for using myFloodZone.com