

**FINDING OF NO  
SIGNIFICANT IMPACT**

**North Dakota CarbonSAFE: Project Tundra  
Oliver County, North Dakota**

**Rural Utilities Service  
U.S. Department of Agriculture**

**Minnkota Power Cooperative, Inc**

**Prepared by:  
Environmental and Historic Preservation Division  
Rural Utilities Service**

**April 2025**

## **A. INTRODUCTION**

Minnkota Power Cooperative, Inc. (Minnkota) plans to submit a financing request to the U.S. Department of Agriculture (USDA), Rural Utilities Service (RUS) to design, construct, and operate an amine-based post-combustion carbon dioxide (CO<sub>2</sub>) capture technology at a coal-fired power plant (proposed Project).

RUS is considering this financing request. Prior to taking a federal action (i.e., providing financial assistance), RUS is required to complete an environmental impact analysis in accordance with the National Environmental Policy Act of 1969 (NEPA: 42 United States Code [U.S.C.] § 4321–4347) and USDA Rural Development’s NEPA implementing regulations, Environmental Policies and Procedures (7 CFR Part 1970).

The proposed Project is also funded by the Department of Energy (DOE), National Energy Technology Laboratory. DOE is to provide Minnkota with approximately \$38.5 million of cost-shared financial assistance under Funding Opportunity Announcement (FOA) DE-FOA-00002711, an estimated 50 percent of the estimated \$77 million total project cost. The remaining cost will be funded by RUS. In accordance with NEPA, the DOE completed an Environmental Assessment in September 2024 (DOE/EA-2197). Subsequently, a Finding of No Significant Impact (FONSI) was signed and issued for the proposed Project. After completing an independent analysis of DOE/EA-2197 prepared by DOE, RUS concurred with its scope and content. In accordance with 40 CFR § 1506.3, RUS adopted DOE/EA-2197 as the Agency’s NEPA action for the proposed Project. RUS finds that DOE/EA-2197 is consistent with federal regulations and meets the standards for an adequate assessment. In addition, RUS considers the proposed Project an undertaking subject to review under Section 106 of the National Historic Preservation Act (NHPA), 16 USC 470(f), and its implementing regulation, “Protection of Historic Properties” (36 CFR Part 800).

## **B. PROJECT DESCRIPTION**

The project would include new infrastructure and equipment for the capture and geologic storage of CO<sub>2</sub> generated by the existing lignite-fired Milton R. Young Station (MRY) in Center, Oliver County, North Dakota, and would utilize Mitsubishi Heavy Industries’ (MHI) Kansai Mitsubishi Carbon Dioxide Recovery (KM CDR) amine-based post-combustion carbon capture technology.

Minnkota, as the project sponsor and host-site, has proposed to construct the project, which would be the world’s largest post-combustion CO<sub>2</sub> capture and geologic storage project, and would capture and permanently store CO<sub>2</sub> emissions from Minnkota’s existing MRY facility, a lignite-fired power plant.

## **C. PURPOSE AND NEED**

USDA, Rural Development, RUS, is a mission area that includes three federal agencies: (1) Rural Business–Cooperative Service; (2) Rural Housing Service; and (3) RUS. The agencies offer more than 50 programs that provide financial assistance and a variety of technical and educational assistance to eligible rural and Native American Tribal populations, eligible communities, individuals, cooperatives, and other entities with a goal of improving the quality of life, sustainability, infrastructure, economic opportunity, development, and security in rural America. Financial assistance can include direct loans, guaranteed loans, and grants in order to accomplish program objectives.

Minnkota is seeking federal financial assistance for the proposed Project from RUS under the Empowering Rural America program (New ERA). The objective of PACE is to increase rural community

access to affordable, clean, and reliable energy resources. Minnkota's purpose and need is to further the development, deployment, and commercialization of technologies to capture and geologically store CO<sub>2</sub> emissions securely in the subsurface. Successful implementation of this proposed project will encourage the rapid growth of a vibrant, geographically widespread industry for secure geologic carbon storage by reducing risks and costs for future projects and bringing more storage resources into commercial classifications.

RUS has reviewed the purpose and need for the proposed Project and determined that the proposal will meet the present and future needs of the Minnkota.

## **D. ALTERNATIVES EVALUATED**

### **1. No Action**

Under the No Action Alternative, RUS would not provide financial assistance to Minnkota. The project would be delayed if other funding sources were pursued. Alternatively, the commercial-scale carbon capture and storage project (Project Tundra) may not be constructed, and the proposed Project would not be constructed. Consequently, the commercial-scale geologic storage complex would not be constructed, and the risks would not be reduced for future storage complexes and widespread commercial CCUS would not be advanced.

### **2. Action Alternative (Preferred Alternative)**

Under the Action Alternative, RUS would consider financing the proposed Project. The project would consist of the carbon capture facility, a 0.5-mile-long CO<sub>2</sub> flowline; Class VI injection wells (up to three); Class I disposal wells (up to two); one underground source of drinking water (USDW) monitoring well; and deep subsurface monitoring wells (up to two). The project surface facilities are located on Minnkota-owned property. One of the deep subsurface monitoring wells is proposed to be installed approximately 2.0 miles northeast of the injection site. The Class I injection wells are proposed for disposal of non-hazardous process wastewater generated by the carbon capture process.

The Project would be sized for capture and saline formation geologic storage of an average of 4.0 million metric tons per year (MMT/yr) of CO<sub>2</sub>. The CO<sub>2</sub> would be compressed, piped via a new approximately 0.5-mile-long CO<sub>2</sub> flowline to the storage complex, and injected into deep geologic reservoirs.

## **E. SUMMARY OF ENVIRONMENTAL EFFECTS**

The analyses in the EA documented that the proposed Project would have no significant adverse effects to existing land use, floodplains, threatened and endangered species, water resources, coastal resources, the surrounding community, air quality, noise, transportation, aesthetics, or human health and safety.

RUS completed consultation with the Apache Tribe of Oklahoma, Fort Belknap Indian Community of the Fort Belknap Reservation of Montana, and Three Affiliated Tribes of the Fort Berthold Reservation in North Dakota. No tribes responded to the finding letters sent on February 18, 2025. The North Dakota State Historic Preservation Office (SHPO) acknowledged on January, 17, 2025 that RUS is now providing added funding for the Project undertaking. The Department of Energy has already consulted with the North Dakota SHPO for this Project and received concurrence on a finding of no historic properties affected. There are no required mitigations for cultural resources for this Project.

In the event of a discovery [discovery means any previously unidentified or incorrectly identified cultural resources including, but not limited to, archaeological deposits, human remains, or locations reportedly associated with Native American religious/traditional beliefs or practices], all operations in the immediate

vicinity of the discovery must cease, and the BIA Regional Archaeologist and the RUS Archeologist must be notified.

## **F. PUBLIC INVOLVEMENT**

DOE release the draft DOE/EA-2197 for public review and comment after publication of the Notice of Availability in the Bismarck Tribune on August 19, 2023. Responses to the August 2023 Draft EA were received from one federal agency, one state agency, three non-governmental organizations (NGOs), and five members of the public. Due to the increased level of public interest and number of comments received, DOE prepared a Comment Response. The Comment Response was included in a new draft and DOE reissued draft DOE/EA-2197 on April 13, 2024 for an additional 30-day comment period to allow interested parties to review the comments and responses, as well as any edits to the Draft DOE/EA-2197. Responses to the April 2024 Draft EA were received from one federal agency, five NGOs, and one member of the public. Those letters are included in the Final EA, and appropriate changes were made in the corresponding sections of the document. Those letters are included in the Final DOE/EA-2197 and appropriate changes were made in the corresponding sections of the document.

Copies of the Draft EAs were distributed to cognizant agencies, Native American Tribes, public libraries, and interested parties. Additionally, the Draft EAs were also available for review at Bismarck Veterans Memorial Public Library, 515 N 5th St, Bismarck, ND 58501, and the North Dakota State Library, 604 E Boulevard Ave, Bismarck, ND 58505. All copies of the documents were disseminated electronically, with the exception of hardcopies mailed to the libraries and Native American Tribes.

RUS will prepare a Notice of Availability for adoption of DOE/EA-2197.

## **G. FINDING OF NO SIGNIFICANT IMPACT**

Based on the EA, RUS has concluded that the proposed Project would have no significant effects to existing land use, floodplains, wetlands, cultural resources, threatened and endangered species, water resources, coastal resources, the surrounding community, air quality, noise, transportation, aesthetics, or human health and safety. The proposed Project will have no effects on historic properties listed or eligible for listing on the National Register of Historic Places and no effects to federally listed species or designated critical habitat. The proposed Project would not disproportionately affect minority or low-income populations.

In accordance with the National Environmental Policy Act, the Council on Environmental Quality Regulations (40 CFR 1500–1508), and RD’s Environmental Policies and Procedures (7 CFR Part 1970), RUS has determined that the environmental impacts of the proposed Project have been adequately addressed and that no significant impacts to the quality of the human environment would result from construction and operation of the proposed Project. Any final action by RUS related to the proposed Project will be subject to, and contingent upon, compliance with all relevant federal and state environmental laws and regulations. Because RUS’s action will not result in significant impacts to the quality of the human environment, RUS will not prepare an Environmental Impact Statement for its potential federal action associated with the proposed Project.

## **H. RUS LOAN REVIEW AND RIGHT OF ADMINISTRATIVE REVIEW**

This FONSI is not a decision on a loan application and therefore not an approval of the expenditure of federal funds. Issuance of the FONSI and its notices concludes RUS’s environmental review process. The ultimate decision on loan approval depends upon conclusion of this environmental review process in addition to financial and engineering reviews. Issuance of the FONSI and publication of notices will allow for these reviews to proceed. The decision to provide financial assistance also is subject to the

availability of loan funds for the designated purpose in RUS's budget. There are no provisions to appeal this decision (i.e., issuance of a FONSI). Legal challenges to the FONSI may be filed in Federal District Court under the Administrative Procedures Act.

## **I. APPROVAL**

This Finding of No Significant Impact is effective upon signature.

CHRISTOPHER A. McLEAN  
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### **Contact information**

For additional information on this FONSI, email: [RUSPublicComments@usda.gov](mailto:RUSPublicComments@usda.gov)