FINDING OF NO SIGNIFICANT IMPACT
FOR
BATTERY ACTIVE MATERIALS FACTORY TO
PRODUCE LITHIUM-ION BATTERY ANODE MATERIAL
GROUP14 TECHNOLOGIES, INC.
MOSES LAKE, WASHINGTON
DOE/EA-2220

RESPONSIBLE AGENCY: U.S. Department of Energy (DOE)

ACTION: Finding of No Significant Impact (FONSI)

SUMMARY: The DOE National Energy Technology Laboratory (NETL) completed the Final Environmental Assessment (EA) for Group14 Technologies, Inc. (Group14) – Battery Active Materials Factory (BAM Factory) to Produce Lithium-ion Battery Anode Material (DOE/EA-2220). Based on analyses in the EA, DOE determined that its Proposed Action – awarding a grant to Group14 to partially fund the new facility – would result in no significant adverse impacts. DOE further determined that there would be beneficial impacts to socioeconomics, environmental justice, and greenhouse gas emissions reduction from implementation of Group14's Proposed Project.

BACKGROUND: As part of the Infrastructure Investment and Jobs Act (Bipartisan Infrastructure Law; Public Law 111-58), DOE's NETL, on behalf of the Office of Manufacturing and Energy Supply Chains and the Office of Energy Efficiency and Renewable Energy, jointly issued the Funding Opportunity Announcement (FOA) DE-FOA-0002678 Bipartisan Infrastructure Law (BIL) Battery Materials Processing and Battery Manufacturing. The BIL appropriates more than $62 billion to the DOE to deliver a more equitable clean energy future to the American people and will invest more than $7 billion in the battery supply chain over the five-year period encompassing fiscal years (FYs) 2022 through 2026.

Group14's new facility would support the construction of a commercial-scale facility to produce a lithium-ion battery anode material to meet the growing EV market. If approved, DOE's proposed action would provide $100,000,000 in financial assistance in a cost-sharing arrangement with Group14, who would provide $490,690,080 towards the total project costs of $590,690,080.

Based on the scope of the Proposed Project, DOE prepared an EA to evaluate potential environmental and socioeconomic consequences of providing financial assistance for the proposed project in accordance with the requirements of the National Environmental Policy Act (NEPA), as amended (42 U.S.C. 4321 et seq.), the President's Council on Environmental Quality (CEQ) regulations for implementing NEPA (40 CFR Parts 1500 to 1508), and DOE's implementing procedures for compliance with NEPA (10 CFR Part 1021).

PURPOSE AND NEED: The overall purpose and need for DOE action pursuant to the Office of Manufacturing and Energy Supply Chains in collaboration with the Office of Energy Efficiency and Renewable Energy and the funding opportunity under the BIL is to accelerate the development and production of a resilient supply chain for high-capacity batteries by increasing investments in

battery materials processing and battery manufacturing projects. This and other selected projects are needed to maximize benefits of the clean energy transition as the nation works to curb the climate crisis. These projects would meet the objective of recruiting, training, and retaining a skilled workforce in communities that have lost jobs due to displacement of fossil fuel-based energy jobs. The proposed project will also meaningfully assist in the nation's economic recovery by creating manufacturing jobs in the United States in accordance with the objectives of the BIL. The funding received from BIL will make this project (and others) possible.

DESCRIPTION OF THE PROPOSED ACTION: DOE's Proposed Action is to provide a grant to provide funding for Group14 to construct a commercial-scale facility, referred to as the BAM Factory, to produce a lithium-ion battery anode material for the growing EV market. Group14's facility consists of six process module buildings, plus administrative, operations, utility, and solid waste storage buildings, and a nitrogen plant. Parking, new access roads, various utilities, a stormwater infiltration pond, wastewater conveyance, and other associated facilities would also be constructed as part of the facility. The overall facility footprint encompasses approximately 46 acres. Group14's product is a silicon-carbon composite material that improves energy density and reduces the cost of lithium-ion batteries. Carbon-forming dry powder precursors and carbon and silicone-containing gases would be the primary process inputs. The raw material dry powders would be mixed and transferred through the carbonization furnace, and then enter a multi-stage grinding process where it would be reduced to the desired particle size. The product would then be pneumatically conveyed forward to the compounding reactor system, and then evaluated for quality. Product meeting the quality specifications would then pass to a vibratory screener. The final stage of the process would be bag filling. The filled bags would be heat-sealed and moved to the storage room. The final product produced at the BAM Factory is the silicon-carbon composite material. This material would be shipped via truck from the BAM Factory to battery manufacturers that ultimately develop the final battery product for consumer retail worldwide.

ALTERNATIVES CONSIDERED: In addition to the Proposed Action, DOE considered the No-Action Alternative as required under NEPA. Under the No Action Alternative, DOE would not provide funds for the proposed project. Without DOE funding for the project to be completed as proposed, the applicant would need to identify, obtain, and use an alternative source of funds equal to the amount of funding that the applicant would have received from DOE under the above-listed funding opportunity. DOE recognizes that this proposed project might continue if DOE decides not to provide financial assistance. If Group14's project proceeds without DOE's financial assistance, the potential impacts would be essentially identical to those under DOE's action alternative. To allow a comparison between the potential impacts of the projects to be implemented and the impacts of not proceeding with the projects, for purposes of this environmental analysis, DOE assumes that the proposed project would likely not proceed without DOE assistance.

ENVIRONMENTAL CONSEQUENCES: DOE considered the potential effects of the Proposed Action and No-Action Alternative on 18 environmental resource areas in preparation of the EA; however, not all resource areas were evaluated at the same level of detail. DOE determined that parks and recreation would either not be affected or would sustain negligible impacts from the proposed project and thus was dismissed from detailed analysis in the EA. The areas that DOE evaluated in more detail included surface water and groundwater; wetlands and

floodplains; vegetation and wildlife; community services; aesthetics and visual resources; air quality; noise and vibration; regulated wastes (solid and hazardous wastes); utilities and energy use; transportation and traffic; land use; geology, topography, and soils; greenhouse gases; socioeconomics; environmental justice; cultural resources; and public and occupational health and safety. For these areas, DOE determined there would be negligible or minor potential environmental impacts.

SURFACE WATER AND GROUNDWATER: Construction of the proposed project would have minor, temporary, indirect impacts from runoff to nearby surface waters. These impacts would be avoided and minimized through the implementation of a Stormwater Pollution Prevention Plan (SWPPP) and best management practices (BMPs) as required under the Washington Department of Ecology (Ecology) Construction Stormwater General Permit (CSWGP). Construction would have negligible impacts to groundwater as discharges to land are not proposed and construction-related stormwater would be routed to the proposed operational infiltration pond in compliance with the CSWGP. Additionally, the shallow groundwater is likely separated from the deeper water supply aquifer by a confining layer, which would slow or preclude unplanned discharges from reaching the deeper aquifer and the source for the community well supplying public water.

Operations would have minor impacts on surface water or groundwater as wastewater and stormwater would be captured and treated, and no discharge to surface waters would occur. All wastewater discharges would be directed to the City's public-owned treatment works subject to, and in compliance with, a National Pollutant Discharge Elimination System (NPDES) and City wastewater discharge permits obtained prior to operation. Precipitation runoff with the proposed project boundary would be captured and directed to the stormwater infiltration pond.

WETLANDS AND FLOODPLAINS: Due to the absence of regulated wetlands and floodplains within the proposed project site, construction and operations are anticipated to have negligible impacts on wetlands and floodplains.

VEGETATION AND WILDLIFE: Construction impacts are anticipated to be minor, affecting prior and current agricultural cover rather than native vegetation and habitat. The proposed project's operations would not impact vegetation as a SWPPP would be implemented to avoid and minimize impacts from stormwater and wastewater runoff or accidental discharges to adjacent vegetated areas.

The proposed project's impacts on general wildlife species are anticipated to be negligible. The project would be constructed on a zoned industrial site where the habitat has been influenced by previous site disturbances associated with vegetation removal and active farming. Such activities have altered plant composition and left the area devoid of adequate wildlife habitat. An October 2022 field survey of the project indicated that the proposed property has been repeatedly modified for agriculture or other human uses and is now dominated by non-native vegetation including pasture grasses and a diverse assemblage of weeds, shrubs, and perennial forage grasses. The entire site had also regularly been grazed by livestock. These findings were summarized in a Resource Lands and Critical Areas Report in October 2022 and included in Appendix E of the EA. No federally listed endangered or threatened species have been observed or documented on the

site, nor does the site contain designated critical habitat for any listed species. Thus, DOE determined that the proposed project would have no effect on threatened or endangered species. This determination was based on conclusions from the October 2022 Resource Lands and Critical Areas Report and analysis of the U.S. Fish and Wildlife Service (USFWS) Information for Planning and Consulting (IPaC) desktop analysis completed in February 2024. No comments from the USFWS Washington Ecological Services Field Office were received on DOE's No Effect determination.

COMMUNITY SERVICES: Construction impacts are anticipated to be negligible to community services. The risk of fires or other emergencies during construction would be similar to other industrial construction projects and could be addressed by local fire, medical or police without impacting services to the community. The proposed project operations would have a minor, direct impact on the City's fire, rescue, and medical services due to the increased number of buildings and employees in the industrial park; the added use and storage of chemicals onsite with noted pyrophoric, corrosive, and/or flammable properties; and increased demand should emergency services be required. Group14 has committed to providing financial assistance to the Moses Lake Fire Department to improve the current emergency system performance to avoid and minimize potential impacts from fire and emergency response.

AESTHETICS AND VISUAL RESOURCES: Negligible temporary changes to the visual setting near the proposed project would occur during construction due to the presence of construction workers, equipment, vehicles, and partially constructed structures. Proposed project operations would not affect aesthetics and visual resources. The scale and massing of the buildings would be consistent with existing and planned buildings in the surrounding industrial area.

AIR QUALITY: Construction and operation would result in minor, temporary, intermittent air emissions, but would not cause or contribute to an exceedance of ambient air quality standards for criteria and toxic air pollutants. The proposed project emissions would comply with Best Available Control Technology for criteria and toxic air pollutants as required under WAC 173-400-113. A Notice of Construction approval under the Clean Air Act for Minor New Source Review was issued by the Washington Department of Ecology for the project on July 11, 2023.

NOISE AND VIBRATION: Typical construction noise would be generated during the construction phase of the project. The proposed project would include several operational noise sources typically seen in industrial facilities. Operation-related noise is not anticipated to be distinguishable from existing noise and is not expected to increase noise levels at the nearest noise-sensitive receivers along Wheeler Road east of the proposed project site. Construction and operation induced ground-borne vibration is expected to attenuate to background levels within the property lines or shortly thereafter.

REGULATED WASTES (SOLID AND HAZARDOUS WASTES): Construction of the proposed project is expected to generate minor, temporary impacts from regulated waste. Solid waste and sanitary waste generated during construction activities would be limited to common construction-related waste streams. In-state or out-of-state landfills or recycling facilities would have the capability and capacity to accept these wastes. Operations are expected to result in minor impacts from a generation of regulated wastes. Waste and recyclable materials generated from the

various activities would be managed under local, state, and federal regulations. The management of these activities would comply with regulations and local/state/federal requirements for the disposal of the different waste types.

UTILITIES AND ENERGY USE: Construction of the proposed project would have temporary negligible impacts on utilities, including electricity, natural gas, water, and sewers. The proposed project site would rely on portable generators, water tanks, and portable bathrooms during the construction of the proposed project to accommodate an increase in demand for water, electricity, and sewer from workers and equipment. The proposed project operations would have minor adverse impacts on local utilities and energy use, as the industrial processes involved would increase the demand for electricity, water, and natural gas at the proposed project site. Demand for electricity, natural gas, potable water, sewer, and fire water would require infrastructure tie-ins to existing services as well as limited upgrades to existing utility infrastructure and services.

TRANSPORTATION AND TRAFFIC: Temporary, minor impacts to traffic and transportation are expected during the construction of the proposed project lasting up to 30 months. The proposed project would generate a minor increase in traffic and transportation from anticipated daily truck and personal vehicle traffic into and out of the proposed project site. The proposed project would employ approximately 254 full-time employees, with 170 employees onsite during the day shift and 84 employees onsite during the second shift. Based on the traffic impact analysis conducted in October 2022, all but one of the study intersections near the proposed project site are expected to operate at or better than Moses Lake's standard of Level of Service (LOS) D with or without the proposed project during peak AM and PM hours. The Road L NE intersection at Wheeler Road is currently operating at LOS E during the PM peak hour. It is expected to continue at LOS E in 2027 with or without the proposed project due to the high volume of free-flowing east-west traffic that allows somewhat limited gap opportunities for the stop-controlled north-south traffic to turn left or cross. Group14 has agreed, in coordination with the City, to participate in a deferred and proportionate cost share for improving the Road L NE intersection. Potential improvements to this intersection could improve LOS from E to C.

LAND USE: Construction and operations of the proposed project would result in negligible impacts on land use. The proposed project would be consistent with current zoning, which considers the site suitable for heavy industrial uses. The proposed project site is part of the Central Terminals industrial park, and development would be consistent with the Central Terminals buildout of the park.

GEOLOGY, TOPOGRAPHY, AND SOILS: Impacts on geology, soils, and topography are anticipated to be temporary and minor. The proposed construction is limited to surface and near-surface activity that is not anticipated to affect minerals and deeper geological strata. Clearing and excavation during construction could result in temporary erosion hazards as bare soils become exposed to wind, rainfall, or vehicle activity within the proposed project site. These impacts would be avoided and minimized through the implementation of a SWPPP and BMPs as required under the CSWGP. Proposed project operations would have negligible impacts on geology, soils, and topography, as soil conditions are conducive to the site's long-term operation and do not present concerns for erosion or liquefaction. The proposed project site is not considered unique farmland

and the loss of agricultural soils is negligible as the site is in an industrial park zoned for industrial uses.

GREENHOUSE GASES: The proposed project is expected to incur a net-positive, long-term impact on global climate and greenhouse gas (GHG) emissions through its contributions to decarbonizing US transportation, which would outweigh its construction and operational GHG emissions. GHG emission reductions will be realized through the manufacturing of lithium-ion batteries to be used in EVs within the United States rather than importing them from another country. Group14 estimates that production levels at the proposed project site would be sufficient to produce lithium-ion batteries for 600,000 EVs annually when operating at full production capacity (approximately 100,000 EVs per module). The projected greenhouse gas offsets resulting from the proposed facility's contribution to the emissions reduction of EVs is expected to exceed the greenhouse gas emissions from construction, operations and decommissioning of the proposed project over its operational lifetime.

SOCIOECONOMICS: The proposed project would result in a minor, beneficial impact on socioeconomics during construction and operations. Construction workers employed for the construction period (approximately 270 individuals) would be hired from the local population. Increased sales transactions for the purchase of materials and supplies would generate additional tax revenues for local and state governments, which would have a minor beneficial impact in Grant County. Operation of the proposed project would create approximately 254 new full-time jobs, resulting in a minor, beneficial impact. Labor requirements for the proposed project are not expected to change drastically, as most jobs would be in manufacturing, which is already represented in this region. No substantial influx in population is expected, so the impact on housing demand is expected to be negligible.

ENVIRONMENTAL JUSTICE: The proposed project is anticipated to provide positive short- and long-term benefits to Disadvantaged Communities (DACs) in the local area and, therefore, have a minor beneficial impact on environmental justice and equity. Group14 expects to employ approximately 270 individuals during the construction stage and create approximately 254 new operational jobs. Group14 has set aside funding to support workforce development, scholarships, internships, and apprenticeship programs with a focus on supporting DACs as identified by the Climate and Economic Justice Screening tool. Community partnerships have been established between Group14 and young professionals, families, youth, tribal nations, and underserved populations to gather qualitative input regarding community vision, needs, opportunities, and priorities. DOE's selection of the proposed project is consistent with the provisions of Executive Orders 12898 and 14008, aligns with DOE's eight policy priorities, and advances the DOE's progress toward the goal established by the Justice40 Initiative that at least 40% of the benefits of certain types of federal investment flow to DACs.

CULTURAL RESOURCES: DOE initiated consultation with the Washington State Department of Archaeology and Historic Preservation (DAHP) on December 19, 2023, and initiated tribal consultation with the Confederated Tribes of the Colville Reservation, Spokane Tribe of Indians, Confederated Tribes of Warm Springs, and Yakama Nation by phone and by formal letter throughout December 2023. In a letter dated December 18, 2023, DAHP concurred with DOE's determination of no historic properties affected, with the stipulation for an Inadvertent Discovery

Plan (IDP), which has been developed for the proposed project. In a letter dated January 31, 2024, the Spokane Tribe of Indians deferred to the Colville Reservation and noted no further concerns on the project. In response to the consultation letter sent by DOE to the Confederated Tribes of the Colville Reservation, DOE was invited to participate in a government-to-government consultation with the Colville Business Council, which occurred on March 4, 2024. Comments and questions received by DOE from the Colville Business Council were used to inform the content of the Draft and Final EA.

PUBLIC AND OCCUPATIONAL HEALTH AND SAFETY: Risks to public and occupational health and safety during the construction of the proposed project are expected to be temporary and minor. Occupational hazards present during the construction of the proposed facility would be typical of a construction site and would be managed and reduced through the implementation of safety and emergency plans. Operations of the proposed project would result in minor impacts to public and occupational health and safety. In the design of the facility process, industry guidelines have been followed to reduce the possibility and extent of issues with these hazards to decrease risks of fire and explosion. Safety practices would be equal to or exceed industry operating standards. A Process Safety Management Plan, Risk Management Plan, and emergency plans would be prepared to guide the facility process and employees in safe operating procedures.

PUBLIC AVAILABILITY: The Draft EA was released for public review and comment and advertised its release in the *Columbia Basin Herald* on July 30, July 31, and August 1, 2024. The Draft EA was published online on DOE's NETL EA website (https://netl.doe.gov/node/6939) and DOE's NEPA EA website (https://www.energy.gov/nepa/doe-environmental-assessments). In addition, DOE sent three hard copies for public review to the Moses Lake Public Library (Main Branch) in Moses Lake, WA. The public was invited to provide oral, written, or e-mail comments on the Draft EA to DOE during the comment period, which occurred from July 30 through August 27, 2024. Copies of the Draft EA were also distributed to cognizant federal and state agencies and Tribal Nations. All comments received are located in Appendix B of the Final EA.

During development of the Draft EA, and prior to the public comment period, DOE initiated consultations with the Washington DAHP, which serves as the Washington state historic preservation office. DOE also initiated consultations with the Confederated Tribes of the Colville Reservation, Spokane Tribe of Indians, Confederated Tribes of Warm Springs, and Yakama Nation through each Tribal Nation's Tribal Historic Preservation Office. Through these consultations, DOE provided information about the proposed project and solicited input for consideration both prior to finalizing and releasing the Draft EA for public comment and then again concurrent with the public release of the Draft EA. All Tribal Nations and agencies noted above received copies of the Draft EA for review and comment. DOE also provided a copy of the Draft EA to the USFWS Washington Ecological Services Field Office for review and comment on DOE's No Effect determination.

PUBLIC COMMENTS: No comments were received from individuals of the general public, and no comments were received from the USFWS Washington Ecological Services Field Office on DOE's No Effect determination for federal listed species or their designated critical habitat. Region 10 of the U.S. Environmental Protection Agency provided comments via email. Responses received from the Washington DAHP, the Spokane Tribe of Indians, and the Colville Reservation

are described in the "Cultural Resources" section above. DOE was also invited to participate in a government-to-government tribal consultation with the Colville Reservation's Colville Business Council on March 4, 2024. During this consultation, DOE received numerous questions and comments concerning Group14's Proposed Project. DOE subsequently incorporated additions, revisions, and responses to comments resulting from this consultation into the Draft EA, which was submitted to the Colville Business Council for review and comment during the public comment period. No further comments were received from the Colville Business Council on the Draft EA. All comments received are acknowledged, addressed in the text of the Final EA, and included in Appendix B of the Final EA.

MITIGATION REQUIREMENTS: No additional mitigation measures beyond those contained in permits obtained or to be obtained by Group14 from the appropriate permitting authorities are required.

DETERMINATION: Based on information presented in the Final EA (DOE/EA-2220), DOE finds that the Proposed Action to provide a grant to Group14 would not significantly affect the quality of the physical, biological, or human environment. Therefore, preparation of an Environmental Impact Statement is not required, and DOE is issuing this FONSI.

Copies of the Final EA and this FONSI are available at DOE's NETL EA website at: https://netl.doe.gov/node/6939. The EA and FONSI are also available at DOE's NEPA – EA website at https://www.energy.gov/nepa/doe-environmental-assessments.

Copies of the Final EA and FONSI can also be obtained by sending a request to:

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