



Department of Energy
Washington, DC 20585

RECORD OF CATEGORICAL EXCLUSION FOR

**AES ES Westover LLC, Project Dyno Electric Grid Stability
Advanced Battery Systems**

Description of Proposed Action:

The Department of Energy's (DOE) proposed action is to issue a loan guarantee to AES ES Westover LLC for the proposed Project Dyno (the Project), pursuant to Title XVII of the Energy Policy Act of 2005. The Project is an advanced lithium ion battery and power control system used to store power to help maintain the stability of the electric power grid. The Project would be located at the site of an operating coal-fired power generating station immediately adjacent to an existing electrical substation. It would be composed of ten, 2 megawatt (MW) metal containers consisting of six 330 kVA (Kilovolt Ampere) inverters and racks with lithium ion batteries. These units would be connected through isolation transformers, switchgear, and step-up transformers to the high voltage system. The project would be able to charge or discharge at up to 20MW in each instant up to a maximum of 5MW/h of energy in or out of the system.

The project area is a previously disturbed parking lot measuring approximately 0.57 acres (25,200 square feet) and the total area taken up by the above-grade, concrete column foundations would be approximately 800 square feet. The site development work would consist of demolition of the existing parking area, initial grading and earthwork, construction of asphalt paved access road to the facility, construction of aggregate shoulder for access road, construction of permanent drainage facilities, construction of perimeter retaining walls (as required), followed by installation of the units.

The proposed Project is located at Westover Station, 720 Riverside Drive, Village of Town of Union and Johnson City, New York.

Number and Title of Categorical Exclusion:

The proposed action as described in the above action description falls within the bounds of categorical exclusion B2.5. The full text of the categorical exclusion is provided below.

B2.5 as provided in 10 CFR § 1021, Appendix B to Subpart D, Safety and environmental improvements of a facility, including replacement and upgrade of facility components, that do not result in a significant change in the expected useful life, design capacity, or function of the facility and during which operations may be suspended and then resumed. Improvements may include, but are not limited to: Replacement/upgrade of control valves, in-core monitoring devices, facility air filtration systems, or substation transformers or capacitors; addition of structural bracing to meet earthquake standards and/or sustain high wind loading; and replacement of aboveground or belowground tanks and related piping if there is no evidence of leakage, based on testing that meets performance requirements



in 40 CFR part 280, subpart D (40 CFR part 280.40). This includes activities taken under RCRA, subtitle I; 40 CFR part 265, subpart J; 40 CFR part 280, subparts B, C, and D; and other applicable state, Federal and local requirements for underground storage tanks. These actions do not include rebuilding or modifying substantial portions of a facility, such as replacing a reactor vessel.

Regulatory Requirements Defined in 10 CFR §1021.410(b):

The proposed action as defined above fits within Appendix B of 10 CFR §1021. To meet the requirements of Appendix B, the Environmental Report submitted February 25, 2009, by AES ES Westover LLC was reviewed by the Loan Programs Office, Office of the Secretary, DOE, as part of the evaluation of the loan guarantee application.

Information gathered as part of this document review produced the following conclusions:

 X The proposed project does not threaten a violation of applicable statutory, regulatory or permit requirements for environmental, safety and health, including DOE and /or Executive Orders.

 X The proposed project does not require siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities.

 X The proposed project does not disturb hazardous substance, pollutants, contaminants or CERCLA-excluding petroleum and natural gas products that pre-exist in the environment such that there would be uncontrolled or unpermitted releases.

 X There are no extraordinary circumstances related to the proposed project that may affect its environmental significance.

 X The proposed action is not a connected action as set forth in 40 CFR § 1508.25(a)(2)).

 X The proposed action is not part of a DOE proposal for which an EIS is being prepared and therefore a CE is not precluded by 40 CFR § 1506.1 or 10 CFR § 1021.211.

The proposed project does not adversely affect any environmentally sensitive resources, including the following:

 X Property of historic, archaeological, or architectural significance designated by Federal, state, or local governments or property eligible for listing on the National Register of Historic Places;

X Federal-listed threatened or endangered species or their habitat (including critical habitat), Federally-proposed or candidate species or their habitat, or state-listed endangered species or their habitat;

X Wetlands regulated under the Clean Water Act (33 U.S.C. 1344) and floodplains;

X Areas having a special designation such as Federally- and state-designated wilderness areas, national parks, national natural landmarks, wild and scenic rivers, state and Federal wildlife refuges, and marine sanctuaries;

X Prime agricultural lands;

X Special sources of water (such as sole source aquifers, wellhead protection areas, and other water sources that are vital in a region);

X Tundra, coral reefs, or rain forests.

Comments:

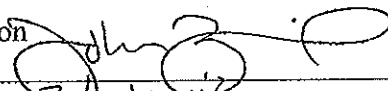
Pursuant to DOE regulation 10 CFR 1022, Compliance with Floodplain and Wetland Environmental Review Requirements, a floodplain analysis was performed for the project to assess the impact of locating approximately 800 square feet of concrete column foundations within the 100-year floodplain. The analysis has determined that the amount of water displaced by the foundations would not adversely impact the floodplain.

Corporate Validation

Point of Contact:

Print Name:

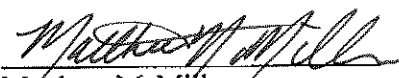
Title:


John Zukerman
Vice President

Date: 6-24-10

Determination:

Based on my review of information conveyed to me and in my possession concerning the proposed action, as NEPA Compliance Officer (as prescribed by DOE Order 451.1B), I have determined that the proposed loan guarantee action fits within the specified class of actions, the other regulatory requirements set forth above are met, and the proposed loan guarantee action is hereby categorically excluded from further NEPA review.


Matthew McMillen
NEPA Compliance Officer
Loan Programs Office

6-28-10
Date