

ENF Environmental Notification Form

For Office Use Only
Executive Office of Environmental Affairs

EOEA No.: **14501**
 MEPA Analyst: **Purvi Patel**
 Phone: 617-626-**1029**

The information requested on this form must be completed to begin MEPA Review in accordance with the provisions of the Massachusetts Environmental Policy Act, 301 CMR 11.00.

Project Name: Interstate Biodiesel Lenox Dale		
Street: 2 Mill Street, Lenox, MA, 01238-9595		
Municipality: Lenox	Watershed: Housatonic River	
Universal Transverse Mercator Coordinates:	Latitude: 42.332634 (N42° 19.958') Longitude: -73.246480 (W073° 14.7888')	
Estimated commencement date: November 2009	Estimated completion date: July 2010	
Approximate cost: \$30 million	Status of project design: 50% Complete	
Proponent: Interstate Biofuels		
Street: 62 Glen Cove Road, 2 nd Floor		
Municipality: Roslyn Heights	State: NY	Zip Code: 11577
Name of Contact Person From Whom Copies of this ENF May Be Obtained: Michelle L. Henderson		
Firm/Agency: Interstate Biofuels	Street: 62 Glen Cove Road, 2 nd Floor	
Municipality: Roslyn Heights	State: NY	Zip Code: 11577
Phone: 917-653-9290	Fax: 212-202-3982	E-mail: MHenderson@InterstateBiofuels.com

Does this project meet or exceed a mandatory EIR threshold (see 301 CMR 11.03)?
 Yes No

Has this project been filed with MEPA before?
 Yes (EOEA No. _____) No

Has any project on this site been filed with MEPA before?
 Yes (EOEA No. _____) No

Is this an Expanded ENF (see 301 CMR 11.05(7)) requesting:

a Single EIR? (see 301 CMR 11.06(8))	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
a Special Review Procedure? (see 301 CMR 11.09)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
a Waiver of mandatory EIR? (see 301 CMR 11.11)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
a Phase I Waiver? (see 301 CMR 11.11)	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Identify any financial assistance or land transfer from an agency of the Commonwealth, including the agency name and the amount of funding or land area (in acres): N/A

Are you requesting coordinated review with any other federal, state, regional, or local agency?
 Yes (Specify _____) No

List Local or Federal Permits and Approvals: (to be obtained from the Towns of Lenox and/or Lee) Water/Sewer Connection, Special Permit, Order of Conditions

Which ENF or EIR review threshold(s) does the project meet or exceed (see 301 CMR 11.03):

- | | | |
|---------------------------------|---------------------------------------|--|
| <input type="checkbox"/> Land | <input type="checkbox"/> Rare Species | <input type="checkbox"/> Wetlands, Waterways, & Tidelands |
| <input type="checkbox"/> Water | <input type="checkbox"/> Wastewater | <input type="checkbox"/> Transportation |
| <input type="checkbox"/> Energy | <input type="checkbox"/> Air | <input type="checkbox"/> Solid & Hazardous Waste |
| <input type="checkbox"/> ACEC | <input type="checkbox"/> Regulations | <input type="checkbox"/> Historical & Archaeological Resources |

Summary of Project Size & Environmental Impacts	Existing	Change	Total	State Permits & Approvals
LAND				<input checked="" type="checkbox"/> Order of Conditions <input type="checkbox"/> Superseding Order of Conditions <input type="checkbox"/> Chapter 91 License <input type="checkbox"/> 401 Water Quality Certification <input type="checkbox"/> MHD or MDC Access Permit <input type="checkbox"/> Water Management Act Permit <input type="checkbox"/> New Source Approval <input type="checkbox"/> DEP or MWRA Sewer Connection1 Extension Permit <input checked="" type="checkbox"/> Other Permits (including Legislative Approvals) – Specify: Special Permit (from Town of Lenox)
Total site acreage	(5.5 + 0.8)= 6.3			
New acres of land altered		0		
Acres of impervious area	4.2±	0	4.2±	
Square feet of new bordering wetland		0		
Square feet of new other traffic		0		
Acres of new non-watershed use of tidelands or waterways		0		
STRUCTURES				
Gross square footage	31,000	0	31,000	
Number of housing units	0	0	0	
Maximum height (in feet)	60	15	75	
TRANSPORTATION				
Vehicle trips per day (Prior to 2008 mill closing)	35	0	35	
Parking spaces	20	0	20	
WATER/WASTEWATER				
Gallons/day (GPD) of water use (2007, prior to 2008 mill closing)	275,000	-255,000	20,000	
GPD water withdrawal	275,000	-260,000	15,000	
GPD wastewater generation/treatment	275,000	-255,000	20,000	
Length of water/sewer mains (in feet)	250 ft	250ft	250ft	

CONSERVATION LAND: Will the project involve the conversion of public parkland or other Article 97 public natural resources to any purpose not in accordance with Article 97?

Yes (Specify _____) No

Will it involve the release of any conservation restriction, preservation restriction, agricultural preservation restriction, or watershed preservation restriction?

Yes (Specify _____) No

RARE SPECIES: Does the project site include Estimated Habitat of Rare Species, Vernal Pools, Priority Sites of Rare Species, or Exemplary Natural Communities?

Yes (Specify _____) No (See Appendix A)

HISTORICAL /ARCHAEOLOGICAL RESOURCES: Does the project site include any structure, site or district listed in the State Register of Historic Place or the inventory of Historic and Archaeological Assets of the Commonwealth?

Yes (Specify _____) No

If yes, does the project involve any demolition or destruction of any listed or inventoried historic or archaeological resources?

Yes (Specify _____) No

AREAS OF CRITICAL ENVIRONMENTAL CONCERN: Is the project in or adjacent to an Area of Critical Environmental Concern?

Yes (Upper Housatonic River ACEC) No (See Appendix B)

PROJECT DESCRIPTION: The project description should include **(a)** a description of the project site, **(b)** a description of both on-site and off-site alternatives and the impacts associated with each alternative, and **(c)** potential on-site and off-site mitigation measures for each alternative (*You may attach one additional page, if necessary.*)

On the sites of the former Niagara and Centennial mills, at which paper products were produced from 1905-2008 and 1876-1973/174, respectively, and their connecting paved roadway, Interstate Biofuels proposes to produce 15 million gallons/year of biodiesel via esterification on a 5.5 acre site (1 of 2 parcels) all within an industrially-zoned area in the Town of Lenox, with a smaller portion of the site located in an industrially-zoned area in the Town of Lee.

Fats, oils and greases can be processed into biodiesel via transesterification or esterification (see Appendix C – Biodiesel Process Diagram). Fats, oils and greases are, essentially, triglycerides and glycols. In transesterification, feedstock is stripped; that is, in the presence of a catalyst, typically sodium methylate (aka sodium methoxide), glycol is stripped from triglyceride, which is then reduced to monoglycerides. Stripped feedstock reacts with methanol, resulting in methyl ester and glycerin. Ethanol can be substituted for methanol, but is generally a more expensive alcohol and therefore not used in biodiesel production. Biodiesel is a methyl ester.

Depending on transesterification effectiveness, which is determined in part by using the optimal amounts of catalyst and methanol to ensure a complete reaction, traces of soap, water, triglycerides, diglycerides and monoglycerides may remain in the finished product. These materials have a negative impact on cold flow and storage properties of the finished product.

Esterification is very different from transesterification in that the feedstock is cleanly split rather than continuously stripped. The split fats, oils and greases form glycerin and fatty acids. Fat splitting, or hydrolysis, eliminates the aforementioned quality and contamination issues sometimes found in biodiesel produced via transesterification.

Feedstock shipped by rail to this site will have been pretreated; that is, fats, oils and greases will have been processed in a hydrolysis (fat splitter) unit elsewhere, and the resulting fatty acids (pretreated feedstock) will be shipped by rail to the production site. Initially, pretreated feedstock will be purchased from third-party providers with direct rail access such as Humko Corporation in Memphis, Tenn. Interstate is currently negotiating purchase and/or lease agreements for industrial sites in the Worcester and Albany areas, both of which are suitable for hydrolysis and both of which have on-site rail access. Since these sites are also suitable for esterification, Interstate plans to expand its overall biodiesel production at either or both sites.

Pretreated feedstock will be processed in three steps: (1) purification, a heat vacuum drying and distillation process to ensure all excess moisture and any unconverted triglycerides or fats are removed; (2) esterification, the reaction of purified pretreated feedstock with methanol to form methyl ester; and, (3) methyl ester distillation to remove excess moisture.

In addition, unreacted methanol is recovered and reused in a closed-loop system.

The catalyst used in production is zinc acetate, a naturally occurring material sometimes used in over-the-counter

cold remedies.

A steam boiler will emit clean steam. Although this production sequence is a series of closed loop processes, traces of methanol (< 0.001ppm) are possible, but unlikely air emissions. There are no other air emissions. Local and distant sourced on-road transportation is the main contributor to air pollutants in the area. Rail greatly mitigates this by virtually eliminating daily truck traffic to the site once the rail siding is re-established and operational.

All deliveries of feedstock to the former mill site and, with the possible exception of some local deliveries, biodiesel outbound from the site will be via rail. The rail siding from the existing Housatonic Rail tracks will be constructed on a portion of the 2.0± acre Centennial mill footprint, a former rail spur no longer in use and the existing connecting road. In addition, biodiesel storage tanks will be placed on a portion of the former Centennial mill footprint, which was recently used as a turnaround area for Niagara mill truck traffic. For the limited truck traffic expected for the site, a truck turnaround area will also be located within the former Centennial mill footprint.

Production via esterification, including methanol recovery, waste water recovery, waste water filtration and/or treatment, and onsite distributed power generation will be placed within the 2 acre footprint of the Niagara mill and its storage and parking areas. Whereas most of the 1906 mill building will remain, much of the added on sections from later alterations will be replaced with tank storage for feedstock and methanol. Existing storage for #6 oil boiler fuel will be replaced. Existing storage for #4 oil boiler fuel will be replaced. The existing boiler room will be refurbished. Additional on-site power generation will be added.

Whereas one corner wall of the 1906 Niagara mill building is within the 100-year flood zone as shown in the topographical map (see Appendix H), no other 100-year flood zone areas will be affected. A second, 0.6 acre, parcel located across the Housatonic river, will not be used for production. No new impervious areas are envisioned at this time. All work within the riverfront area will comply with redevelopment standards.

Two tank farms will be set up on-site: one for feedstock and one for finished product. The feedstock tank farm will be located within the current Niagara mill footprint, the finished product will be located within the footprint of the former Centennial mill. Both tank farms will be enclosed within a secondary containment system (diked) to prohibit the flow of stored materials, with methanol diked separately (nested) from the feedstock containment. Secondary containment, including the walls and floors usually associated with dikes, as well as liners that can accommodate precipitation (estimated to be 48 inches per annum), is required by fire codes, state law, industry standards and practices, and relevant regulatory requirements, as well as for insurance purposes. Any spillage or other release from storage tanks must be contained. The proponent envisions a concrete floor and wall containment system.

Infrastructure improvements to the property including above-ground and underground piping, re-routing electrical transmission from the former owners to a direct connection with the Western Massachusetts Electrical Company (Northern Utilities), and eliminating the effluent septic system will be necessary to upgrade the property to current standards.

The site is located along the Housatonic River. It is within the boundaries of the Upper Housatonic River Area of Critical Environmental Concern (ACEC). Per Appendix D – Report on Ecological Characterization of Property, the proposed production is not a threat to any species of flora or fauna. Specifically, O'Reilly, Talbot & Okun (OTO) of Westborough, Massachusetts, a respected environmental consulting firm, conducted an ecological survey of the property and concluded in their report dated December 3, 2008, as follows: "Given the disturbed nature of habitats present upon the site, no unusual plant communities or rare, threatened, or endangered species were observed on the site. This assertion is supported by the absence of mapped NHESP Priority Habitats on or adjacent to the site within the Housatonic River. Furthermore, impact resulting from construction of the proposed [Interstate] facility will do little to impact commonly occurring wildlife."

On pages 17-18 of the Designation of the Upper Housatonic River Area of Environmental Concern, issued by the Executive Office of Energy and Environmental Affairs (see Appendix E), the Secretary of Energy and Environmental Affairs, wrote:

[Interstate Biofuels intends] *"to build a biodiesel production facility, but expresses strong concern that the ACEC designation will interfere with the permitting of this facility. This facility will produce approximately 15 million gallons per year of a clean, biofuel product that can be used for vehicles with diesel engines and in residential and commercial furnaces using heating oil. I believe that the development of facilities to manufacture clean and non-fossil based fuel are manifestly in the public interest, as such facilities will lower*

greenhouse gas emissions and help make Massachusetts a center of clean energy technology. Facilities such as this one are also needed to enable Massachusetts to meet the requirements of the Clean Energy Biofuels Act, which Governor Patrick signed into law in 2008.

I also believe that this is a promising location for this facility, as the site is a discontinued paper mill and therefore represents a creative re-use of property. Also, the property is located in Lenox's industrial zone, and is contiguous to an active railroad line, which allows the organic materials and the biofuel byproduct to be shipped by rail, thereby further reducing the greenhouse gas emissions that would otherwise be associated with the project.

I have decided not to exclude this property from the ACEC designation, just as I have rejected excluding other industrial properties. My decision should not be construed as a determination that this five acre parcel has unique environmental resources or that this proposed facility at this location is in any way incompatible with the protection of the natural environment.

*In response to the general concerns expressed by Interstate Biofuels, I would like to state clearly that the inclusion of this parcel is not intended to place additional burdens upon this project, or in any way suggest that the project should be denied by state or local permitting agencies. For example, should EEA's MEPA Office review an Environmental Notification Form ("ENF") under MEPA and 301 CMR 11.00 for this project, and should it exceed **only** the ACEC threshold at 301 CMR 11.03(11), a rebuttal presumption will exist that the project will not require the preparation of an Environmental Impact Report ("EIR")."*

Interstate Biofuels has met with local and regional officials and has worked diligently to ensure there will be no negative environmental impact from its production processes. Indeed, whereas this adaptive reuse of an idled production facility, as proposed by Interstate, has no negative environmental impact, it does have significant *positive* economic impact. According to the 2004 Community Development Plan for the Town of Lee, the Mass Division of Employment and Training ranked Lee in the bottom tenth percentile for per capita income, median household and family income (page 30). The town has experienced economic decline with the further closing of its paper mills. Similarly, the 2004 Community Development Plan for the Town of Lenox states that about one-third of the town's households were low or moderate income, and an additional nearly six percent of households were at or below the poverty line. Lenox Dale, a traditional mill site, was deemed suited for economic development with reuse and redevelopment of existing commercial and industrial locations recommended.

Interstate chose this site over the former MeadWestvaco Laurel mill site for several reasons but primarily due to differential in proposed purchase price and building size. The Laurel mill is significantly bigger than the Niagara mill and has a boiler tower significantly higher than needed for Interstate's proposed production. The Laurel mill also had a long history of emitting substances, such as formaldehyde, into the air. In addition, Interstate chose not to pursue sites in Holyoke, which would have required significant infrastructure improvements that would have led to a delay in operations. Only sites with active rail service were considered.

The Niagara mill site is an excellent opportunity to create an economically beneficial operation through adaptive reuse of an idled mill at a long-established industrial site on an active rail line. Many former mill workers of recently idled paper mills are available for hire. The rail line has lost significant local volume on this line, and concomitant revenues, with the closing of the Laurel, Greylock, Eagle and Niagara mills, and eagerly welcomes additional volume on its lines. The current structure on-site can be adapted to contain the processes described earlier (purification, esterification, distillation and methanol recovery) and production can be established at the site within 12 months.

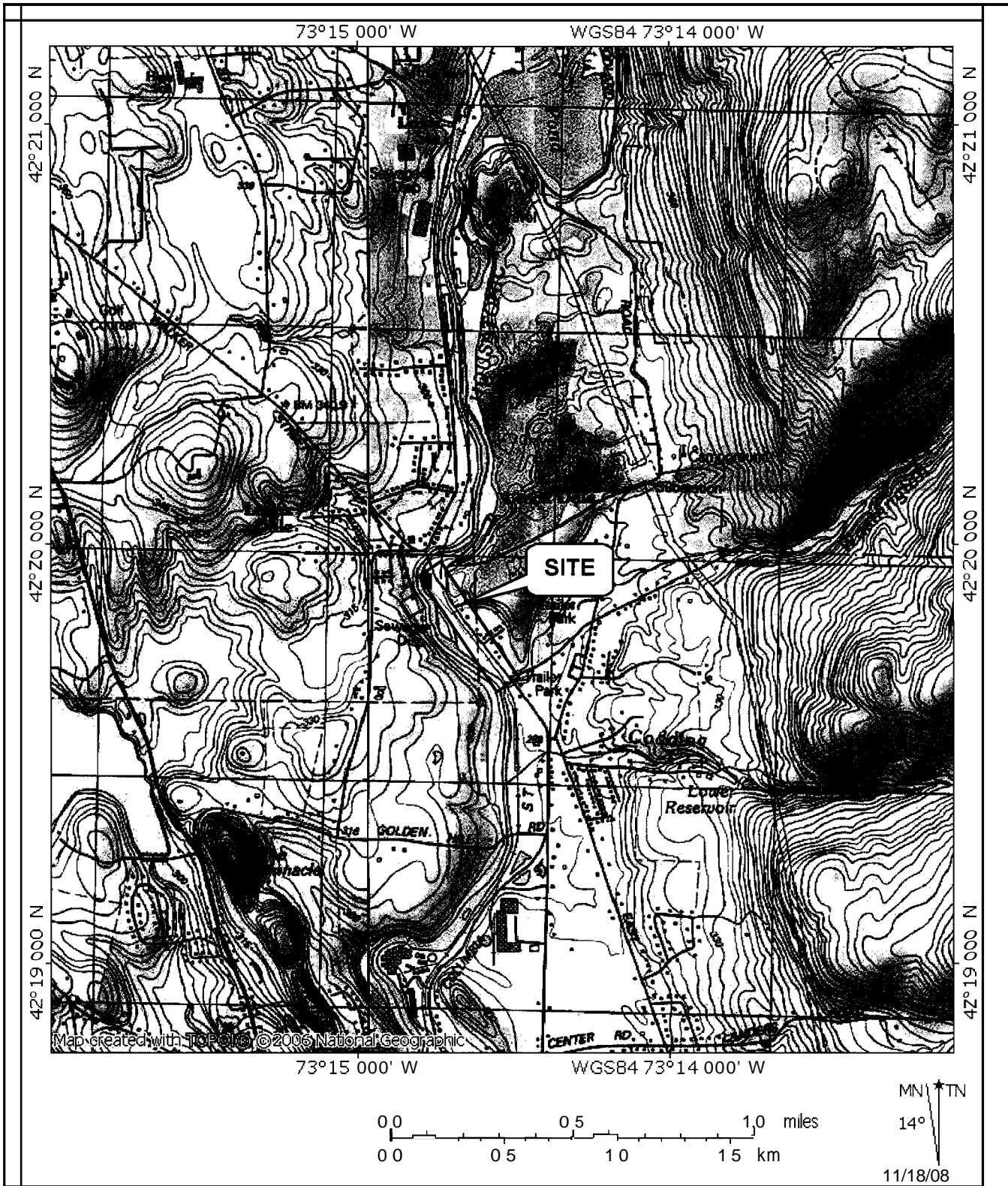
LAND SECTION – all proponents must fill out this section

I. Thresholds / Permits

- A. Does the project meet or exceed any review thresholds related to **land** (see 301 CMR 11.03(1))
___ Yes ___ No; if yes, specify each threshold:

II. Impacts and Permits

- A. Describe, in acres, the current and proposed character of the project site, as follows:



O'Reilly, Talbot & Okun

[ASSOCIATES]



December 2008

Interstate Biofuels, LLC
 Preliminary Ecological Characterization
 Lenox, Massachusetts

Figure 1-1
 Site Locus Map