May 12, 2011

Record of Categorical Exclusion for

NORDIC Wind Manufacturing Project

Nordic Windpower USA Inc.

Description of Proposed Action:

The Department of Energy's (DOE's) proposed action is to issue a loan guarantee to Nordic Windpower USA Inc., for the assembly and testing of two-bladed, patented teeter hub technology wind turbines. The initial production will be of 1 MW N1000 Nordic wind turbine nacelles. The assembly and testing operations would take place in an existing facility, Super Hangar Bay 12, within the Kansas City International Airport in Kansas City, Missouri. The Super Hangar facility is located adjacent to Interstate 29 on the east side of the airport. Bay 12 was designed for overhauling large aircraft such as the Boeing 747 and includes ample space for Nordic's assembly and testing operations. Project operations will be moved to the Bay 12 from the current site of Nordic's operations in Pocatello, Idaho.

Nordic will retool and reequip the interior space of Bay 12 to suit wind turbine nacelle assembly and testing operations. Electrical and compressed air distribution lines will be rerouted to individual work areas for assembly operations. Nordic will relocate the nacelle test stand to Bay 12 from Idaho. The nacelle test stand will be wired into the existing 480V infrastructure within Bay 12.

The test stand will consist of a test computer, step up transformer, an Emerson motor controller and a down tower production panel. The 480/690V step up transformer will be connected to the controller which is its normal operating voltage. The down tower panel will be connected to the nacelle and the test computer to simulate normal turbine operation. The motor controller will be connected to the generator and a test computer which will turn the generator into a motor. Once the nacelle is verified to be properly wired, through energizing and testing each system separately, the generator is energized and rotational testing of the unit is done.

No air, liquid or solid waste emissions occur as a result of unit testing, and no environmental permitting is required.

The proposed loan guarantee would be made pursuant to Title XVII of the Energy Policy Act of 2005, which authorized DOE to make loan guarantees for projects that "avoid, reduce, or sequester air pollutants or anthropogenic emissions of greenhouse gases; and employ new or significantly improved technologies as compared to commercial technologies in service in the United States at the time the guarantee is issued." The two principal goals of the Title XVII loan guarantee program are to encourage commercial use in the United States of new or significantly improved energy-related technologies and to achieve substantial environmental benefits.

Number and Title of Categorical Exclusion:

The actions that would be taken pursuant to the Nordic loan guarantee for retooling and reequipping Bay 12 to accommodate assembly and testing of the N1000 Nordic wind turbine nacelles is consistent with and covered by DOE's categorical exclusion B1.31. The full text of the categorical exclusion is as follows:

> B1.31, as provided in 10 CFR § 1021, Appendix B to Subpart D, Relocation of machinery and equipment, such as analytical laboratory apparatus, electronic hardware, maintenance equipment, and health and safety equipment, including minor construction necessary for removal and installation, where uses of the relocated items will be similar to their former uses and consistent with the general missions of the receiving structure.

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

The proposed loan guarantee and related actions described above were subjected to an environmental due diligence review by Loan Program Office staff to ensure they are consistent with the specific category of actions (categorical exclusion) contained in Appendix B of 10 CFR Part 1021 and the conditions for applying categorical exclusions specified in Section 410 of Part 1021. To ensure that the requirements of Appendix B were met, the Environmental Report in the original Nordic application submitted on 2-26-2009 was reviewed as well as supplemental environmental information submitted on 3-23-2011 and 4-1-2011. In addition, numerous conference calls and face to face meetings with Nordic Windpower staff were held to ensure Loan Programs Office staff fully understood the scope of the activities being proposed to be located in Bay 12. The results of the environmental due diligence review produced the following findings:

- The proposed loan guarantee project does not threaten a violation of applicable statutory, regulatory or permit requirements for environmental, safety and health, including DOE and /or Executive Orders;
- The proposed loan guarantee project does not require siting, construction, or major expansion of waste storage, disposal, recovery, or treatment facilities;
- The proposed loan guarantee 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;
- The proposed action is not a connected action as set forth in 40 CFR § 1508.25(a)(2)); and
- The proposed action is not part of a DOE proposal for which an Environmental Impact Statement is being prepared and therefore a Categorical Exclusion is not precluded by 40 CFR § 1506.1 or 10 CFR § 1021.211.

The environmental due diligence review also determined that the proposed project associated with the loan guarantee does not adversely affect any environmentally sensitive resources, including the following:

- 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;
- 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;
- Wetlands regulated under the Clean Water Act (33 U.S.C. 1344) and floodplains; or
- Special sources of water (such as sole source aquifers, wellhead protection areas, and other water sources that are vital in a region.

The Comment section below is provided for any necessary clarifications concerning the findings listed above. Signature by Nordic's designated representative in the The Corporate Validation section is an indication of Nordic Windpower's concurrence with the findings and determinations presented above.

Comment:_____

Corporate Validation:

Name and Title (Print): Jeffrey Brown, CEO Date: 6/7/2011

Signature: JBrown

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 and associated actions involve no extraordinary circumstances (10 CFR 1021.410(b)) and fit within the specified category of actions in Appendix B of 10 CFR 1021 described above, and are hereby categorically excluded from further review under the National Environmental Policy Act (42 USC 4321, as amended).

Signature
Matthew McMillen
NEPA Compliance Officer
Loan Programs Office

6-10-11
Date