

DRAFT SCOPE
for
Draft Environmental
Impact Statement (DEIS)

November 9, 2023

Project Name:
North East Data LLC Data Center

SEQR Classification: Type I

Location:
5380 Frontier Avenue
Niagara Falls, New York
SBL# 160.14-1.1.2

Project Sponsor:
North East Data LLC
(a wholly-owned subsidiary of Blockfusion USA, Inc.)

Lead Agency:
City of Niagara Falls City Council
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Introduction

North East Data LLC (“NED”), a wholly-owned subsidiary of Blockfusion USA, Inc. (together, “Blockfusion”) operates a data center with computer systems and digital infrastructure designed to host and process data for corporate and enterprise clients (“Project” or “Facility”) at 5380 Frontier Avenue (“Site”) in the City of Niagara Falls (“City”). The Site is located in an I2 heavy-industrial district and was used historically as a coal-fired power plant. After the coal-fired power plant was decommissioned, the Site experienced a period of vacancy and in 2018 Blockfusion acquired and began to revitalize the Site with more than \$35 million in investment into the Facility. The Facility is constructed and operations-ready.

On September 7, 2022 the City Council for the City of Niagara Falls (“City Council”) adopted certain amendments (City Res. No. 2022-51, hereinafter the “HEU Amendments”) to the Zoning Ordinance for the City of Niagara Falls (“Zoning Ordinance”) which require, among other things, that Blockfusion seek rezoning of the Site from I2 Heavy Industrial District (“I2 District”) to add a High Energy Usage Overlay District (“HEU Overlay”) to continue with Project operations.

Though Blockfusion maintains that its existing operations at the Site remained lawful and properly permitted notwithstanding the HEU Amendments,¹ in the interest of cooperating with the City to facilitate the Project’s continued consistency with the Zoning Ordinance, Blockfusion submitted an application dated November 2, 2022 (“Application”), to request approvals for the Project including a rezoning of the Site to HEU Overlay from the City Council (“Rezoning”), Level 2 Site Plan Review (“Site Plan Review”) from the City of Niagara Falls Planning Board (“Planning Board”), and a Special Use Permit (“SUP”) and variances as needed from the City of Niagara Falls Zoning Board of Appeals (“ZBA”). *See* Zoning Ordinance Sections 1319.5.1(C); 1319.5.1(D); 1319.5.1(E); 1319.5.2.

The Application included a copy of the Full Environmental Assessment Form, Part 1, completed by the Project Sponsor and dated November 1, 2022, and as revised and dated December 2, 2022 and submitted to the City Council with a supplement to the Application on December 9, 2022. The City Council met on July 26, 2023, and as

¹ Blockfusion fully reserves any and all rights to challenge the HEU Amendments and/or the applicability of the HEU Amendments to Blockfusion’s operations, and, in no way concedes any authority over review of the Facility to the City by its submission of this Draft Scope.

Lead Agency issued a positive declaration (“Positive Declaration”), a copy of which is attached hereto as Appendix A.

The Positive Declaration identifies noise as the single area of potential environmental impact associated with Facility operations. As stated in the Positive Declaration, the expert noise study data submitted by the Applicant in support of the Application establishes that the Facility will not generate a perceptible increase in noise impacts at the nearest residentially zoned district in proximity to the Site. The City Council determined it was appropriate to issue a Positive Declaration because noise levels around the Facility exceed the noise limitations in the City’s HEU Amendments.

This Draft Scope has been prepared in accordance with and pursuant to the requirements of Article 8 of the New York State Environmental Conservation Law and regulations promulgated under Article 8 and set forth as Part 617 of Title 6 of the New York Code of Rules and Regulations (collectively referred to as “SEQR”) for use by the City Council as Lead Agency.

The Purpose of Scoping

SEQR requires scoping for all Environmental Impact Statements (“EISs”) (except supplemental EISs) and its primary goals are to focus the draft EIS (“DEIS”) on potentially significant adverse impacts and to eliminate consideration of those impacts that are irrelevant or not significant. Scoping identifies the relevant environmental effects associated with a project that will be addressed in the DEIS, and narrows the issues to be dealt with in the DEIS by excluding non-relevant issues and non-significant impacts from the DEIS. Scoping thus ensures that the DEIS will be a concise, accurate and complete document that is adequate for purposes of public review. Pursuant to 6 NYCRR 617.8(b), the Project Sponsor must submit a draft scope that contains the following items as identified at 6 NYCRR 617.8(e)(1) through (5):

- (1) A brief description of the proposed action;
- (2) The potentially significant adverse impacts identified both in Part 3 of the Environmental Assessment Form and as a result of consultation with other involved agencies and the public, including an identification of those particular aspects of the environmental setting that may be impacted;

- (3) The extent and quality of information needed for the DEIS preparer to adequately address each impact, including an identification of relevant existing information, and required new information, including the required methodologies for obtaining new information;
- (4) An initial identification of mitigation measures; and
- (5) The reasonable alternatives to be considered.

Further, pursuant to 6 NYCRR 617.8(e), the Lead Agency must ultimately issue a final scope that includes the above items as identified at 617.8(e)(1) through (5), with two additional components:

- (6) an identification of the information or data that should be included in an appendix rather than the body of the DEIS; and
- (7) a brief description of the prominent issues that were considered in the review of the environmental assessment form or raised during scoping, or both, and determined to be neither relevant nor environmentally significant or that have been adequately addressed in a prior environmental review and the reasons why those issues were not included in the final scope.

Blockfusion respectfully submits this Draft Scope in satisfaction of 6 NYCRR 617.8(b), though Blockfusion notes that it has prepared this Draft Scope to address each of the items identified at 6 NYCRR 617.8(e)(1) through (7) to aid the Lead Agency with its preparation of the final scope. Blockfusion also submits with this Draft Scope, a proposed Table of Contents for the DEIS (*See Appendix B*).

Description of Proposed Action

The proposed action involves the operation of the Facility's data center (the "Proposed Action") at the 5380 Frontier Avenue Site located in the I2 District.

A. Site Setting & Background

The Site is located within the City's I2 District which allows, as of right, a full range of heavy industrial uses such as chemical and manufacturing operations. The Site is adjoined only by other industrial uses in the I2 District and there is no residential district bordering the Site. Specifically, the Site is located more than 700 ft. from the I2 District's eastern boundary, and approximately 760 ft. from the nearest residentially zoned property. Just north of the Site is the Goodyear Niagara Falls, New York Chemical Plant, which consists of 210,000 sq. ft. of manufacturing space for chemicals and polymers used in tires and other rubber products. Immediately to the Site's east is an unimproved industrial parcel and a contractor's yard. To the south, the Site is bordered by Covanta

Niagara LP, a waste-to-energy incineration plant. Occidental Chemical Corporation's manufacturing operations adjoin the Site to the southwest. And west of the Site there are active rail operations.

The Site was used historically as a coal-fired power plant, but experienced a period of unproductive vacancy until approximately 2018 when Blockfusion invested \$35 million to acquire and remediate the Site, and to develop the Facility's data center operations, including the purchase and installation of electrical infrastructure and fire-safe housing for Project equipment.

B. Project Details

The Project includes the operation of up to 18 "pods" to house the Project's sophisticated computer systems and equipment consisting of more than 10,000 computer servers and other digital infrastructure required to meet the data center demands of corporate and enterprise clients. The Facility's digital infrastructure is powered continuously by up to 50 MW of clean power delivered to the Site annually from the Niagara region's abundant, renewable, and low-emissions hydro-electric energy market. Three pods are situated in refurbished portions of the existing industrial buildings located towards the Site's center. The Project also features up to fifteen newly adapted raised pod buildings, which have been converted from former shipping containers, and which are largely concentrated in the Site's southwest corner.

Blockfusion has developed the Site with improvements that included upgrades to the primary existing industrial building on Site (the former "powerhouse" building). Because the Facility's high density computing systems generate heat, the existing building was retrofitted to add vents, fans, and HVAC systems that are necessary to maintain airflow and regulate interior temperature. Blockfusion also installed specialized pods to house datacenter equipment. The pods are designed with cold air intake vents and exhaust fans to maintain airflow and regulate temperature inside each pod.

Now, within the meaning of the HEU Amendments as recently adopted by the Council, the Project's operations involve "Data Center" uses and "Cryptocurrency Mining" uses pursuant to the Zoning Ordinance Section 1303. Such uses are specially permitted uses in a HEU Overlay subject to a rezoning to HEU Overlay from the City Council, Site Plan Review from the Planning Board, and a SUP, and variances as needed, from the ZBA. *See* Zoning Ordinance Sections 1319.5.1(C); 1319.5.1(D); 1319.5.1(E); 1319.5.2. Accordingly, Blockfusion submitted its Application to the City for all required authorization to continue with the Project operations at the Site consistent

with the HEU Amendments. Upon its review of the Application, the City Council, as Lead Agency, identified that there may be the potential for significant adverse Project related noise impacts.

Potentially Significant Adverse Impacts

SEQR requires the Draft Scope to identify the potentially significant adverse impacts that will be addressed in the DEIS, including aspects of the environmental setting that may be impacted by the Project. The Project's potential for impacts on noise levels is the single source of potentially significant adverse environmental impact that was identified by the Lead Agency as set forth more fully below:

A. Potentially Significant Facility Related Noise Impacts

Zoning Ordinance Section 1319.5.3 requires the completion of “an evaluation by a qualified professional of sound levels and characteristics (such as pitch and duration) generated from proposed Facilities in accordance with New York State Department of Environmental Conservation Guidance for Assessing and Mitigating Noise Impacts.” Accordingly, the Applicant retained GHD Limited (“GHD”) as expert sound engineers to evaluate the Project's sound levels and characteristics consistent with the NYSDEC Guidance for Assessing and Mitigating Noise Impacts (“NYSDEC Noise Guidance”). The NYSDEC Noise Guidance states “a noise can only intrude if it differs in character or [sound pressure level] from the normal ambient sound. Most objective attempts to assess nuisance noise adopt the technique of comparing the noise with actual ambient sound levels or with some derived criterion.” The NYSDEC Noise Guidance also describes the thresholds that the NYSDEC considers significant for assessing project related noise increases: “[t]he goal for any permitted operation should be to minimize increases in sound pressure level above ambient levels at the chosen point of sound reception. Increases ranging from 0-3 dBA should have no appreciable effect on receptors. Increases from 3-6 dBA may have the potential for adverse noise impact only in cases where the most sensitive of receptors are present.”

With its initial November 2, 2022 Application, the Applicant submitted an initial Facility sound study prepared by GHD dated October 31, 2022 (the “GHD Noise Report”), as followed by a supplemental letter dated December 9, 2022 to respond to certain comments on the GHD Report provided by the City Planning Department on November 18, 2022 (“GHD Noise Response”) (together, the GHD Noise Report and GHD Noise Response are the “Initial Noise Reports”). The Initial Noise Reports are attached hereto as Appendix D.

The Initial Noise Reports' methodology and analysis are consistent with the NYSDEC Noise Guidance. GHD conducted long term noise monitoring to establish ambient sound levels around the Site in the absence of

Facility operations, and also modeled predicted Facility sound levels to assess the Facility's sound impacts in comparison to the background sound levels in the area. The Initial Noise Reports establish that the Facility's estimated day-time and night-time sound levels are the same and are estimated to be 53.0 dBA as measured at two worst-case sensitive points of reception at the R-1C residential district boundary ("Facility Sound Levels") approximately 800 ft. from the Site. The Initial Noise Reports establish that ambient noise levels at two monitoring locations approximately 420 ft. from the Site are conservatively estimated to be 54.5 dBA during the day and 53.0 dBA at night ("Ambient Noise Levels"), as measured over the course of 48 hours during which the Facility was nonoperational and was not generating any sound.

The Positive Declaration concludes that the Project will generate noise given its continuous operation of numerous computers, cooling and other mechanical systems. Though the Positive Declaration acknowledges that the Facility will not generate a perceptible increase in noise impacts at the closest residentially zoned area in proximity to the Site based on GHD's Initial Noise Reports, the City Council has determined that the Positive Declaration is the appropriate determination of significance for the Project under SEQRA because the noise levels in the vicinity of the Site exceed applicable noise thresholds as established by the Council's HEU Amendments at Zoning Ordinance Section 1319.5.4(A)(6).

Specifically, the Facility is adjacent only to heavy industrial uses in the I2 district, and so Section 1319.5.4(A)(6)(a) and (b) are applicable to limit Facility sound levels from exceeding: (a) 40 dBA on nights and weekends and 50 dBA during any other time, as measured at the nearest residentially zoned property; and (b) 65 dBA as measured at any Facility property line (collectively, the "HEU Noise Thresholds").

As to compliance with the HEU Noise Thresholds that are to be measured at the nearest residentially zoned property, the Initial Noise Reports model that the Facility Sound Levels there (*e.g.* 53.0 dBA day/night) are consistent with the Ambient Noise Levels (*e.g.* 54.5 dBA day/53.0 dBA night (at least when measured in July, 2022)), but are in excess of the applicable HEU Noise Thresholds of 40 dBA nights/weekends and 50 dBA at all other times. Additionally, the GHD Noise Response provides handheld sound level measurements taken at the Site's boundary lines which show decibel levels ranging from 62.4 dBA up to 80.1 dBA, which exceeds in some cases the 65 dBA limit in Section 1319.5.4(A)(6)(b). Though the Facility Sound Levels are consistent with Ambient Noise Levels such that the Facility would not likely generate a perceptible increase in noise impacts at the closest

residentially zoned area, the City Council has concluded that additional analysis of Project related noise impacts is required because the HEU Noise Thresholds are exceeded.

B. Other Environmental Impacts Considered and Found to Be Irrelevant or Not Significant

With the exception of the potential for noise impacts described above, the Lead Agency's thorough scrutiny has not identified any other potentially significant adverse environmental impacts associated with the Project.

Based upon a thorough review and examination of the Project and the record in this matter, and upon the Council's knowledge of the area surrounding the Site, and with input from the City's departments, the Council determined that the Project will not have a significant adverse impact upon the environmental areas identified below and that no additional evaluation of such issues is required in the DEIS.

1. Impact on Land. The Site consists of approximately 4.61 acres of previously developed industrial land within an existing industrial I2 District. The Project involves reuse of a formerly vacant industrial property, proposes a limited 0.11 acres of physical disturbance and does not involve major excavation or removal of soil from the Site.
2. Impact on Geological Features. There are no identified unique geological features or registered National Natural Landmarks at or adjacent to the Site.
3. Impact on Surface Water. The Site does not contain nor is it adjacent to or nearby jurisdictional wetlands or other surface water bodies. The Project will not increase or decrease the surface area of any body of water, does not involve withdrawal or outfalls to or from surface waters, and will not require the construction of a new or expanded wastewater treatment facility.
4. Impact on Groundwater. The Site and adjacent areas to the Site do not contain water supply wells and the Project does not involve direct withdrawal of, or discharges to, groundwater. In addition, despite its industrial nature, the Project does not involve the bulk storage of petroleum or chemical products that could contaminate groundwater if released, nor does the Project involve the application of pesticides or herbicides. Though the Project will generate a new demand for water for approximately 1,190 gallons per day, that demand for water can be safely and sustainably met by the Niagara County Water District's existing capacity.
5. Impact on Flooding. No flood plains or floodways are located on the Site per FEMA flood mapping or state, or local mapping, and no untreated surface waters will be added to floodplains or floodways.

6. Impact on Air. The Project does not include a state or federally regulated air emission source and will not result in significant air emissions of contaminants or greenhouse gases. Furthermore, there are no activities or operations associated with the Project that would create significant air emissions.
7. Impact on Plants and Animals. The Site does not contain any regulated natural communities, endangered or threatened species, rare plants or animals, nor is it identified as a Critical Environmental Area. The Site is a suitable and previously developed industrial site that does not feature meaningful habitat for plants or animals.
8. Impact on Agricultural Resources. The Site is within the industrial I2 District, is not in an agricultural district, and does not contain lands associated with agricultural use.
9. Impact on Aesthetic Resources. The Site is not visible from the main thoroughfare Buffalo Avenue, which is located approximately 1,000ft. south of the Site, and the Facility is only partially visible from 56th Street to the east. The property is recessed and in the vicinity of other industrial properties.
10. Impact on Historic or Archeological Resources. The Site is not in proximity to eligible historic or archeological resources. The Site is within a special planning district for a NYS Heritage Area and the West Erie Canal Corridor, however the Project proposes limited physical disturbance on a previously developed industrial site.
11. Impact on Open Space and Recreation. The Project is not located within or adjacent to an identified or designated open space or recreational area and the community does not use the industrial Site for open space or recreational uses.
12. Impact on Critical Environment Areas. There are no designated critical environmental areas within or located adjacent to the previously disturbed Site.
13. Impact on Transportation. The Project will not increase existing traffic patterns or parking demands in the vicinity of the Site, nor does it propose the construction of paved parking surfaces for 500 vehicles or more.
14. Impact on Energy. The Applicant provided an Energy Consumption and Impact Plan prepared by Foit Albert Associates to document that the Project would use up to 50 MWh of energy annually, which is within the existing capacity of the electrical infrastructure at the Site, and which is predominantly supplied by zero-emissions and renewable sources of energy available in the upstate New York energy generation market. Moreover, the Facility is integrated with energy grid systems administered by the New York

Independent System Operator (“NYISO”) and the Applicant designed the Facility to participate in NYISO and National Grid demand-side reduction programs such as Special Case Resources Program, National Grid Commercial System Relief Program, and NYISO Demand Side Ancillary Services Program to curtail Facility energy demand during peak energy demand periods to prevent grid overload and reduce emissions. The Project does not require a new or upgraded substation and is below the NYSDEC high energy threshold of 2,500 MWh. Based on the foregoing, the Council concluded that though the HEU Amendments are applicable to “High Energy Uses” for their unique potential to require high energy consumption compared to other businesses in the underlying I2 District, the Project in this case is not expected to result in significant adverse impacts related to energy.

15. Impact on Odor, and Light. The Project’s operations do not create an odor and no exterior lighting is proposed that would increase light levels in the Project area.
16. Impact on Human Health. The Project’s proposed use as a Data Center and Cryptocurrency Mining Facility does not entail the types of activities or operations that generally have the potential for significant impacts on public health and wellbeing. The Site is appropriate for industrial activity in the I2 District and is not in proximity to locations where people gather such as a school, hospital, day care center, group home or retirement community. The Project does not involve the storage of large quantities of hazardous materials, nor does it propose the creation, disposal or processing of solid waste.
17. Consistency with Community Plans. The Project proposes a rezoning of the Site to HEU Overlay District. The Site is currently zoned Industrial I2 and is eligible to be placed within a HEU Overlay, which is consistent with the adopted Zoning Ordinance and the City of Niagara Falls Comprehensive Plan. The Project repurposes a long-vacant industrial power plant squarely in the City’s industrial corridor and surrounded by other industrial uses in the I2 District. The Site is not adjacent to residential areas or zoning districts of lesser intensity and so will not have a significant adverse impact with regard to community plans.
18. Consistency with Community Character. The Site is located in the Industrial I2 District which is characterized by large scale industrial facilities. The Project is consistent with the industrial character and scale in the vicinity of the Site, and does not create a demand for additional community services (e.g. schools, police, fire) all of which are adequate to service the Project as proposed.

Based on the Council's consideration of the above listed issues, the full record in this matter, and all comments received during scoping, the Council has determined the foregoing to be neither relevant nor environmentally significant. Accordingly, noise is the single potentially significant adverse environmental impact to be evaluated in the DEIS.

Extent and Quality of Information Needed

Pursuant to the requirements of SEQR, the Draft Scope should identify the extent and quality of information needed for the DEIS preparer to adequately address each impact, including an identification of relevant existing information, and required new information, including the required methodologies for obtaining new information.

A. Relevant Existing Information

1. Existing Ambient Sound Level Measurements

As partly described above, the GHD Noise Report measured existing ambient sound for 48 hours while the Facility was nonoperational at two long term monitoring locations (LTM Location 1 and LTM Location 2) approximately 420 ft. east of the Site in proximity to the R-1C residential district boundary. *See* GHD Noise Report, p. 2, Figure 1: Long Term Sound Level Monitoring Locations. The GHD Noise Report measured ambient noise levels at 54.5 dBA during the day and 53.0 dBA at night at Long Term Monitoring Location 1 (east of the Facility and towards the south end of the water tower lot on 56th Street). The GHD Noise Report measured ambient noise levels at 67.4 dBA during the day, and 65.7 dBA at night at Long Term Monitoring Location 2 (east of the Facility and towards the north end of the water tower lot on 56th Street). Despite the higher decibels and greater ambient sound levels identified at Long Term Monitoring Location 2, the Initial Noise Reports conservatively utilized the lower decibel levels measured at Long Term Monitoring Location 1 for purposes of establishing Ambient Sound Levels for comparison to Facility Sound Levels.

2. Existing Data and Modeling for Facility Sound Levels at Site Boundary Line and Nearest Residential District

In addition to the ambient sound measurements at the Long Term Monitoring Locations 1 and 2, GHD also conducted direct sound level measurements of all equipment on Site when the Facility was in full operation. *See* GHD Noise Report, p. 5, Figure 3: All Noise Source Locations, and Attachment A. The GHD Noise Report Figure 3 and Attachment A indicate that the existing Facility Sound Levels considered all steady state noise sources then

operating on the Site, which consisted of sounds from transformers on Site and included intakes and exhaust fans for Pods 1, 2, and 4 through 14. The GHD Noise Report is based on two site visits on September 13, 2022 and October 14, 2022 where GHD conducted short-term sound level measurements of all equipment on Site directly at the noise source to assess the worst-case potential noise impacts.

The GHD Noise Report identified two worst case points of reception (POR 1 and POR2) approximately 800 ft. and 870 ft., respectively, east of the Facility across 56th Street at the nearest R-1C residential district boundary. *See* GHD Noise Report, p. 4, Figure 2: POR Locations East of the Facility. POR 1 and POR 2 were selected for evaluation, in part, because the Zoning Ordinance Section 1319.5.4(A)(6) requires assessment of Facility sound impacts at the nearest property line zoned and used for residential purposes. As described fully in the GHD Noise Report, GHD input the data from its direct source noise measurements at the Facility and used sophisticated industry-standard modelling methodologies and worst case assumptions to estimate the likely Facility-related sound impacts at POR 1 and POR 2. As described above, the GHD Report establishes that the Facility's day-time and night-time sound levels are the same and are estimated to be 53.0 dBA at both POR 1 and POR 2. The GHD Report establishes that the Facility Sound Levels are equal to *or below* the Ambient Sound Levels, such that no additional analysis would be required according to the NYSDEC Noise Guidance. *See* NYSDEC Noise Guidance, p.20 ("Where this evaluation indicates that sound levels at the point of reception will not be perceptible, similar to or only slightly elevated as compared to ambient conditions, no further evaluation is required."). The existing information indicates that the HEU Noise Thresholds are exceeded by Ambient Sound Levels and Facility Sound Levels such that the Council requires additional noise analysis in support of the Project.

B. New Information to be Developed

The Environmental Impact Statement will evaluate the Facility's noise impacts, and evaluate potential avoidance and mitigation measures using methodologies consistent with the NYSDEC Noise Guidance. The Project Sponsor shall retain a qualified sound professional to prepare a study (Sound Study) that evaluates the Facility's sound impacts. The City Council shall retain a qualified sound professional to conduct a peer review of the Sound Study ("Peer Review") to ensure its accuracy and the validity of its conclusions.

The Sound Study will evaluate the Facility's potential noise impacts along the boundaries of the nearest R1-C Residential District east of the Site. It should evaluate locations as near as practicable to POR 1 and POR 2 or similar locations east of 56th Street ("Study Locations"). The Sound Study should measure the ambient noise levels

at the Study Locations over the course of 24-hours while the Facility is non-operational (“Measured Ambient Sound Levels”). The Sound Study should also measure the sound levels at the Study Locations over the course of 24-hours while the Facility is operational (“Measured Facility Sound Levels”). The Sound Study should compare the Measured Facility Sound Levels to the Measured Ambient Sound Levels to determine whether the Facility’s operations cause an increase ambient noise levels at the nearest residential district boundaries to the Site.

Accordingly, the goal of the Sound Study will be to establish whether Measured Facility Sound Levels result in an appreciable increase over the Measured Ambient Sound Levels at the Study Locations at the R1-C Residential District boundary. The Sound Study will provide noise avoidance and mitigation recommendations if Measured Ambient Sound Levels exceed Measured Ambient Sound Levels.

C. Initial Identification of Mitigation Measures

SEQR requires that the DEIS include mitigation measures designed to minimize the adverse environmental impacts associated with the Project to the maximum extent practicable. The DEIS should evaluate whether reasonable methods to avoid or mitigate adverse noise impacts should be implemented consistent with NYSDEC Noise Guidance. If the Sound Study indicates that the Facility would result in an appreciable increase in sound levels at the Study Locations, the DEIS should evaluate whether methods to avoid or mitigate adverse noise impacts could be implemented. Potential mitigation measures to be evaluated in the DEIS include:

- expansion of an existing concrete block wall on Site to act as a barrier between on-Site noise sources and the R1-C Residential District to the east;
- installation of additional concrete block barriers and sound deadening materials at locations on Site as recommended in the Sound Study;
- implementation of a maintenance and repair plan to intake vents, exhaust fans, and other HVAC equipment on Site to ensure optimum function;
- implementation of fan noise attenuation technology, such as the use of silencers on exhausts, use of vibration control technology, reduction in fan speeds where feasible, and similar methods to dampen noise from fans at the source; and
- use of enclosures, alternate building materials, and buffers

Reasonable Alternatives

6 NYCRR 617.8(e)(5) requires that the DEIS contain a description and analysis of the range of reasonable alternatives to the Project that are feasible taking into account the objectives and capabilities of the Project Sponsor. 6 N.Y.C.R.R. § 617.9(b)(5)(v). SEQRA mandates consideration of a “no action” alternative, and expressly limits consideration of alternative sites to those that are owned or controlled by a private project sponsor, and generally suggests a consideration of alternatives such as different technologies, altered scale or project magnitude, amended designs, and adjustments to timing, uses, and types of actions. *See* 6 NYCRR 617.9(b)(5)(v).

Pursuant to 6 NYCRR 617.9(a)(5)(v) the DEIS is required to describe and evaluate “the range of reasonable alternatives to the action that are feasible, considering the objectives and capabilities of the project sponsor.” Site alternatives may be limited to parcels owned by, or under option to, a private project sponsor. 6 NYCRR 617.9(A)(5). The Project Sponsor does not own or control any other parcels, and so alternative sites will not be evaluated in the DEIS.

A. Project Sponsor Objectives

The analysis of the reasonable alternatives must begin with an evaluation of the goals and capabilities of the Project Sponsor. Blockfusion seeks to operate a clean data center and cryptocurrency mining facility with a sustainable approach to meeting the Facility’s annual 50 MWh energy demands through access to the region’s unique renewable resources. The Project entails the continuous operation of temperature controlled buildings, or “pods” to house computer systems and network equipment. The 24/7 continuous energy needs associated with operation of such a cutting edge industrial use could have the potential for negative economic and environmental impacts where sourced primarily from fossil fuels. Blockfusion’s objective as a company is to transform the computing and data center industry from a traditionally energy-intensive enterprise into a sustainable one by operation of the carefully designed Facility on Site where it can harness the hydroelectric power abundantly available in the region.

The reasonable alternatives to be considered in the DEIS are summarized below, including the no action alternative.

B. Detailed Alternatives Analysis

The reasonable alternatives to the Proposed Action to be evaluated in the DEIS are the no-build alternative (required in every DEIS), and an alternate Facility design to increase the number of servers and pods placed on Site.

The following alternatives are to be evaluated in the DEIS:

- (a) No Action Alternative; and
- (b) Enhanced Facility Capacity with Additional Servers and Pods up to maximum permissible lot coverage permitted by Zoning Ordinance 1315.3.

These options will be further discussed in the DEIS so that a reasoned conclusion can be reached with regard to whether the Project will avoid or minimize adverse noise impacts to the maximum extent practicable consistent with social, economic, and other essential considerations.

References and Appendices

The main body of the DEIS will provide sufficient detail about the Proposed Action and potential impacts to noise, so that readers can understand, interpret, evaluate alternatives, and understand proposed mitigation measures. The purposes and findings of any technical studies of the Facility and surrounding area that are conducted in preparation of the DEIS will be summarized in the DEIS. The appendices to the DEIS will contain the references and technical studies, including the Sound Study and Peer Review and any associated comments, responses, or supplemental studies, that are summarized in the body of the DEIS.

Table of Contents

The following is for demonstrative purposes only. It is a preliminary draft of the Table of Contents of the DEIS for the Facility and is intended to give the reader a general understanding of the content and design of the DEIS. Revisions to this Table of Contents will occur as the DEIS is developed.

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