

BEFORE THE UNITED STATES DEPARTMENT OF ENERGY

In Re: Draft Upstream Addendum

COMMENTS BY THE CENTER FOR LIQUEFIED NATURAL GAS

The Center for Liquefied Natural Gas (CLNG) respectfully files these comments pursuant to the instructions set forth in the Notice of Availability of Draft Addendum to Environmental Review Documents Concerning Exports of Natural Gas from the United States published in 79 Federal Register 32258. CLNG requests that these comments be considered for the purpose for which the Department of Energy (DOE) has stated.

Introduction

CLNG is a non-profit trade association whose mission is to promote fact-based discussions on LNG, support public policies that permit LNG exports and imports to be a part of the U.S. energy mix, and to ensure the safe, secure, and environmentally responsible development and operation of LNG facilities in the United States.

The purpose for which DOE has published the Addendum “is to provide additional information to the public regarding the potential environmental impacts of unconventional natural gas exploration and production activities.”¹ It appears that the Addendum is merely for public information and not for use by DOE in making decisions on the applications pending before it wherein the various applicants seek authorization from DOE to export liquefied natural gas (LNG) to countries with which the United States has not entered into a free trade agreement providing for the national treatment for the trade in natural gas (non-FTA countries).

¹ 79 Federal Register 32258

CLNG respectfully requests that DOE not consider the Addendum or the report entitled *Environmental Impacts of Unconventional Natural Gas Development and Production* (May 29, 2014) (Upstream Report), prepared by the National Energy Technology Laboratory, a DOE laboratory, for any purpose when issuing decisions on above-referenced applications pending before it. For the purposes of this document, please consider reference to the Addendum as a reference to either the Addendum or the Upstream Report or both as the case may be.

Analysis

As DOE sets forth in the Notice, “FERC is the lead federal agency for the preparation of environmental assessments (EAs) and environmental impact statements (EISs) required under the National Environmental Policy Act (NEPA) for the applications that are pending before both federal agencies. DOE is participating as a cooperating agency in these NEPA reviews.”² DOE then indicates implicitly what it should say explicitly. That is, the Addendum should not (or will not) be used as a part of the decision-making process by DOE for the export applications pending before it because it is not required by NEPA.

DOE correctly notes in the Notice that “Fundamental uncertainties constrain the ability to predict what, if any, domestic natural gas production would be induced by granting any specific authorization or authorizations to export LNG to non-FTA countries. Receiving a non-FTA authorization from DOE does not guarantee that a particular facility would be financed and built; nor does it guarantee that, even if built, market conditions would continue to favor export once the facility is operational.”³

² Ibid, at page 32259

³ Ibid

In furtherance of CLNG’s argument that the Addendum should not be included in DOE’s considerations of the export applications before it, DOE specifically states:

“DOE cannot meaningfully estimate where, when, or by what method any additional natural gas would be produced. Therefore, DOE cannot meaningfully analyze the specific environmental impacts of such production, which are nearly all local or regional in nature. As DOE explained in *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961-A (August 7, 2012), lacking an understanding of where and when additional gas production will arise, the environmental impacts resulting from production activity induced by LNG exports to non-FTA countries are not ‘reasonably foreseeable’ within the meaning of the Council on Environmental Quality’s (CEQ) NEPA regulations (40 CFR 1508.7).”⁴

The Council on Environmental Quality (CEQ), when discussing the cumulative impacts of a project stated: “It is not practical to analyze the cumulative impacts of an action on the universe; the list of environmental effects must focus on those that are truly meaningful.”⁵ Indeed, if DOE “cannot meaningfully estimate where, when, or by what method any additional natural gas would be produced”, then attempts to assess the environmental effects would not be “meaningful” within the CEQ requirements, which govern the NEPA review process. Therefore, the Addendum has no place in the decision-making process for the export applications pending before DOE.

Report: *Environmental Impacts of Unconventional Natural Gas Development and Production*, May 29, 2014

The report under this heading has been released contemporaneously with the Addendum. It is unclear how this report relates to the various Federal Register notices published by DOE on June 4, 2014,⁶ if at all. In various public settings, DOE officials

⁴ Ibid

⁵ *Considering Cumulative Effects Under the National Environmental Policy Act*, CEQ January 1997, page 8

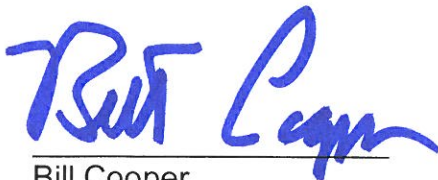
⁶ 79 Federal Register 32258
79 Federal Register 32260
79 Federal Register 32261

have indicated that this report feeds into the report entitled *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States*. However the Notice published in the Federal Register for the Addendum noted that the report under this heading was a “key resource in preparing the Addendum.”⁷ For the reasons set forth herein, CLNG respectfully requests that it not be considered for any purpose related to those applications.

Conclusion

CLNG respectfully requests that DOE not consider the Addendum or the report entitled *Environmental Impacts of Unconventional Natural Gas Development and Production* (May 29, 2014) (Upstream Report), prepared by the National Energy Technology Laboratory, a DOE laboratory, for any purpose when issuing decisions on above-referenced applications pending before it.

Respectfully submitted,



Bill Cooper
President
Center for Liquefied Natural Gas
1620 Eye Street, NW, Suite 700
Washington, D.C. 20006
(202) 962-4750

⁷ 79 Federal Register 32258