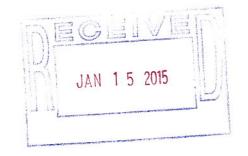
### Brownstein Hyatt Farber Schreck



January 15, 2015

Les Lo Baugh Attorney at Law 310.500.4638 tel 310.500.4602 fax LLoBaugh@bhfs.com

#### VIE EMAIL AND OVERNIGHT MAIL

John A. Anderson
U.S. Department of Energy
Division of Natural Gas Regulatory Activities
Director of the Office of Oil and Gas
Global Security and Supply
1000 Independence Avenue, S.W.
FE-34, Room 3E-042
Washington, DC 20585

RE: Answer to Sierra Club's Request for Rehearing

FE Docket No. 11-161-LNG

Dear Mr. Anderson:

Enclosed please find our Answer to Sierra Club's Request for Rehearing in the above-referenced FE Docket. A Certificate of Service and Verification are attached to this filing.

An original hard copy is being sent via overnight mail to the Department of Energy today.

Respectfully submitted,

Les Lo Baugh

Attorney for Applicants

LEL:mld Enclosures

CC:

Edward B. Myers

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#### UNITED STATES OF AMERICA BEFORE THE DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

# ANSWER OF APPLICANTS TO SIERRA CLUB'S REQUEST FOR REHEARING

IN

FE DOCKET NO. 11-161-LNG

 $\mathbf{BY}$ 

FREEPORT LNG EXPANSION, L.P., FLNG LIQUEFACTION, LLC, FLNG LIQUEFACTION 2, LLC AND FLNG LIQUEFACTION 3, LLC

Dated: January 15, 2015

# UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

IN THE MATTERS OF	)	
	)	DOCKET NO
Freeport LNG Expansion, L.P.	)	11-161-LNG
FLNG Liquefaction, LLC	)	
FLNG Liquefaction 2, LLC	)	
FLNG Liquefaction 3, LLC	)	
	)	

### ANSWER OF APPLICANTS TO SIERRA CLUB'S REQUEST FOR REHEARING

## I. INTRODUCTION

Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC (collectively "FLEX") are the applicants in FE Docket No. 11-161-LNG. On November 14, 2014, after an extensive record developed over several years, the DOE issued Order No. 3557-B, granting FLEX final approval to export LNG to non-Free Trade Agreement ("non-FTA") countries. On December 15, 2014, at 4:25 p.m., the Sierra Club filed a Request for Rehearing alleging that the Department of Energy Office of Fossil Energy ("DOE") had violated numerous federal laws when it issued:

- 1) the Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations (the "Order"), DOE Order No. 3357-B, issued November 14, 2014;
- 2) the Record of Decision ("ROD") for the Freeport LNG Expansion, L.P. Export Application published at 79 Fed. Reg. 69,101 (November 20, 2014); and
- 3) the Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE Order No. 3357, issued November 15, 2013, (insofar

as it is relied upon in the Final Order). (Sierra Club failed to file a request or application for rehearing of this Conditional Order within 30 days of its issuance.)

In its Request for Rehearing, the Sierra Club demanded that the above DOE actions be withdrawn and additional inquiry held, or alternatively, the DOE Order No. 3557-B be withdrawn, and FLEX's' Application be denied. If such actions were taken by the DOE, FLEX would be grievously and unfairly injured.

The Sierra Club's accusations that DOE improperly conducted these proceedings and violated the law are, of course, challenges to both the integrity and competence of DOE. But they also represent a direct challenge to the interests and rights of FLEX. The improper assertions, arguments, misstatements, misunderstandings of the law, and inaccuracies contained in Sierra Club's filing cannot go unanswered.

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# II. PROCEDURAL HISTORY OF DOCKET NO. 11-161-LNG

The procedural history of this docket is protracted and highly litigated. This proceeding, as well as the other long-term LNG export proceedings, is among the most comprehensively analyzed projects under the National Environmental Policy Act ("NEPA"). This proceeding commenced in 2011, with the filing of the requisite application, pursuant to Section 3 of the Natural Gas Act<sup>1</sup>. This was followed by the Federal Register Notice wherein DOE granted the public an extended opportunity for intervention, comment, and protest.<sup>2</sup> On April 13, 2012, the Sierra Club filed its extensive intervention and protest, along with an avalanche of exhibits. That filing by Sierra club raised the same generic questions and challenges it is making in its Request for Rehearing.

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<sup>&</sup>lt;sup>1</sup> 15 U.S.C. § 717b (2010).

<sup>&</sup>lt;sup>2</sup> Federal Register Notice, 77 FR 7568 (February 13, 2012).

On December 5, 2012, DOE released the EIA analysis and the Cumulative Impact Study performed by the NERA Economic Consultancy.<sup>3</sup> DOE invited comments from the public on these two documents, and nearly 200,000 comments were filed, including extensive comments by the Sierra Club. All of the comments were considered and evaluated by DOE in the fuller context of the DOE commissioned studies and made part of the decisional record in Docket No. 11-161-LNG. Thus, the Sierra Club arguments were presented and evaluated for a second time in this docket.

On November 15, 2013, DOE conditionally approved FLEX's Application in this docket, subject to satisfactory completion of the NEPA process.<sup>4</sup> Under the NEPA guidelines, DOE was a cooperating agency in the NEPA review with the Federal Energy Regulatory Commission ("FERC") being the lead agency. In that FERC proceeding, the Sierra Club raised the same arguments mentioned above, thus providing both FERC and DOE the opportunity to assess, evaluate, and dismiss the arguments made by the Sierra Club.

Although not required by NEPA, last year DOE issued an Addendum to the Environmental Review and a Lifecycle Greenhouse Gas study.<sup>5</sup> These were also added to the decisional record. Comments were invited from the public. Sierra Club again filed comments which mirrored the same generic arguments being made in the Request for Rehearing. All of these comments were added to the decisional record for this Application. Thus, DOE was provided a fourth opportunity to evaluate the Sierra Club's arguments.

On November 14, 2014, DOE issued Order No. 3357-B, granting final approval and authorization to FLEX to export up to .4 Bcf/d of domestically sourced LNG to any non-FTA country having the facilities to receive it, provided trade with that country is not prohibited by United States law or policy.

In its Sierra Club filed a motion entitled "Request for Rehearing," the Sierra Club has reiterated the same types of arguments it has raised multiple times before. The Sierra Club's December 15, 2014, filing provides nothing new to the decisional record. The Sierra Club's assertions have already been reviewed by DOE many times before and properly rejected. The Sierra Club seems to have the view that NEPA requirements are not satisfied unless DOE and FERC agree with Sierra Club's assertions. Obviously that is not the law.

# III. STATUTORY BASIS FOR APPLICATION FOR LEAVE TO ANSWER

On September 18, 2014, FLEX filed with DOE/FE their Motion for Leave to File Answer to Sierra Club's Request for Rehearing and other actions. (The Motion by FLEX is incorporated

<sup>&</sup>lt;sup>3</sup> Federal Register Notice, 77 FR 73627 (December 5, 2012).

<sup>&</sup>lt;sup>4</sup> 42 U.S.C. 4331, et seq.

<sup>&</sup>lt;sup>5</sup> Federal Register Notice, 79 FR 32260 (June 4, 2014).

herein by reference.) Pursuant to Section 19(a) of the Natural Gas Act, 15 U.S.C. § 717r(a) and 10 C.F.R. § 590.501, FLEX hereby submits its Answer to the Request for Rehearing by the Sierra Club.

## IV. ARGUMENT

# A. DOE Properly Fulfilled Its Obligation under NEPA to Identify and Consider the Environmental Impacts of Its Proposed Action.

To satisfy its NEPA obligations in connection with its decision to authorize FLEX to export domestically sourced natural gas, DOE undertook at least the following measures:

- 1) participated as a cooperating agency with the FERC in preparing an environmental impact statement ("EIS") that analyzed the potential environmental impacts of FLEX's Liquefaction Project;
- 2) "conducted an independent review of the EIS" under which it examined, among other things, "the arguments submitted by [Sierra Club that] challenged FERC's reasoning and conclusions," and concluded that "the arguments raised in the FERC proceeding, the current proceeding, or the LNG Export Study proceeding, detract from the reasoning and conclusions contained in the final EIS," and that "FERC's environmental review covered all reasonably foreseeable environmental impacts of the Liquefaction Project";
- 3) determined, in accordance with 40 C.F.R. § 1506.3, that its own "comments and suggestions" about the EIS to FERC had been satisfied; and
- 4) formally adopted the EIS, including the 83 environmental conditions recommended in it, and "incorporate[d] the reasoning in the EIS in [its] Order" granting FLEX's application.<sup>6</sup>

Notwithstanding these facts, Sierra Club alleges that DOE failed to satisfy its NEPA obligations. As explained below, all of Sierra Club's claims are based on a misreading of the record and/or a misunderstanding of NEPA and must, therefore, be rejected. Furthermore, the arguments made by Sierra Club fall into two general categories: (1) arguments previously made and found wanting by DOE and, in many instances, by FERC as well; or, (2) some of the same arguments slightly re-cast without qualitative differences from previous assertions. However, in spite of this mere redundancy by the Sierra Club and the prior rejection of such arguments by both DOE and FERC, FLEX believes it would be helpful to comment on the subjects discussed

<sup>&</sup>lt;sup>6</sup> DOE/FE Order No. 3357-B at P 83-84 (Nov. 14, 2014).

below to reduce any confusion that may have been created by the Sierra Club's most resent reiteration.

#### 1. Sierra Club Falsely Alleges DOE Failed to Properly Assess Environment Impacts.

Section 3 of the Natural Gas Act requires that DOE authorize the export of natural gas unless it "finds that the proposed exportation ... will not be consistent with the public interest." 15 U.S.C. § 717b(a). As DOE explained in its Order, "[t]his provision creates a rebuttable presumption that a proposed export of natural gas is in the public interest," and DOE must approve such a proposal "unless opponents of the application overcome the presumption by making an affirmative showing of inconsistency with the public interest."

Sierra Club claims that DOE relied on this presumption to avoid considering the environmental impacts of its action, i.e., that DOE "rest[ed] [its decision solely] on a perceived failure by opponents of the application [to] overcome [the] presumption of consistency with the public interest" and that DOE failed to "undertake its own inquiry" into the environmental impacts of its action. This is simply not true. DOE acknowledged in its Record of Decision ("ROD") that it "must ... consider environmental issues," and it did so by taking the steps noted above and by considering environmental issues as one of a range of factors in making its public interest determination. Indeed, in recognition of its NEPA obligations, DOE's Conditional Order approving FLEX's Application was explicitly conditioned "on the satisfactory completion of FLEX's environmental review process under NEPA, and on DOE/FE's issuance of a finding of no significant impact or a record of decision."

# 2. Sierra Club Falsely Alleges That DOE Improperly Substituted the Environmental Addendum and the NETL Reports for a Separate Independent NEPA Review by DOE.

Sierra Club first argues that DOE was required to do its own EIS because FERC's was inadequate, then that the Environmental Addendum and NETL Reports were not adequate for a NEPA. Sierra Club claims that "the Environmental Addendum and the three NETL reports DOE/FE released alongside it are not a substitute for NEPA review" and that "these documents cannot fulfill DOE's NEPA obligations." DOE, of course, neither claimed that the documents were a "substitute for NEPA review," nor that they "fulfill[ed] DOE's NEPA obligations." To the contrary, DOE explained that the Addendum was not required by NEPA and that it was not being relied upon as the basis on which DOE satisfied NEPA's obligations. The point is that the Environmental Addendum and the NETL Reports are above and beyond the requirements of

<sup>&</sup>lt;sup>7</sup> *Id.* at P. 9.

<sup>&</sup>lt;sup>8</sup> Request for Rehearing at P. 3.

<sup>&</sup>lt;sup>9</sup> ROD at P. 5.

<sup>&</sup>lt;sup>10</sup> *Id* 

<sup>&</sup>lt;sup>11</sup> Request for Rehearing at P. 4.

NEPA. As Sierra Club's argument contradicts the record, it is without merit and must be rejected.

As DOE explained in its ROD, DOE prepared the Addendum in an effort to be responsive to the public and to provide the best information available on a subject that had been raised by commenters on the EIS, i.e., unconventional natural gas production. <sup>12</sup> The Addendum, "addresses unconventional natural gas production in the nation as a whole," and "does not attempt to identify or characterize the incremental environmental impacts that would result from LNG exports to non-FTA nations; ...such impacts are not reasonably foreseeable [for purposes of NEPA] and cannot be analyzed with any particularity." As the Addendum does not identify any "reasonably foreseeable" impacts of DOE's authorization decision, it was "not required by NEPA." Accordingly, while providing a useful "broad look at unconventional natural gas production" to the public, the Addendum was not relied on by DOE to satisfy its NEPA obligations. As a consequence, Sierra Club's suggestion that DOE should have addressed certain statements in the Addendum as part of its NEPA review is without merit and must be rejected.

### 3. DOE Properly Excluded Induced Gas Production From Its Environmental NEPA Review.

Sierra Club continues to insist, as it did before FERC, and previously asserted before DOE on numerous occasions, that an "indirect effect" of FERC's authorization of the Liquefaction Project and of DOE's authorization of natural gas exports from the Project will be the inducement of additional natural gas production in the United States and that the environmental impacts of the additional production should, therefore, have been considered in the EIS.<sup>14</sup> After thoroughly considering Sierra Club's contention, FERC rejected it in its Order Denying Rehearing and Clarification. <sup>15</sup> FERC explained that, although it "has never affirmatively asserted that LNG exports will not induce natural gas production in the United States," it has "consistently found, under the circumstances presented to date, that the impacts from additional production are not reasonably foreseeable [within the meaning of NEPA], as it is unknown where, or when, such production would occur." FERC stated further that "[t]he potential environmental effects associated with natural gas production are [not] sufficiently causally related to the Freeport LNG Projects to warrant a detailed analysis" and that "even if [FERC] could reasonably conclude that that the Freeport LNG Projects will cause additional natural gas production, the potential impact from such production, if any, is not reasonably foreseeable, given that the amount, timing, and location of development activity is simply unknowable at this time." In its Order, DOE found "that FERC's environmental review

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<sup>&</sup>lt;sup>12</sup> ROD at P. 8.

<sup>&</sup>lt;sup>13</sup> DOE/FE Order No. 3357-B at P. 84 (Nov. 14, 2014).

<sup>&</sup>lt;sup>14</sup> Request for Rehearing at P. 5-13.

<sup>&</sup>lt;sup>15</sup> Freeport LNG Development, L.P., 149 FERC ¶ 61,119 at P. 3-11 (2014) (Nov. Order Denying Rehearing). <sup>16</sup> *Id*. at 6.

<sup>&</sup>lt;sup>17</sup> *Id.* at 7.

covered all reasonably foreseeable environmental impacts of the Liquefaction Project and that NEPA does not require the review to include induced upstream natural gas production." As previously noted, in this docket alone, DOE had at least four previous opportunities to evaluate the alleged "induced production" argument before it adopted the FEIS. In its Request for Rehearing, the Sierra Club presents no argument or information that in any way calls into question the reasonableness or lawfulness of DOE's findings.

Sierra Club asserts that DOE decided not to "review induced upstream natural gas production" because the export of natural gas would not be a "direct effect" of its export authorization. 19 This is simply not true. DOE discussed the uncertainty of predicting whether and in what amounts exports might occur solely in the context of explaining why "induced upstream natural gas production" is not "reasonably foreseeable" for purposes of NEPA. In explaining why it agreed with FERC's conclusion that induced production is not "reasonably foreseeable," DOE stated that "[f]undamental uncertainties constrain our ability to foresee and analyze with any particularity the incremental natural gas production that may be induced by permitting exports of LNG to non-FTA countries."<sup>20</sup> One of those uncertainties is "the aggregate quantity of natural gas that ultimately may be exported to non-FTA countries."21 DOE pointed out that "[r]eceiving a non-FTA authorization from DOE/FE does not guarantee that a particular facility would be financed and built; nor does it guarantee that, if built, market conditions would continue to favor export once the facility is operational."<sup>22</sup> Sierra Club provides no information that would cast doubt on the reasonability of this conclusion. As DOE cannot even predict with reasonable certainty how much gas might be exported as a result of its authorization, it follows that it would be impossible to predict with any certainty where and how much "additional [upstream] production [might] occur" as a result its authorization.

Even if there were certainty about the amount of gas that would be exported to non-FTA countries as a result of DOE's authorization and whether that the gas would be induced or come from existing production, DOE explained in its Order that there would still be "fundamental uncertainty as to where any additional production would occur and in what quantity" and that "without knowing where, in what quantity, and under what circumstances 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 CEQ's NEPA regulations." <sup>23</sup>

Sierra Club claims that this uncertainty can be overcome by use of the National Energy Modeling System ("NEMS"). This is the type of assertion the Sierra Club was required to have

<sup>&</sup>lt;sup>18</sup> DOE/FE Order No. 3357-B at P. 84 (Nov. 14, 2014).

<sup>&</sup>lt;sup>19</sup> Request for Rehearing at P. 7.

<sup>&</sup>lt;sup>20</sup> DOE/FE Order No. 3357-B at P. 84 (Nov. 14, 2014).

<sup>&</sup>lt;sup>21</sup> *Id*.

<sup>&</sup>lt;sup>22</sup> *Id.* at P. 84-85.

<sup>&</sup>lt;sup>23</sup> *Id*.

first raised before FERC in the NEPA process. However, even ignoring the requirement and taking Sierra Club's unsupported "extra record" claims about what NEMS may be able to do at face value, it is apparent that NEMS could not provide DOE with information of sufficient specificity to warrant consideration of it in a NEPA review.

NEMS cannot predict where additional gas production for a single export facility for its non-FTA exports would come from or in what amounts, particularly where that facility, as is the case here, has numerous pipeline interconnections to the nationwide pipeline grid. NEPA does not require agencies "to engage in speculative analysis" or "to do the impractical if not enough information is available to permit meaningful consideration."

Sierra Club challenges "several additional arguments" made by FERC (for which no citations are given) "as to why induced production [is] beyond the scope of FERC's NEPA analysis." Even though the arguments were not mentioned in DOE's Order No. 3557-B, Sierra Club falsely alleges that DOE "implicitly adopt[ed] them by virtue of its acceptance of the EIS."

Sierra Club claims first that "FERC contended that ... it was uncertain whether exports would induce production at all" and that "DOE has explicitly rejected this premise." As explained above, however, the issue is not whether exports might induce some production, but whether it is possible to predict when and where such production might occur and in what amounts. Both FERC and DOE concluded that it was not possible, and Sierra Club has not shown otherwise.

Sierra Club next claims that FERC refused to consider the environmental impacts of induced production because DOE had not "delegated to FERC authority to consider effects of exports per se, rather than effects of construction, siting, and operation of export facilities." Whatever FERC may have said about its authority, it is clear that DOE's decision not to consider the impacts of induced production did not rest on that point, but rather, on the "fundamental uncertainties as to where any [induced] production would occur and in what quantity." <sup>28</sup>

Finally, Sierra Club claims that FERC refused to consider the impacts of induced production because it "did not have direct regulatory authority over exports and other government entities did." While this misstates FERC's position, *see* P. 9 of FERC's Order Denying Rehearing and Clarification, it is also not relevant because, as just noted, that is not the reason why DOE rejected the impacts of induced production argument made by the Sierra Club.

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<sup>&</sup>lt;sup>24</sup> N. Plains Res. Council v. Surface Transp. Bd., 668 F.3d 1067, 1078 (9Cir. 2011).

<sup>&</sup>lt;sup>25</sup> Request for Rehearing, P. 13.

<sup>&</sup>lt;sup>26</sup> *Id*.

<sup>&</sup>lt;sup>28</sup> DOE Order at P. 85.

#### 4. DOE Properly Considered Climate Change Issues.

Sierra Club claims that DOE violated NEPA by failing to take a hard look "at the climate impacts of the production that would be induced by proposed exports." Of course, as explained above, the "fundamental uncertainties" related to induced production made it impossible for DOE to consider the impacts of such production, including whatever impacts such production might have on climate change.

Sierra Club makes only one new argument in support of its claim. It argues that "uncertainty as to where [induced] production will occur is plainly inapplicable to climate impacts." According to Sierra Club, this is because "climate impacts are global, rather than occurring 'on a local or regional level." But the fact that climate change itself may occur on a global level is irrelevant; the issue is whether the local impacts from induced production attributed to the Project will contribute in any way to climate change. As those local impacts are not "reasonably foreseeable," whatever impacts they might have on climate change cannot be reviewed under NEPA.

Sierra Club also argues that "DOE cannot now argue that Order No. 3357-B's limited discussion of climate in fact satisfies NEPA's requirements." At best, this misleading statement is a straw man. DOE has never made that argument. For the reasons explained above, NEPA does not require a discussion of the impacts from induced production, whether related to greenhouse gas emissions or not. DOE's discussion of "greenhouse gas impacts," which begins on P. 88 of DOE's Order, occurs in the context of DOE's public interest determination pursuant to the Natural Gas Act.

Finally, Sierra Club argues that "DOE has failed to support its conclusions regarding both the tonnage of methane emitted by the production and transportation process and the impact of each pound of methane emitted." As those conclusions were not relied on for purposes of DOE's NEPA analysis, but were, instead, factored into DOE's public interest determination pursuant to the Natural Gas Act, Sierra's argument will be more fully addressed below in the section that discusses Sierra Club's claims that DOE "violated the Natural Gas Act by failing to adequately weigh environmental impacts in the public interest analysis."

### 5. The Environmental Impacts of Changes in Electricity Generation Were Properly Excluded from the NEPA Analysis.

Sierra Club's final NEPA claim is that "DOE ... erred by refusing to consider [the] indirect and cumulative effects [of] emissions from electricity generation" that might be "caused by domestic gas price increases" that occur as a result of LNG exports. Sierra Club claims that because these effects have, "in fact, already been foreseen by EIA [in its 2012 Study], [they are]

<sup>&</sup>lt;sup>29</sup> Request for Rehearing at P 14.

 $<sup>^{30}</sup>$  1.4

plainly a reasonably foreseeable consequence of Freeport's proposed exports, which required discussion in the EIA"<sup>31</sup> The flaw in this claim is that the EIA study did evaluate the hypothetical impacts of non-FTA exports as a broad program. However, its broad conclusions about whether the domestic supply of natural gas would decrease due to LNG exports, thus driving up its price and perhaps increasing the demand for electricity generated from other sources of energy like coal, have no application to the exports from the FLEX facility. For the reasons explained above, how much LNG may be exported at any particular time by FLEX facilities from any specific origin to non-FTA destinations cannot be reliably predicted. Thus, there was no rational basis for discussing the effects of FLEX's exports on domestic electricity generation.

#### B. DOE's Public Interest Analysis Did Not Violate the Natural Gas Act.

Although DOE was not required by NEPA to supplement the EIS with its own environmental review, DOE did, in fact, take an additional step and evaluated the potential impacts arising from induced gas production associated with the increase in LNG exports in the Addendum and NETL Reports.

In an effort to revive its argument of induced production, Sierra Club improperly conflates the public interest determination under the Natural Gas Act Section 3 with the environmental review required under NEPA. In doing so, Sierra Club "cherry picks" from portions of the Addendum and NETL Report pertaining to climate impact and improperly paints these documents as applying to the NEPA analysis in FLEX Project.

The Addendum is a review pertaining to unconventional gas production in the lower-forty-eight states. Its purpose is to provide additional information to the public concerning the potential environmental impacts of unconventional natural gas exploration and production activities, including hydraulic fracturing. It is not an analysis of reasonably foreseeable impacts of non-FTA exports from the FLEX project.

The NETL Report conducts an analysis regarding life-cycle GHG emissions from LNG exported form the United States. The purpose of this analysis was to determine: (i) how domestically produced LNG exported from the United States compares with regional coal (or other LNG sources) for electric power generation in Europe and Asia from a life-cycle GHG perspective; and (ii) how those results compare with natural gas sourced from Russia and delivered to the same markets via pipeline.<sup>32</sup>

As discussed above, both the Environmental Addendum and the NETL Report go above and beyond the requirements of NEPA.

<sup>&</sup>lt;sup>31</sup> Request for Rehearing at P. 18.

<sup>&</sup>lt;sup>32</sup> DOE/FE Order No. 3357-B at P. 6 (Nov. 14, 2014).

These redundant arguments of the Sierra Club lack any justification for its claim that the DOE climate impact analysis is flawed. The Sierra Club's arguments simply lack merit.

### V. **CONCLUSION**

For the reasons stated above, the redundant arguments made by the Sierra Club must be rejected, and its Request for Rehearing expeditiously denied.

Respectfully submitted,

Les E. Lo Baugh, Esq.

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Freeport LNG Expansion, L.P.

FLNG Liquefaction, LLC FLNG Liquefaction 2, LLC

FLNG Liquefaction 3, LLC

#### VERIFICATION

County of Los Angeles

State of California

I, Leslie Lo Baugh, being duly sworn on his oath, do hereby affirm that I am familiar with the contents of this Notification, Amendment, and Statement of Change and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.

Leslie Lo Baugh

Sworn to and subscribed before me, a Notary Public, in and for the State of California, this 15 day of January, 2015.

Shelly Marie Warre Notary Public

Print Name

#### CERTIFICATE OF SERVICE

I hereby certify that I have this day, January 15, 2015, served the foregoing document entitled **Answer of Applicants to Sierra Club's Request for Rehearing** upon the parties as listed below in Docket No. 11-161-LNG and DOE/FE for inclusion in the FE dockets in the above-referenced proceeding in accordance with 10 C.F.R. § 590.107(b)(2011).

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Dated at Los Angeles, California, this 15th day of January, 2015.

By:

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