

June 28, 2021

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[6450-01-P]

DEPARTMENT OF ENERGY

Notice of Intent to Prepare a Supplemental Environmental Impact Statement for the Alaska LNG Project

AGENCY: Office of Fossil Energy, Department of Energy.

ACTION: Notice of intent.

SUMMARY: On April 15, 2021, the U.S. Department of Energy's Office of Fossil Energy (DOE/FE) granted a request for rehearing of a final order issued to Alaska LNG Project LLC (Alaska LNG) for the export of liquefied natural gas (LNG) produced from Alaskan sources to non-free trade agreement countries, pursuant to the Natural Gas Act (NGA). In the Rehearing Order, DOE stated that it was granting rehearing for the purpose of conducting two Alaska-specific environmental studies (collectively, the Alaska environmental study proceeding). To this end, DOE intends to prepare a supplemental environmental impact statement (SEIS) for the Alaska environmental study proceeding (DOE/EIS-0512-S1), consistent with the National Environmental Policy Act (NEPA). The SEIS will include analysis of potential environmental impacts associated with natural gas production on the North Slope of Alaska and a life cycle analysis (LCA) calculating the greenhouse gas (GHG) emissions for LNG exported from the proposed Alaska LNG Project.

ADDRESSES: Questions concerning the SEIS or requests to be placed on the SEIS distribution list should be sent to: Brian Lavoie, U.S. Department of Energy (FE-34), Office of Regulation, Analysis, and Engagement, Office of Fossil Energy, Forrestal Building, Room 3E-042, 1000 Independence Avenue SW., Washington, DC 20585; (202) 586-2459; brian.lavoie@hq.doe.gov. Documents related to the SEIS process will be posted at: <https://energy.gov/nepa/doeeis-0512-s1-supplemental-environmental-impact-statement-alaska-lng-project>.

SUPPLEMENTARY INFORMATION:

Background

On August 20, 2020, DOE issued DOE/FE Order No. 3643-A (the Alaska LNG Order)¹ to Alaska LNG Project LLC (Alaska LNG) under section 3(a) of the NGA.² DOE/FE authorized Alaska LNG to export LNG produced from Alaskan sources to any country with which the United States has not entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (non-FTA countries). Alaska LNG is authorized to export LNG in a volume equivalent to 929 billion cubic feet per year (Bcf/yr) of natural gas (2.55 Bcf per day), for a term of 30 years, with export operations required to commence within 12 years of the date that the Alaska LNG Order was issued. Exports will occur by vessel from a liquefaction facility to be constructed in the Nikiski area of the Kenai Peninsula in south central Alaska (Liquefaction Facility), which will be part of the proposed Alaska LNG Project.³

Alaska Gasline Development Corporation (AGDC), an independent, public corporation of the State of Alaska, applied to the Federal Energy Regulatory Commission (FERC) for authorization to site, construct, and operate the Alaska LNG Project. As approved by FERC on May 21, 2020,⁴ the Alaska LNG Project includes the following three elements:

- (i) Producing natural gas from stranded resources on the North Slope of Alaska at a proposed natural gas treatment plant to be located on the North Slope;

¹ *Alaska LNG Project LLC*, DOE/FE Order No. 3643-A, FE Docket 14-96-LNG, Final Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations (Aug. 20, 2020), available at: <https://www.energy.gov/sites/default/files/2020/08/f77/ord3643a.pdf> [hereinafter *Alaska LNG Order*].

² 15 U.S.C. 717b(a). The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. S4-DEL-FE1-2021, issued on March 25, 2021.

³ See *Alaska LNG Project LLC*, DOE/FE Order No. 3643-B, FE Docket 14-96-LNG, Order on Rehearing (Apr. 15, 2021), available at: <https://www.energy.gov/sites/default/files/2021-04/ord3643b.pdf> [hereinafter *Rehearing Order*].

⁴ *Alaska Gasline Dev. Corp.*, Order Granting Authorization Under Section 3 of the Natural Gas Act, 171 FERC ¶ 61,134, ¶¶ 1-2 (May 21, 2020) [hereinafter *FERC Order*].

- (ii) Transporting the natural gas on a proposed 800-mile long pipeline; and
- (iii) Liquefying the natural gas for export from the proposed Liquefaction Facility, which has a planned liquefaction capacity of 20 million metric tons per year of LNG (equivalent to approximately 929 Bcf/yr of natural gas).⁵

In sum, AGDC holds the FERC authorization for the Alaska LNG Project, and Alaska LNG holds the DOE authorization to export LNG from the Alaska LNG Project. Both the DOE and FERC authorizations have been challenged in the U.S. Court of Appeals for the District of Columbia Circuit (D.C. Circuit).⁶ Those lawsuits are ongoing and are currently subject to various pending procedural motions.

To fulfill its obligations under NEPA,⁷ DOE/FE participated as a cooperating agency in FERC's review of the Alaska LNG Project.⁸ FERC issued the final environmental impact statement (EIS) for the Alaska LNG Project on March 6, 2020,⁹ and DOE/FE adopted the final EIS on March 16, 2020 (DOE/EIS-0512).¹⁰ Subsequently, DOE/FE issued the Alaska LNG Order, conditioning it on Alaska LNG's compliance with the 165 environmental conditions adopted in the FERC Order (*see supra* note 4), among other requirements.¹¹

Sierra Club filed a Request for Rehearing of the Alaska LNG Order, and AGDC filed a Motion for Leave to Answer and Answer to Sierra Club's Request for Rehearing.¹² On April 15, 2021, DOE/FE issued the Rehearing Order in which DOE/FE: (i) granted AGDC's Motion for

⁵ Rehearing Order at 3.

⁶ *See Sierra Club v. U.S. Dep't of Energy*, Petition for Review, Case No. 20-1503 (D.C. Cir. Dec. 16, 2020); *Center for Biological Diversity, et al., v. Federal Energy Regulatory Comm'n*, Petition for Review, Case No. 20-1379 (D.C. Cir. Sept. 21, 2020); *see also* Rehearing Order at 5-6.

⁷ 42 U.S.C. 4321 *et seq.*

⁸ *See* Alaska LNG Order at 23, 32.

⁹ Federal Energy Regulatory Comm'n, *Alaska LNG Project Final Environmental Impact Statement*, Docket No. CP17-178-000 (Mar. 6, 2020), available at: <https://www.ferc.gov/industries-data/natural-gas/final-environmental-impact-statement-0> [hereinafter final EIS].

¹⁰ Letter from Amy Sweeney, DOE/FE, to Julie Roemele, U.S. Env'tl. Prot. Agency (Mar. 16, 2020) (adoption of final EIS), available at: <https://www.energy.gov/nepa/downloads/doeeis-0512-notice-adoption>.

¹¹ *See* Alaska LNG Order at 42 (Ordering Para. H).

¹² *See* Rehearing Order at 5-6 (providing additional background on DOE's rehearing proceeding). Sierra Club's and AGDC's arguments on rehearing are summarized in the Rehearing Order at 6-10.

Leave to Answer; (ii) granted Sierra Club’s Rehearing Request for the purpose of conducting the Alaska environmental study proceeding; and (ii) denied Sierra Club’s request for DOE/FE to withdraw the Alaska LNG Order, without prejudice to Sierra Club’s ability to request relief in the future, should circumstances change.¹³

DOE/FE explained that, since the issuance of the Alaska LNG Order and while DOE/FE’s action on Sierra Club’s Rehearing Request was pending, the President had issued two Executive Orders (E.O.) relevant to the Alaska LNG proceeding: E.O. 13990, *Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis*,¹⁴ and E.O. 14008, *Tackling the Climate Crisis at Home and Abroad*.¹⁵ Consistent with these Executive Orders and to address Sierra Club’s arguments on rehearing, DOE stated that it was appropriate to further evaluate the environmental impacts of exporting LNG from the proposed Alaska LNG Project to non-FTA countries. Therefore, DOE/FE announced that it was commissioning the Alaska environmental study proceeding.¹⁶

Supplemental EIS (SEIS)

DOE/FE intends to prepare a SEIS for the Alaska environmental study proceeding. The SEIS will include an upstream analysis of potential environmental impacts associated with natural gas production on the North Slope of Alaska. This analysis will examine potential

¹³ See *id.* at 2.

¹⁴ Exec. Order 13990 of Jan. 20, 2021, *Protecting Public Health and the Environment and Restoring Science to Tackle the Climate Crisis*, 86 FR 7037 (Jan. 25, 2021), available at: <https://www.federalregister.gov/documents/2021/01/25/2021-01765/protecting-public-health-and-the-environment-and-restoring-science-to-tackle-the-climate-crisis>. E.O. 13990 directs agencies to “immediately review” all regulations, orders, and other actions issued after January 20, 2017, that may increase GHG emissions or have other impacts on climate change.

¹⁵ Exec. Order No. 14008 of Jan. 27, 2021, *Tackling the Climate Crisis at Home and Abroad*, 86 FR 7619 (Feb. 1, 2021), available at: <https://www.federalregister.gov/documents/2021/02/01/2021-02177/tackling-the-climate-crisis-at-home-and-abroad>. E.O. 14008 sets forth additional policies to address climate change—specifically to “organize and deploy the full capacity of [Federal] agencies to combat the climate crisis”—and requires the “Federal Government [to] drive assessment, disclosure, and mitigation of climate pollution and climate-related risks in every sector” of the U.S. economy.

¹⁶ See Rehearing Order at 12-13.

upstream impacts associated with incremental natural gas production on the North Slope of Alaska due to Alaska LNG's exports of LNG.

In addition, the SEIS will include a LCA calculating the GHG emissions for LNG exported from the proposed Alaska LNG Project, taking into account unique issues relating to production, pipeline transportation, and liquefaction in Alaska.¹⁷ Specifically, the LCA will examine the life cycle GHG emissions for LNG exported from Alaska by vessel to import markets in Asia (the markets targeted for exports from Alaska) and potentially in other regions.

DOE/FE has commissioned DOE's National Energy Technology Laboratory (NETL) to conduct both studies.

Potential Areas of Environmental Analysis

For the upstream production study, DOE/FE has tentatively identified the following resource areas for analysis (although the following list is not intended to be comprehensive or to predetermine the potential impacts to be analyzed): land use and visual resources; geology and soils; water resources; air quality and noise; ecological resources; cultural and paleontological resources; infrastructure; waste management; occupational and public health and safety; socioeconomics; transportation; and environmental justice. For the LCA, DOE/FE will examine the global nature of GHG emissions associated with exports of LNG from Alaska from a life cycle perspective, as stated previously.

NEPA Process and Public Participation in the SEIS

¹⁷ DOE/FE previously has explained that a LCA is a method of accounting for cradle-to-grave GHG emissions over a single common denominator. DOE considers GHG emissions from all processes in the LNG supply chains—from the “cradle” when natural gas is extracted from the ground, to the “grave” when electricity is used by the consumer. *See* U.S. Dep't of Energy, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update – Response to Comments, 85 FR 72, 76 (Jan. 2, 2020); *see also* Rehearing Order at 14 n.90.

DOE/FE will prepare the SEIS in accordance with the Council on Environmental Quality (CEQ) regulations at 40 CFR parts 1500–1508 and DOE NEPA implementing procedures at 10 CFR part 1021. In accordance with 10 CFR 1021.311(f), a public scoping process is not required for a DOE-issued SEIS. DOE/FE will issue a notice in the *Federal Register* detailing the release of the draft SEIS, dates of one or more Internet-based public hearings, and instructions for submitting public comments.

Signing Authority

This document of the Department of Energy was signed on June 28, 2021, by Jennifer Wilcox, Ph.D., Acting Assistant Secretary for Fossil Energy, pursuant to delegated authority from the Secretary of Energy. That document with the original signature and date is maintained by DOE. For administrative purposes only, and in compliance with requirements of the Office of the Federal Register, the undersigned DOE Federal Register Liaison Officer has been authorized to sign and submit the document in electronic format for publication, as an official document of the Department of Energy. This administrative process in no way alters the legal effect of this document upon publication in the *Federal Register*.

Signed in Washington, D.C., on June 28, 2021.

Jennifer Wilcox, Ph.D.
Assistant Secretary (Acting)
Office of Fossil Energy