



Department of Energy
Washington, DC 20585

July 18, 2023

Via Email

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RE: NFE Altamira FLNG, S. de R.L. de C.V.
Docket No. 22-110-LNG
Request for Additional Information for Environmental Assessment

Dear Mr. MacDougall, Ms. Tonery, Ms. Johnston, and Mr. Cunningham:

I am writing to follow up on the technical meeting held last Friday, July 14, 2023, with Senior Environmental Engineer Tim Skone regarding NFE Altamira FLNG, S. de R.L. de C.V.'s (NFE Altamira) application (Application)¹ filed on September 9, 2022.² As discussed in the meeting and set forth below, the U.S. Department of Energy (DOE), Office of Fossil Energy and Carbon Management, is requesting additional information and clarification to support DOE's development of an environmental assessment (EA) under the National Environmental Policy Act³ in connection with the Application.⁴

¹ NFE Altamira FLNG, S. de R.L. de C.V., Application for Long-Term, Multi-Contract Authorizations to Export Natural Gas to Mexico and to Re-Export Liquefied Natural Gas from Mexico to Free Trade Agreement and Non-Free Trade Agreement Nations, Docket No. 22-110-LNG (Sept. 9, 2022), <https://www.energy.gov/sites/default/files/2022-09/22-110-LNG.pdf>.

² 15 U.S.C. § 717b(a).

³ 42 U.S.C. § 4321 *et seq.*

⁴ We note that, because the non-FTA portion of the NFE Altamira proceeding is contested under DOE's regulations (10 C.F.R. § 590.102(b)), the meeting and this letter are consistent with DOE's regulations governing off-the-record communications (10 C.F.R. § 590.108).

I. Background

In the Application, NFE Altamira requests long-term authorization under section 3 of the Natural Gas Act (NGA)⁵ to export natural gas by pipeline to Mexico in a volume up to 158 billion cubic feet (Bcf) per year (Bcf/yr), and to re-export 145 Bcf/yr of this natural gas as liquefied natural gas (LNG). As relevant here, NFE Altamira seeks to re-export this U.S.-sourced LNG by vessel to non-free trade agreement (non-FTA) countries from a proposed floating liquefaction and export terminal project, known as the Altamira FLNG Project (Project), to be located off the coast of Altamira Tamaulipas, Mexico, in the Gulf of Mexico.

On June 27, 2023, DOE issued a Notice of Environmental Assessment (Notice of EA) in this proceeding, stating that “DOE has determined that consistent with [Executive Order] 14008 and its obligations under NEPA, it is appropriate to evaluate the potential environmental impacts—including the greenhouse gas (GHG) emissions—of exporting (or re-exporting) U.S.-sourced LNG from the proposed Project to non-FTA countries.”⁶ DOE thus stated that “it is undertaking an [EA] under NEPA to analyze NFE Altamira’s requested exports of U.S.-sourced LNG to non-FTA countries.”⁷ In the Notice, DOE identified four topics for analysis in the EA (subject to change), as well as a projected schedule to complete the EA.⁸

II. Request for Additional Information

As lead agency, DOE has prepared EAs in other proceedings, including two EAs issued in October 2022 for Energía Costa Azul, S. de R.L. de C.V. and Vista Pacifico LNG, S.A.P.I. de C.V., respectively, that involved exports of U.S.-sourced LNG from onshore LNG facilities to be constructed in Mexico.⁹ However, NFE Altamira’s Project—an offshore floating liquefaction and export facility to be constructed in Mexican waters using a modular approach—is the first of its kind for DOE’s review of non-FTA exports. Therefore, after reviewing the Application, DOE has determined that additional information and clarification are necessary to proceed with the EA.

At last Friday’s meeting, Tim Skone provided a memo entitled “Informational Questions for the Department of Energy’s Environmental Assessment for NFE Altamira FLNG, S. de R.L. de C.V.’s (NFE Altamira) Application to Export LNG, Docket No. 22-110-LNG.”¹⁰ That memo is

⁵ 15 U.S.C. § 717b.

⁶ *NFE Altamira FLNG, S. de R.L. de C.V.*, Notice of Environmental Assessment, Docket No. 22-110-LNG, at 5 (June 27, 2023), <https://www.energy.gov/sites/default/files/2023-06/Notice%20of%20EA%20NFE%20Altamira%202023-06.27.23.pdf>.

⁷ *Id.*

⁸ *Id.* at 6-7.

⁹ See U.S. Dep’t of Energy, *Energía Costa Azul, S. de R.L. de C.V. Environmental Assessment – ECA Large-Scale Project: Design Increase*, DOE/EA-2193, (Oct. 28, 2022), <https://www.energy.gov/sites/default/files/2022-10/FINAL%20Environmental%20Assessment%20-%20Energ%C3%ADa%20Costa%20Azul%2010-28-22.pdf>; U.S. Dep’t of Energy, *Vista Pacifico LNG, S.A.P.I. de C.V. Environmental Assessment – VPLNG Mid-Scale Project*, DOE/EA-2192 (Oct. 28, 2022), <https://www.energy.gov/sites/default/files/2022-10/FINAL%20Environmental%20Assessment%20-%20Vista%20Pacifico%2010-28-22.pdf>.

¹⁰ Memo from Tim Skone, DOE, to Cameron MacDougall, *et al.*, NFE Altamira, re: Informational Questions for the Department of Energy’s Environmental Assessment for NFE Altamira FLNG, S. de R.L. de C.V.’s (NFE Altamira) Application to Export LNG, Docket No. 22-110-LNG (July 14, 2023).

attached and identifies 19 questions and/or areas of clarification. DOE asked for written responses to these questions at NFE Altamira's earliest convenience.¹¹

We are requesting this information pursuant to: (i) the Council on Environmental Quality's NEPA regulations, which provide, in relevant part, that, "[a]n agency may require an applicant to submit environmental information for possible use by the agency in preparing an environmental document,"¹² and (ii) DOE's regulations, which provide that DOE "may at any time require the applicant and other parties to make supplemental filings of additional information necessary to resolve issues raised by the application."¹³

III. Examples of Requests for Information for NEPA Review

At the meeting, you requested examples in which DOE has asked similar types of questions and received written responses from applicants for export authorizations. We first note that, under DOE's regulations cited above, DOE routinely asks applicants to provide, in writing, additional information where necessary to complete an application and/or to support DOE's review of an application.

As you know, DOE typically is not the lead agency in preparing EAs or other NEPA documents in connection with onshore or offshore LNG export terminals, so our examples pertaining to DOE-led NEPA review are limited. In the two recent EA examples mentioned above, DOE determined that it did not need additional information beyond what was provided in the applications. We note, however, that those Mexico-based projects involved the construction of traditional onshore LNG export facilities, in contrast to the unique considerations presented by the offshore Project at issue in NFE Altamira's Application.¹⁴

In the Alaska LNG proceeding (Docket No. 14-96-LNG), DOE prepared a supplemental environmental impact statement (SEIS) under NEPA that was published earlier this year.¹⁵ The extensive two-year SEIS process required information requests from DOE's National Energy Technology Laboratory (NETL) (which conducted the technical studies as part of the SEIS) and NETL's contractor to the project sponsor, Alaska Gasline Development Corporation.

In 2019, in an uncontested proceeding involving SeaOne Gulfport, LLC (Docket No. 16-22-CGL), DOE issued a letter stating that it had determined that an EA was necessary and

¹¹ Although the memo requests written responses by email, NFE Altamira is free to submit the responses to DOE by letter. Regardless of format, the written responses should comply with DOE's regulations (including service requirements) at 10 C.F.R. Part 590 and will be posted to NFE Altamira's docket, <https://www.energy.gov/fecm/articles/nfe-altamira-flng-s-de-rl-de-cv-fecm-dkt-no-22-110-lng>.

¹² 40 C.F.R. § 1506.5(b) ("Agency responsibility for environmental documents").

¹³ 10 C.F.R. § 590.202(d) ("Contents of applications"); *see also id.* § 590.203 ("Deficient applications") (stating that, "[i]f an application is incomplete or otherwise deemed deficient," DOE "may require the applicant to submit additional information or exhibits to remedy the deficiency.").

¹⁴ For example, one of DOE's informational questions to NFE Altamira (Question #4) states: "Can you speak to any of the plant operations that may operate differently for this liquefaction operation that is set to be sited offshore versus onshore LNG plant operations?" Another question (Question #6) asks: "Each FLNG will contain three offshore platforms - are they all self-elevating or fixed for all three platforms consisting of a FLNG Unit?"

¹⁵ *See* Alaska LNG Project, LLC, Docket No. 14-96-LNG, <https://www.energy.gov/fecm/articles/alaska-lng-project-llc-fe-dkt-no-14-96-lng> (numerous documents pertaining to the SEIS proceeding, including document #37, Notice of Availability for the Final SEIS).

requesting specific additional information (to be submitted in the docket) to support this environmental review.¹⁶ Soon thereafter, SeaOne asked to place its application in abeyance and thus, to date, SeaOne has not provided the requested information.¹⁷

In another proceeding in which DOE prepared an EA in connection with an application filed by Emera CNG, LLC (Docket No. 13-157-CNG), DOE requested additional information from Emera early in the proceeding. Emera provide a response in writing, and DOE was able to proceed with preparing the EA (issued in October 2015) on that basis.¹⁸

Finally, we note that, as set forth in the Notice of EA, DOE determined that an EA in this proceeding is appropriate in light of Executive Order 14008, *Tackling the Climate Crisis at Home and Abroad*, as well as DOE's obligations under NEPA.¹⁹ That Executive Order was issued on January 27, 2021, and it guides relevant regulatory determinations now.

IV. Confidential Treatment of Information

DOE's regulations allow confidential treatment of information or data supplied in support of an application, if the submitting party requests such treatment, shows why the information or data should be exempted from public disclosure, and DOE determines that the information or data warrants confidential treatment in accordance with 10 C.F.R. § 1004.11.²⁰ To the extent NFE Altamira believes that any information or data submitted in response to this request contains confidential business information, we ask that you mark it accordingly.

We look forward to receiving this information so that DOE can proceed with the EA expeditiously, on the time frame set forth in the Notice of EA. Should you have any questions concerning the requested information, please contact me at amy.sweeney@hq.doe.gov or (202) 586-2627.

Sincerely,

Amy R. Sweeney
Director, Office of Regulation, Analysis, and Engagement
Office of Resource Sustainability

Attachment

cc: Tim Skone, DOE

¹⁶ Letter from Shawn Bennett, DOE, to Dr. Bruce Hall, SeaOne Gulfport, LLC, Docket No. 16-22-CGL (Sept. 3, 2019),

<https://www.energy.gov/sites/prod/files/2019/09/f66/DOE-FE%20Letter%20to%20SeaOne%2016-22-CGL.pdf>.

¹⁷ See SeaOne Gulfport, LLC, Docket No. 16-22-CGL, <https://www.energy.gov/fecm/seaone-gulfport-llc-fe-dkt-no-16-22-cgl> (documents #35-36).

¹⁸ See Emera CNG, LLC, Docket No. 13-157-CNG, https://fossil.energy.gov/ng_regulation/applications-2013-emeracngllc13-157-cng (documents #2-3, #13).

¹⁹ See Notice of EA at 5 & n.24 (discussing Executive Order 14008).

²⁰ 10 C.F.R. § 590.202(e).