

September 15, 2023

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[6450-01-P]

DEPARTMENT OF ENERGY

[Docket No. 22-110-LNG]

Notice of Availability of the Draft Environmental Assessment for the New Fortress Energy Altamira FLNG Project

AGENCY: Office of Fossil Energy and Carbon Management, Department of Energy.

ACTION: Notice of availability.

SUMMARY: The U.S. Department of Energy (DOE) has prepared a Draft Environmental Assessment (EA) to determine how to review the potential environmental impacts associated with authorizing NFE Altamira FLNG, S. de R.L. de C.V. (NFE Altamira) to export U.S.-sourced natural gas to Mexico and, after liquefaction in Mexico, to other countries from the proposed NFE Altamira FLNG Project. DOE is also announcing a public comment period to receive comments on the Draft EA. DOE prepared the Draft EA in accordance with the National Environmental Policy Act of 1969 (NEPA), to inform its decision on authorization under the Natural Gas Act (NGA).

DATES: The 30-day public comment period extends from the date of publication of this Notice in the Federal Register through **[INSERT 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Questions concerning the Draft EA or requests for a paper copy should be directed to: Brian Lavoie via email to brian.lavoie@hq.doe.gov or phone at (202)586-2459.

Electronic Filing by email (Strongly encouraged): fergas@hq.doe.gov.

Postal Mail, Hand Delivery, or Private Delivery Services (e.g., FedEx, UPS, etc.)

U.S. Department of Energy (FE-34)
Office of Regulation, Analysis, and Engagement

Office of Fossil Energy and Carbon Management
Forrestal Building, Room 3E-056
1000 Independence Avenue SW,
Washington, DC 20585.

Due to potential delays in DOE's receipt and processing of mail sent through the U.S. Postal Service, we encourage respondents to submit filings electronically to ensure timely receipt. DOE is concurrently providing notice of the Draft EA to the cross-border host state of Texas, and to all Indian Tribes on or within 100 kilometers of the U.S. border in that state.

An electronic copy of the Draft EA may be found online on the following website:

https://www.energy.gov/sites/default/files/2023-09/NFE%20Altamira%20FLNG_Draft%20Environmental%20Assessment%20-Final%209.15.23.pdf.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

Background

On September 9, 2022, NFE Altamira filed an application (Application)¹ with DOE’s Office of Fossil Energy and Carbon Management (FECM) under section 3 of the NGA.² In the Application, NFE Altamira stated that it was submitting the Application in connection with the development of a floating liquefaction and export terminal project proposed by its affiliate, Mexico FLNG S. de R.L. de C.V.³ This proposed facility, known as New Fortress Energy’s Altamira FLNG Project (Project),⁴ would be located off the coast of Altamira, Tamaulipas, Mexico, in the Gulf of Mexico.⁵

NFE Altamira requests long-term, multi-contract authorization to export U.S.-sourced natural gas to Mexico, and after liquefaction in Mexico, to other countries as described below, in a combined total volume equivalent to 158 billion cubic feet (Bcf) per year (Bcf/yr) of natural gas (0.43 Bcf per day (Bcf/d)).⁶ NFE Altamira seeks to export this volume of natural gas for the following purposes:

- (i) To use approximately 13 Bcf/yr (0.03 Bcf/d) in Mexico as “fuel in the liquefaction process and [] process gas loss during the pretreatment process;”⁷ and

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) [hereinafter NFE Altamira App.].

² 15 U.S.C. 717b. The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA has been delegated to the Assistant Secretary for FECM in Redelegation Order No. S4-DEL-FE1-2023, issued on April 10, 2023.

³ NFE Altamira App. at 2.

⁴ The acronym “FLNG” in the natural gas industry refers to “floating liquefied natural gas.”

⁵ NFE Altamira App. at 2, 5, 18.

⁶ *Id.* at 1.

⁷ *Id.* at 5 (stating that the two liquefaction systems would consume approximately 6.5 Bcf/yr of natural gas each, for a total of 13 Bcf/yr of natural gas) & n.13.

(ii) To use approximately 145 Bcf/yr of natural gas (0.40 Bcf/d) of natural gas in the proposed Project, where the U.S.-sourced natural gas would be liquefied, then re-exported⁸ as liquefied natural gas (LNG) by vessel to:

(a) Any country with which the United States has entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries), under NGA section 3(c);⁹ and

(b) Any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), under NGA section 3(a).¹⁰

NFE Altamira further states that it seeks these authorizations “in order to re-export from Mexico U.S.-sourced natural gas for which it has acquired title in the United States, as well as U.S.-sourced volumes for which it acquires title in Mexico.”¹¹ NFE Altamira requests the FTA and non-FTA authorizations on a non-additive basis for a term to commence on the date of first export following the commencement of commercial operation of the Project, and extending through December 31, 2050.¹²

On March 3, 2023, in Order No. 4960, DOE granted the FTA portion of the Application, as required by NGA section 3(c).¹³ NFE Altamira is thus authorized to export natural gas to

⁸ For purposes of this proceeding, “re-export” means to ship or transmit U.S.-sourced natural gas in its various forms (gas, compressed, or liquefied) subject to DOE’s jurisdiction under the NGA, 15 U.S.C. 717b, from one foreign country (*i.e.*, a country other than the United States) to another foreign country.

⁹ 15 U.S.C. 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

¹⁰ 15 U.S.C. 717b(a); *see* NFE Altamira App. at 2, 7.

¹¹ NFE Altamira App. at 2.

¹² *Id.* at 2-3, 7.

¹³ *NFE Altamira FLNG, S. de R.L. de C.V.*, DOE/FECM Order No. 4960, Docket No. 22-110-LNG, Order Granting Long-Term Authorization to Export Natural Gas to Mexico and to Other Free Trade Agreement Nations (Mar. 3, 2023).

Mexico in the total requested volume of 158 Bcf/yr of natural gas—which includes export by pipeline (13 Bcf/yr) and re-export after liquefaction in Mexico to FTA countries (145 Bcf/yr equivalent).¹⁴ The requested non-FTA volume, if approved, would not be additive to this FTA volume.

According to NFE Altamira, the U.S.-sourced natural gas for which it has acquired title in the United States would be exported to Mexico at the United States-Mexico border via the existing border-crossing facilities of Valley Crossing Pipeline, LLC (Valley Crossing Pipeline), and potentially, cross-border natural gas pipelines that may be constructed in the future and that interconnect with the Sur de Texas – Tuxpan Pipeline offshore natural gas pipeline system in Mexican waters.¹⁵ Additionally, NFE Altamira states that it may purchase U.S.-sourced natural gas in Mexico from upstream suppliers who have exported the natural gas from the United States (under the supplier’s own FTA export authorization or under this requested authorization), with NFE Altamira acting as agent.¹⁶ Once constructed, the Project would be capable of receiving, processing, and liquefying the U.S.-sourced natural gas, storing the resulting LNG, and loading the LNG onto ocean-going LNG vessels for delivery to export destinations.¹⁷

For the non-FTA portion of NFE Altamira’s request,¹⁸ DOE published a notice of the Application in the *Federal Register* (Notice of Application) on October 6, 2022.¹⁹ The Notice of Application called on interested persons to submit protests, motions to intervene, notices of

¹⁴ See *id.* at 4, 15-16.

¹⁵ *Id.* at 1 & n.5, 6.

¹⁶ *Id.* at 5-6, 8-9.

¹⁷ *Id.* at 5-7.

¹⁸ DOE finds that the requirement for public notice of applications, as well as other hearing-type procedures in 10 CFR part 590, will apply only to applications seeking to export natural gas, including LNG, to non-FTA countries.

¹⁹ See NFE Altamira FLNG, S. de R.L. de C.V.; Application for Long-Term, Multi-Contract Authorization To Export Domestically Produced Natural Gas to Mexico and To Re-Export Liquefied Natural Gas From Mexico to Non-Free Trade Agreement Countries; Notice of Application, 87 FR 60667 (Oct. 6, 2022) [hereinafter Notice of App.].

intervention, and comments by December 5, 2022.²⁰ On December 5, 2022, Sierra Club filed a Motion to Intervene and Protest, with accompanying exhibits, opposing the non-FTA portion of NFE Altamira’s Application.²¹ Sierra Club supplemented its filing on December 9, 2022, with electronic copies of documents that were hyperlinked in its initial filing. NFE Altamira filed an Answer in Opposition to Sierra Club’s Protest on December 20, 2022.²²

Before reaching a final decision on a non-FTA application under NGA section 3(a), DOE must also comply with NEPA.²³ In evaluating applications for re-export authorization similar to NFE Altamira’s Application, DOE has used recent guidance to inform its environmental analysis. On January 27, 2021, the President issued Executive Order (E.O.) No. 14008, *Tackling the Climate Crisis at Home and Abroad*.²⁴ Additionally, on April 20, 2022, the Council on Environmental Quality (CEQ) issued a final rule for implementing CEQ’s NEPA regulations, including the definition of environmental “effects.”²⁵ DOE has determined that, consistent with E.O. 14008 and its obligations under NEPA, it is appropriate to evaluate the potential environmental impacts—including the greenhouse gas emissions—of exporting (or re-exporting) U.S.-sourced LNG from the proposed Project to non-FTA countries. Therefore, on June 27, 2023, DOE issued a “Notice of Environmental Assessment” announcing that it is undertaking an

²⁰ *Id.* at 87 FR 60668.

²¹ Sierra Club, Motion to Intervene and Protest of NFE Altamira FLNG’s Request for Export and Re-Export Authorization, Docket No. 22-110-LNG (Dec. 5, 2022).

²² NFE Altamira FLNG, S. de R.L. de C.V., Answer in Opposition to Protest of Sierra Club, Docket No. 22-110-LNG (Dec. 20, 2022).

²³ 42 U.S.C. 4321 *et seq.*

²⁴ E.O. 14008 sets forth policies to address climate change, specifically to “organize and deploy the full capacity of [Federal] agencies to combat the climate crisis.” Exec. Order No. 14008 of Jan. 27, 2021, *Tackling the Climate Crisis at Home and Abroad*, 86 FR 7619 (Feb. 1, 2021),

<https://www.federalregister.gov/documents/2021/02/01/2021-02177/tackling-the-climate-crisis-at-home-and-abroad>.

E.O. 14008 further 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. *Id.*

²⁵ See Council on Env’tl. Quality, National Environmental Policy Act Implementing Regulations Revisions; Final Rule, 87 FR 23453 (Apr. 20, 2022).

EA under NEPA to analyze NFE Altamira’s requested exports of U.S.-sourced natural gas as LNG to non-FTA countries.²⁶

The Draft EA examined the potential environmental impacts associated with unconventional natural gas exploration and production activities in the lower-48 states; the utilization of the cross-border pipeline facilities in Texas named in the Application that interconnect the United States and Mexico and that NFE Altamira may utilize for its U.S. natural gas supply; descriptions of Mexico’s environmental review process for the construction and operation of liquefaction terminals and related facilities; marine transport of LNG exported from the proposed Project; and the global nature of GHG emissions associated with re-exporting U.S.-sourced natural gas as LNG from Mexico from a life cycle perspective.

NEPA Process and Public Involvement

DOE prepared the Draft EA in accordance with the CEQ regulations at Title 40, *Code of Federal Regulations*, parts 1500–1508 (40 CFR parts 1500-1508) and DOE NEPA implementing procedures at 10 CFR part 1021. DOE published a Notice of Environmental Assessment to Docket No. 22-110-LNG on June 27, 2023, announcing its intent to prepare an EA. DOE is providing opportunities for public review and comments on this Draft EA (see **DATES** and **ADDRESSES** sections of this notice).

Signed in Washington, DC, on September 15, 2023.

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²⁶ *NFE Altamira FLNG, S. De R.L. de C.V.*, Notice of Environmental Assessment, Docket No. 22-110-LNG (June 27, 2023).