

**FINDING OF NO SIGNIFICANT IMPACT
FOR SABINE PASS LIQUEFACTION PROJECT REGARDING
APPLICATION TO DEPARTMENT OF ENERGY TO INCREASE AUTHORIZED
VOLUMES OF LIQUEFIED NATURAL GAS FOR EXPORT FROM SABINE PASS
LNG TERMINAL TO NON-FREE TRADE AGREEMENT NATIONS**

AGENCY: U.S. Department of Energy, Office of Fossil Energy

ACTION: Finding of No Significant Impact

SUMMARY: Pursuant to section 1508.9 of the regulations of the Council on Environmental Quality (CEQ), 40 CFR 1508.9, the Federal Energy Regulatory Commission (FERC) prepared an environmental assessment (EA) that analyzed the potential environmental impacts associated with an application submitted to FERC by Sabine Pass Liquefaction, LLC (SPL) and Sabine Pass LNG, L.P. (collectively referred to as Sabine Pass). The application sought authorization to increase the total liquefied natural gas (LNG) production capacity of the existing Sabine Pass Liquefied Natural Gas Terminal (Liquefaction Project) in Cameron Parish, Louisiana from the equivalent of 2.2 billion cubic feet (Bcf) per day of natural gas to approximately 2.76 Bcf per day of natural gas. The requested authorization was based on optimized design of previously authorized facilities and will not require the construction or modification of facilities not previously authorized. SPL also submitted an application to DOE's Office of Fossil Energy (DOE/FE) for long-term authorization to export the additional LNG equivalent to 0.56 Bcf per day of natural gas in FE Docket No. 15-63-LNG.

SUPPLEMENTARY INFORMATION: On October 25, 2013, Sabine Pass filed an application with FERC to amend the Order Granting Section 3 Authorization issued in *Sabine Pass Liquefaction, LLC*, on April 16, 2012, seeking to increase LNG daily production capacity at the Liquefaction Project from the currently authorized volume equivalent to 2.2 Bcf per day of natural gas to about 2.76 Bcf per day of natural gas. The 2012 Order authorized Sabine Pass to construct and operate facilities for the liquefaction and export of domestically-produced natural gas at the Liquefaction Project.¹ FERC issued the 2012 order under section 3 of the Natural Gas Act (NGA) after completing an environmental assessment (EA) evaluating the project.² On August 7, 2012, DOE/FE adopted FERC's EA, issued a Finding of No Significant Impact³ in response to an application to DOE/FE from Sabine Pass, and granted the application for a long-term authorization to export LNG in an amount up to the equivalent of 803 Bcf per year of natural gas for a 20-year term.⁴ In response to the 2013 application for a limited amendment,

¹ *Sabine Pass Liquefaction, LLC and Sabine Pass LNG, L.P.*, 139 FERC ¶ 61,039 (2012) (2012 Order), *reh'g denied*, 140 FERC ¶ 61,076 (2012).

² Environmental Assessment for the Sabine Pass Liquefaction Project, Sabine Pass Liquefaction, LLC, and Sabine Pass LNG, L.P., FERC Docket No. CP11-72-000 (Dec. 2011) (http://elibrary.ferc.gov/idmws/file_list.asp?document_id=13983213).

³ Finding of No Significant Impact for Sabine Pass Liquefaction, LLC Regarding Order Granting Long-Term Authorization to Export Liquefied Natural Gas From Sabine Pass LNG Terminal to Non-Free Trade Nations (Aug. 7, 2012) (<http://energy.gov/sites/prod/files/EA-1845-FONSI-2012.pdf>).

⁴ *Sabine Pass Liquefaction, LLC*, Final Opinion and Order Granting Long-Term Authority to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Non-Free Trade Agreement Nations, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG (Aug. 7, 2012).

FERC completed an EA for the increase in LNG production capacity⁵ and issued an order authorizing the production capacity increase on February 20, 2014 (Order Amending Section 3 Authorization).⁶

On April 20, 2015, SPL filed an application in FE Docket No. 15-63-LNG (the Application) with DOE/FE seeking authorization to export the additional LNG to be produced at the Liquefaction Project, up to the equivalent of approximately 0.56 Bcf per day of natural gas, for a term of 20 years. The Application seeks authority to export the proposed quantities to any country: (i) with which the United States does not have a Free Trade Agreement (FTA) requiring the national treatment for trade in natural gas (non-FTA country), (ii) that has or will develop the capacity to import LNG delivered by ocean-going carrier, and (iii) with which trade is not prohibited by U.S. law or policy. The proposed exports would be shipped from the existing Sabine Pass LNG Terminal in Cameron Parish, Louisiana. The Application was submitted to DOE/FE pursuant to section 3(a) of the Natural Gas Act (NGA) and 10 CFR Part 590 of DOE's regulations.

The purpose and need for DOE action is to comply with section 3(a) of the NGA, which requires DOE to issue an order granting application for authority to export natural gas, including LNG, unless DOE finds that the proposed export will not be consistent with the public interest, per 15 USC § 717b(a-b). DOE's decision to grant or deny a requested export authorization is based on a public interest review of the proposed exports, which includes compliance with NEPA.

DOE's Addendum: On June 4, 2014, DOE/FE published the *Draft Addendum to Environmental Review Documents Concerning Export of Natural Gas from the United States* for public comment (79 FR 32258). Although not required by NEPA, DOE/FE 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. The Addendum addresses unconventional natural gas production in the nation as a whole. It does not attempt to identify or characterize the incremental environmental impacts that would result from LNG exports to non-FTA countries.

The Addendum notes that fundamental uncertainties constrain our ability to foresee and analyze the incremental natural gas production that may be induced by permitting exports of LNG to non-FTA countries. Such impacts are not reasonably foreseeable and cannot be analyzed with any particularity. There is uncertainty as to the aggregate quantity of natural gas that ultimately may be exported to non-FTA countries. Receiving a non-FTA authorization from DOE/FE does not guarantee that a particular facility will be financed and built; nor does it guarantee that, if built, market conditions would continue to favor exports once the facility is operational.

The Addendum also notes that there is fundamental uncertainty as to where any additional production would occur and in what quantity. As the Addendum illustrates, nearly all of the environmental issues presented by unconventional natural gas production are local in nature, affecting local water resources, local air quality, and local land use patterns, all under the auspices of state and local regulatory authority. As DOE explained in *Sabine Pass Liquefaction*,

⁵ Environmental Assessment for the Sabine Pass Liquefaction Project, Sabine Pass Liquefaction, LLC, and Sabine Pass LNG, L.P., FERC Docket No. CP14-12-000 (Jan. 2014) (http://elibrary.ferc.gov/idmws/file_list.asp?document_id=14180466).

⁶ *Sabine Pass Liquefaction, LLC and Sabine Pass LNG, L.P.*, 146 FERC ¶ 61,117 (2014).

LLC, DOE/FE Order No. 2961, without knowing where, in what quantity, and under what circumstances additional natural 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 CEQ's NEPA regulations.⁷

The 45-day comment period on the Draft Addendum closed on July 21, 2014. DOE/FE received 40,745 comments in 18 separate submissions and considered those comments received in issuing the Addendum on August 15, 2014. DOE provided a summary of the comments received and responses to substantive comments in Appendix B of the Addendum. DOE/FE has incorporated the Draft Addendum, comments, and final Addendum into the record in this proceeding.

Adoption: All discussion and analyses related to the potential impacts of a grant of the Application are contained within the 2014 EA prepared by FERC,⁸ herein adopted (DOE/EA-2036) and incorporated by reference, and in FERC's Order Amending Section 3 Authorization. The 2014 EA addressed the potential impacts on air quality, cumulative impacts, and alternatives, and found that the proposed amendment would not constitute a major federal action significantly affecting the quality of the human environment. While not required by NEPA, DOE also considered the Addendum, as discussed above.

DETERMINATION: On the basis of the 2014 EA, the Addendum, and FERC's Order Amending Section 3 Authorization, DOE has determined that granting SPL's Application for authority to export LNG in FE Docket No. 15-63-LNG will not have a significant effect on the human environment. The preparation of an environmental impact statement, therefore, is not required and DOE is issuing this Finding of No Significant Impact.

Copies of the EA and FONSI will be available on the DOE/FE website at

<http://energy.gov/fe/sabine-pass-liquefaction-llc-dkt-no-15-63-lng>

The EA and FONSI will also be available at: www.gc.energy.gov/NEPA, under DOE NEPA Documents.

Signed in Washington, D.C., on March 11, 2016.



Christopher A. Smith
Assistant Secretary
Office of Fossil Energy
U.S. Department of Energy

⁷ *Sabine Pass*, DOE/FE Order No. 2961-A, at 11 (quoting 40 C.F.R. § 1508.7).

⁸ Environmental Assessment for the Sabine Pass Liquefaction Project, Sabine Pass Liquefaction, LLC, and Sabine Pass LNG, L.P., FERC Docket No. CP14-12-000 (Jan. 2014)

(http://elibrary.ferc.gov/idmws/file_list.asp?document_id=14180466).