

U.S. Department of Energy
Categorical Exclusion Determination
Office of Fossil Energy



SpotX Energy, LLC
FE DOCKET NO. 19-104-LNG

PROPOSED ACTION DESCRIPTION: SpotX Energy, LLC (SpotX), a Delaware limited liability company with its principal place of business in Houston, Texas, filed an application (Application) with the Office of Fossil Energy (FE) on August 23, 2019, pursuant to section 3 of the Natural Gas Act (NGA) and 10 CFR Part 590 of the Department of Energy's (DOE) regulations.

In relevant part, SpotX states that its proposed exports qualify as "small-scale natural gas exports" under DOE/FE's regulations at 10 CFR §§ 590.102(p) and 590.208(a).¹ Specifically, SpotX seeks authorization to export domestically produced liquefied natural gas (LNG) in a volume equivalent to 51.75 billion cubic feet per year (Bcf/yr) of natural gas (0.14 Bcf per day) for a 20-year term. SpotX is requesting authority to export the LNG to any country with which the United States does not have 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).

SpotX intends to purchase the LNG, and load it into approved IMO7/TVAC-ASME LNG (ISO) containers, at various natural gas liquefaction facilities located on the Gulf Coast. In Appendix C to the Application, SpotX identifies 20 facilities from which it seeks to purchase LNG for export (collectively, the Facilities), as well as their associated ports of export. SpotX states that it also may purchase LNG sourced from Facilities located on the shoreline and load the LNG directly onto shipping vessels. DOE/FE takes notice that, of the 20 identified Facilities, 14 are subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC) and have received their final FERC approval under NEPA.² The remaining six Facilities are not FERC-jurisdictional and already exist.³

DOE/FE's proposed action is to authorize the exports described in the Application as small-scale natural gas exports.

The Department's regulations at 10 CFR Part 1021, Subpart D, Appendix B5, list categorical exclusions that apply to DOE actions. Specifically, Item B5.7 provides a categorical exclusion where approvals or disapprovals of authorizations to import or export natural gas under NGA section 3 involve minor operational changes, but not new construction. SpotX's proposed exports fall within the scope of the B5.7 categorical exclusion because no new facilities or modifications to any existing facilities are required due to DOE/FE's action on the Application. Accordingly, DOE/FE will apply a categorical exclusion under NEPA for the Application.

CATEGORICAL EXCLUSION APPLIED: B5.7 - Import or export natural gas, with operational changes

For the complete DOE National Environmental Policy Act regulations regarding categorical exclusions, including the full text of each categorical exclusion, see Subpart D of 10 CFR Part 1021.

Regulatory Requirements in 10 CFR 1021.410(b): (See full text in regulation)

[] The proposal fits within a class of actions that is listed in Appendix A or B to 10 CFR Part 1021, Subpart D.

To fit within the classes of actions listed in 10 CFR Part 1021, Subpart D, Appendix B5, a proposal must be one that would not: (1) threaten a violation of applicable statutory, regulatory, or permit requirements for environment, safety, and health, or similar requirements of DOE or Executive Orders; (2) require siting and construction or major expansion of waste storage, disposal, recovery, or treatment facilities (including incinerators), but the proposal may include categorically excluded waste storage, disposal, recovery, or treatment actions or facilities; (3) disturb hazardous

¹ In the Application, SpotX also requests: (i) a long-term export authorization under NGA section 3(c), 15 USC § 717b(c), and (ii) short-term export authorizations under NGA section 3. None of those requests are subject to this categorical exclusion determination.

² See App., Appendix C (Facilities #1-13, 15).

³ *Id.* (Facilities #14, 16-20).

substances, pollutants, contaminants, or CERCLA-excluded petroleum and natural gas products that preexist in the environment such that there would be uncontrolled or unpermitted releases; (4) have the potential to cause significant impacts on environmentally sensitive resources, including, but not limited to, those listed in paragraph B(4) of 10 CFR Part 1021, Subpart D, Appendix B; (5) involve genetically engineered organisms, synthetic biology, governmentally designated noxious weeds, or invasive species, unless the proposed activity would be contained or confined in a manner designed and operated to prevent unauthorized release into the environment and conducted in accordance with applicable requirements, such as those listed in paragraph B(5) of 10 CFR Part 1021, Subpart D, Appendix B.

] There are no extraordinary circumstances related to the proposal that may affect the significance of the environmental effects of the proposal.

] The proposal has not been segmented to meet the definition of a categorical exclusion. This proposal is not connected to other actions with potentially significant impacts (40 CFR 1508.25(a)(1)), is not related to other actions with individually insignificant but cumulatively significant impacts (40 CFR 1508.27(b)(7)), and is not precluded by 40 CFR 1506.1 or 10 CFR 1021.211 concerning limitations on actions during preparation of an environmental impact statement.

Based on my review of the proposed action, as NEPA Compliance Officer, I have determined that the proposed action fits within the specified class(es) of action, the other regulatory requirements set forth above are met, and the proposed action is hereby categorically excluded from further NEPA review.

Signature: Mark J. Matarrese

Date Determined: 11/7/19

Mark J. Matarrese, NEPA Compliance Officer, Office of Fossil Energy