DEPARTMENT OF ENERGY

Record of Decision and Floodplain Statement of Findings for the Freeport LNG Expansion, L.P. Export Application

AGENCY: Office of Fossil Energy, Department of Energy.

ACTION: Record of Decision.

SUMMARY: The U.S. Department of Energy (DOE) announces its decision in FE Docket Nos. 10–161–LNG and 11–161–LNG to issue DOE/FE Order Nos. 3282–C and 3357–B, granting Freeport LNG Expansion L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC, and FLNG Liquefaction 3, LLC (collectively, FLEX) final long-term multi-contract authority to export domestically produced liquefied natural gas (LNG) by vessel to nations with which the United States has not entered into a free trade agreement providing for national treatment for trade in natural gas (non-FTA countries). Order Nos. 3282–C and 3357–B are issued under section 3 of the Natural Gas Act (NGA). The proposed exports will originate from the existing Freeport Terminal, located on Quintana Island, southeast of the City of Freeport in Brazoria County, Texas, from liquefaction and related facilities to be constructed. DOE participated as a cooperating agency with the Federal Energy Regulatory Commission (FERC) in preparing an environmental impact statement (EIS) analyzing the potential environmental impacts of the proposed Liquefaction Project that, if constructed, will be used to support the export authorization sought from DOE’s Office of Fossil Energy (DOE/FE).

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Background

On May 17, 2013, DOE/FE issued Order No. 3282 1 to Freeport LNG Expansion L.P. and FLNG Liquefaction, LLC, pursuant to section 3(a) of the NGA. 2 DOE/FE subsequently amended Order No. 3282 to add FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC as applicants and authorizations holders. On July 11, 2013, DOE/FE issued Order No. 3357, as amended, 3 ordering FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC to issue Orders 3282–A, 3282–B, 3282–C, and 3282–D, which added FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC as applicants and authorization holders.


2 15 U.S.C. 717b(a). This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redegulation Order No. 00–002.04F (July 11, 2013).

3 On February 7, 2014, DOE/FE issued Order No. 3282–A, which added FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC as applicants and authorization holders. On June 6, 2014, DOE/FE
conditionally granted FLEX’s application in FE Docket No. 10–161–LNG for long-term, multi-contract authority to export domestically produced LNG by vessel to non-FTA countries. DOE/FE conditionally authorized FLEX to export LNG in a volume equivalent to 511 billion cubic feet per year (Bcf/yr) of natural gas (1.4 Bcf per day (Bcf/d)), or approximately 9 million metric tons per annum (mtpa) of LNG, for a term of 20 years.

On November 15, 2013, DOE/FE granted a second non-FTA conditional authorization to FLEX in DOE/FE Order No. 3357.5 as subsequently amended in Order No. 3357–A.6 conditionally authorized FLEX to export LNG in a volume equivalent to 146 Bcf/yr of natural gas (0.4 Bcf/d) for a 20-year term. Together with the 1.4 Bcf/d conditionally authorized in the first non-FTA order, FLEX’s total combined non-FTA export volume of 1.8 Bcf/d of natural gas (657 Bcf/yr) mirrors the known liquefaction capacity of the Liquefaction Project. All of FLEX’s proposed exports will originate from the existing Freeport Terminal, located on Quintana Island, southeast of the City of Freeport in Brazoria County, Texas, and the liquefaction and related facilities to be constructed by FLEX, as described below.

In June of 2004, the Federal Energy Regulatory Commission (FERC) issued an order authorizing Freeport LNG Development, L.P. to site, construct, and operate what is now known as Phase I of the Freeport Terminal. In September of 2006 FERC issued an order authorizing the Phase II expansion of the Freeport LNG Terminal, which included an expansion of the Freeport Terminal’s send-out capacity. In December of 2011, in FERC Docket No. CP12–29–000, FLEX filed with FERC an application requesting authorization to expand and modify its previously authorized import facilities to facilitate the import and export of LNG at the Freeport Terminal (the Phase II Modification Project). In August 2012, in FERC Docket No. CP12–509–000, FLEX filed an application with FERC to site, construct, and operate the Liquefaction Project at the Freeport Terminal under NGA section 3. FERC reviewed FLEX’s application for the Liquefaction Project in FERC Docket No. CP12–509–000 in conjunction with FLEX’s application for approval of the Phase II Modification Project in FERC Docket No. CP12–29–000.

At the time that DOE/FE issued the above-referenced non-FTA conditional authorizations to FLEX, the matters in FERC Docket Nos. CP12–29–000 and CP12–509–000 were still pending. Accordingly, the non-FTA conditional authorizations addressed the record evidence in their respective dockets and entered findings on all non-environmental issues considered under NGA section 3(a), including the economic impacts, international impacts, and security of gas supply associated with FLEX’s proposed exports. Because DOE/FE must also consider environmental issues, DOE/FE conditioned its authorizations on the satisfactory completion of FLEX’s environmental review process under NEPA, and on DOE/FE’s issuance of a finding of no significant impact or a record of decision (ROD).7

Project Description

The proposed facilities will be integrated into the existing Freeport Terminal, which presently consists of a marine berth, two 160,000 m³ full containment LNG storage tanks, LNG vaporization systems, associated utilities, and a 9.6-mile pipeline and meter station. The Phase II Modification Project calls for improvements to facilities previously authorized by FERC, including the re-orientation and modification of the Phase II marine berthing dock, modifying the LNG transfer pipelines between the second marine dock and LNG storage tanks (one of which is yet to be constructed but was approved with the authorization for the Phase II expansion), and the improvement of the current access road system, all contained within the previously authorized operational area of the Freeport Terminal.

In addition, the Liquefaction Project consists of multiple components, including a Liquefaction Plant at and adjacent to the existing Quintana Island terminal and facilities located beyond Quintana Island. The Liquefaction Plant would consist of three propane pre-cooled mixed refrigerant liquefaction trains, each capable of producing a nominal 4.4 million metric tons per annum (mtpa) of LNG (13.2 mtpa total) for export, which equates to a total liquefaction capacity of approximately 1.8 Bcf/d of natural gas.

In support of the Liquefaction Plant, FLEX proposes to construct a natural gas Pretreatment Plant located about 2.5 miles north of the existing Quintana Island terminal. The Pretreatment Plant would process the gas for liquefaction. In addition, FLEX proposed to construct several interconnecting pipelines and utility lines including a 5.0-mile-long, 12-inch diameter boil-off gas (BOG) pipeline from the terminal to the Pretreatment Plant (referred together as the Pipeline/Utility Line System). The Liquefaction Plant, the Pretreatment Plant, and the Pipeline/Utility Line System, together with the associated appurtenant structures, are collectively referred to as the Liquefaction Project.

The EIS Process

In accordance with NEPA, FERC issued a draft Environmental Impact Statement (EIS) for the proposed Liquefaction Project and Phase II Modification Project on March 14, 2014. (79 FR 15,989). The draft EIS was mailed to stakeholders, including landowners, the cooperating agencies, and those who previously made comments during the NEPA scoping process. Issues raised by commenters included concerns regarding: air pollution (including air toxics, greenhouse gases, deposition impacts; and compliance with the National Ambient Air Quality Standards), safety and lack of an emergency response plan, construction traffic, noise and dust, lack of housing for construction workers, visual impacts, impacts on property values, water use and Freeport LNG’s source of water, land use impacts, ability to safely build the facility on dredge spoils, impacts on the historic Town of Quintana, expanding the scope of the cumulative impact analysis and alternatives analysis, recreational impacts, noxious odors, and the positive impacts from job creation.

The final EIS, published on June 20, 2014 (79 FR 35,345), recommended that FERC approve FLEX’s proposed Liquefaction Project and Phase II Modification Project subject to 83 environmental conditions. On July 30, 2014, FERC issued its Order granting FLEX’s requested authorization to modify previously authorized LNG facilities to facilitate the import and export of LNG at FLEX’s Quintana Island terminal and facilitate the requested authorization to site, construct, and operate the proposed facilities, subject

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5 See DOE/FE Order No. 3357–A, which amended Order No. 3357 to clarify the terms of that Order’s conditional authorization.

6 On June 6, 2014, DOE/FE issued Order No. 3357–A, which amended Order No. 3357 to clarify the terms of that Order’s conditional authorization.

7 See DOE/FE Order No. 3282 at 123 (Ordering Para. F).
to the 83 environmental conditions contained in Appendix A of that order. In accordance with 40 CFR 1506.3, after an independent review of FERC’s final EIS, DOE adopted the EIS on October 3, 2014 (DOE/EIS–0487), and the U.S. Environmental Protection Agency published a notice of that adoption in the Federal Register on October 10, 2014. (79 FR 61304).

Addendum to Environmental Review Documents Concerning Exports of Natural Gas From the United States (Addendum)

On June 4, 2014, DOE/FE published the Draft Addendum 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 is a review of existing literature and was intended to provide information only on the resource areas potentially impacted by unconventional gas production.

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 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 its FLEX proceeding.

Alternatives

The EIS conducted an alternatives analysis for the Liquefaction Project and found no other practicable alternative that would result in less environmental impact that would still address the purpose and need of the Projects. Alternatives considered included the No Action Alternative, system alternatives, and site alternatives. With respect to the No Action Alternative, the EIS concluded that this alternative is not viable as FLEX would not be able to provide U.S. natural gas producers with new access to global gas suppliers and meet contractual obligations.

For the Phase II Modification Project, the EIS determined that the location, design, and purpose is wholly dependent on the existing plant facilities and operations at the Quintana Island terminal; therefore, other geographically separate sites beyond the terminal were not evaluated and no system alternatives exist that could achieve the terminal’s operational flexibility and capabilities.

With respect to system alternatives for the Liquefaction Project, the EIS analyzed other proposed LNG export facilities on the West Coast, Gulf Coast, and East Coast of the United States and whether these could be considered system alternatives. In all cases the EIS found that these alternatives would not address the Liquefaction Project’s purpose and would not offer any significant environmental advantage.

The EIS also considered the possibility of expanding the size of another proposed LNG export terminal to address FLEX’s desired export capacity. However, this alternative would involve further impacts such as: construction of additional liquefaction infrastructure plus the potential need for expanded docking facilities. Hence, the environmental impacts would not be significantly different than those that would occur as a result of the Liquefaction Project.

Additionally, the EIS evaluated site alternatives for the components of the Liquefaction Project, but did not find any viable alternatives. Siting of the Liquefaction Plant was dictated by the need to be close to the existing offloading areas, LNG storage tanks, docking area, and other existing LNG infrastructure at the Quintana Island terminal. Moreover, the proposed siting makes maximum use of the available areas within the existing Quintana Island terminal.

The EIS evaluated the feasibility of lowering the pad elevation of the Liquefaction Plant to determine whether this would lessen impacts on visibility, noise, safety, stormwater, and site engineering. However, the EIS determined that this would not provide substantial improvements in visibility and noise attenuation, and would result in significant geological safety, engineering, traffic, and soil disposal issues. With respect to the siting of the Pretreatment Plant, the EIS assessed ten alternative sites, all of which were deemed unsuitable due to site constraints and environmental impacts, except for one site. However, based on comments from residents regarding the lack of a suitable evacuation route in case of emergency at the alternative site, and concerns about noise, air emissions, water discharges, materials storage, and flood protection, the EIS concludes that the proposed site is the preferred site.

With respect to siting of the Pipeline/Utility Line System, alternative siting criteria were the functional interdependency and geographic locations of the proposed process facilities (Liquefaction Plant and Pretreatment Plant), FLEX’s existing natural gas sendout pipeline, and the existing sendout pipeline meter station at Stratton Ridge. The Liquefaction Plant, Pretreatment Plant, and Stratton Ridge Meter Station represent fixed receipt or delivery points for the natural gas transported by the sendout pipeline and utilized in the liquefaction process. The existing sendout pipeline route constitutes the preferred route as it follows an existing right-of-way and minimizes environmental impacts.

Environmentally Preferred Alternative

When compared against the other action alternatives assessed in the EIS, as discussed above, the Liquefaction Project/Phase II Modification Project is the environmentally preferred alternative. While the No-Action Alternative would avoid the environmental impacts identified in the EIS, adoption of this alternative would not meet the project objectives.

Decision

DOE has decided to issue Order Nos. 3282–C and 3357–B authorizing FLEX to export domestically produced LNG by vessel from the Freeport LNG Terminal on Quintana Island, Texas to non-FTA countries up to the equivalent of 1.8 Bcf/d of natural gas for a term of 20 years.

Concurrently with this Record of Decision, DOE is issuing Order Nos. 3282–C and 3357–B in which it finds that the granting of the requested authorizations have not been shown to be inconsistent with the public interest, and that the applications should be granted subject to compliance with the terms and conditions set forth in Order Nos. 3282–C and 3357–B, including the environmental conditions adopted in the FERC Order at Appendix A. Additionally, the authorizations are conditioned on FLEX’s compliance with any other preventative and mitigative measures imposed by other Federal or state agencies.

Basis of Decision

DOE’s decision is based upon the analysis of potential environmental impacts presented in the EIS, and DOE’s determination in Order Nos. 3282–C and 3357–B that the opponents of the applications have failed to overcome the statutory presumption that the proposed export authorizations are not inconsistent with the public interest. Although not required by NEPA, DOE also considered the Addendum, which summarizes available information on potential upstream impacts associated...
with unconventional natural gas activities, such as hydraulic fracturing.

Mitigation

As a condition of its decision to issue Order Nos. 3282-C and 3357-B authorizing FLEX to export LNG to non-FTA countries, DOE is imposing requirements that will avoid or minimize the environmental impacts of the project. These conditions include the environmental conditions adopted in the FERC Order at Appendix A. Mitigation measures beyond those included in DOE Order Nos. 3282-C and 3357-B that are enforceable by other Federal and state agencies are additional conditions of Order Nos. 3282-C and 3357-B. With these conditions, DOE has determined that all practicable means to avoid or minimize environmental harm from the project have been adopted.

Floodplain Statement of Findings

DOE prepared this Floodplain Statement of Findings in accordance with DOE’s regulations entitled “Compliance with Floodplain and Wetland Environmental Review Requirements” (10 CFR part 1022). The required floodplain and wetland assessment was conducted during development and preparation of the EIS (see Sections 4.1.1.3 and 4.3.1.1 of the EIS). DOE determined that the placement of some project components within floodplains would be unavoidable.

However, the current design for the project minimizes floodplain impacts to the extent practicable.

Issued in Washington, DC on November 14, 2014.

Christopher A. Smith,
Principal Deputy Assistant Secretary, Office of Fossil Energy.

[FR Doc. 2014–27486 Filed 11–19–14; 8:45 am]

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ENVIRONMENTAL PROTECTION AGENCY

[FRL–9919–54–OAR]

California State Motor Vehicle Pollution Control Standards; Malfunction and Diagnostic System Requirements for 2010 and Subsequent Model Year Heavy-Duty Engines; Request for Waiver Determination; Opportunity for Public Hearing and Comment

AGENCY: Environmental Protection Agency (EPA).

ACTION: Notice of opportunity for public hearing and comment.

SUMMARY: The California Air Resources Board (CARB) has notified EPA that it has adopted amendments to its “Malfunction and Diagnostic System Requirements for 2010 and Subsequent Model Year Heavy-Duty Engines” regulation (HD OBD Requirements) and its “Enforcement of Malfunction and Diagnostic System Requirements for 2010 and Subsequent Model-Year Heavy-Duty Engines” regulation (HD OBD Enforcement Regulation), collectively referred to herein as HD OBD Regulations. EPA previously granted California a waiver for its HD OBD Regulations as amended in 2010. CARB adopted further amendments to the HD OBD Regulations in 2013 (“2013 HD OBD amendments”). By letter dated February 12, 2014, CARB requested that EPA confirm that the 2013 HD OBD amendments are within the scope of the previously granted waiver or, alternatively, that EPA grant a full waiver of preemption for the amendments. This notice announces that EPA has tentatively scheduled a public hearing to consider California’s request for waiver of the 2013 HD OBD amendments, and that EPA is additionally now accepting written comment on California’s request.

DATES: EPA has tentatively scheduled a public hearing concerning CARB’s request on January 14, 2015 at 10 a.m. ET. EPA will hold a hearing only if any party notifies EPA by December 15, 2014 to express interest in presenting the Agency with oral testimony. Parties that wish to present oral testimony at the public hearing should provide written notice to David Read at the email address noted below. If EPA receives a request for a public hearing, that hearing will be held at the William Jefferson Clinton Building (North), Room 5530 at 1200 Pennsylvania Ave. NW., Washington, DC 20460. If EPA does not receive a request for a public hearing, then EPA will not hold a hearing, and will instead consider CARB’s request based on written submissions to the docket. Any party may submit written comments until February 16, 2015.

Any person who wishes to know whether a hearing will be held may call David Read at (734) 214–4367 on or after December 17, 2014.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA–HQ–OAR–2014–0699, by one of the following methods:


• Email: a-and-r-docket@epa.gov.

• Fax: (202) 566–1741.


On-Line Instructions for Submitting Comments: Direct your comments to Docket ID No. EPA–HQ–OAR–2014–0699. EPA’s policy is that all comments we receive will be included in the public docket without change and may be made available online at http://www.regulations.gov, including any personal information provided, unless the comment includes information claimed to be Confidential Business Information (CBI) or other information whose disclosure is restricted by statute. Do not submit information that you consider to be CBI or otherwise protected through http://www.regulations.gov or email. The http://www.regulations.gov Web site is an “anonymous access” system, which means EPA will not know your identity or contact information unless you provide it in the body of your comment. If you send an email comment directly to EPA without going through http://www.regulations.gov, your email address will automatically be captured and included as part of the comment that is placed in the public docket and made available on the Internet. If you submit an electronic comment, EPA recommends that you include your name and other contact information in the body of your comment and with any disk or CD–ROM you submit. If EPA cannot read your comment due to technical difficulties and cannot contact you for clarification, EPA may not be able to consider your comment. Electronic files should avoid the use of special characters, any form of encryption, and be free of any defects or viruses. For additional information about EPA’s public docket visit the EPA Docket Center homepage at http://www.epa.gov/epahome/dockets.htm. EPA will make available for public inspection materials submitted by CARB, written comments received from any interested parties, and any testimony given at the public hearing. Materials relevant to this proceeding are contained in the Air and Radiation