



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

LAKE CHARLES EXPORTS, LLC
FE DOCKET NO. 16-110-LNG

PROPOSED ACTION DESCRIPTION: Lake Charles Exports, LLC (LCE), a limited liability company organized under the laws of Delaware, filed an application (Application) with the Office of Fossil Energy (FE), Department of Energy (DOE), on August 15, 2016, in FE Docket No. 16-110-LNG, seeking long-term authorization to export domestically produced liquefied natural gas (LNG) up to the equivalent of 121 billion cubic feet per year (Bcf/yr) of natural gas (0.33 Bcf/day) to any country not prohibited by U.S. law or policy. The proposed exports would occur from a LNG terminal owned by Lake Charles LNG Export Company, LLC (Lake Charles LNG Export) in Lake Charles, Louisiana (Lake Charles Terminal). The Lake Charles Terminal originally was constructed for the purpose of receiving and re-gasifying imports of LNG but, pursuant to authority issued by the Federal Energy Regulatory Commission (FERC), Lake Charles LNG Exports is constructing and developing natural gas processing and liquefaction facilities (Lake Charles Liquefaction Project) to receive and liquefy natural gas at the Lake Charles Terminal for export from the United States.

The Application was submitted to DOE/FE pursuant to section 3 of the Natural Gas Act and 10 CFR Part 590 of DOE's regulations. DOE/FE's proposed action is to authorize the exports described in the Application if DOE/FE determines that such exports are not inconsistent with the public interest.

Previously, in December 2015, FERC authorized Lake Charles LNG Export and another affiliate, Lake Charles LNG Company, LLC, to construct and operate the Liquefaction Project.¹ FERC approved a maximum design production capacity for the Liquefaction Project of 16.45 million metric tons per year of LNG,² which DOE has determined is equivalent to approximately 851 Bcf/yr of natural gas. As a cooperating agency to the FERC proceeding, DOE/FE adopted FERC's final EIS.³ In July 2016, DOE/FE granted LCE authorization to export LNG equivalent to 730 Bcf/yr of natural gas, the volume requested in its 2011 DOE/FE application to countries with which the United States does not have a free trade agreement (FTA) requiring national treatment for trade in natural gas from the Lake Charles Terminal.⁴ The Application to DOE/FE requests authority to export the additional 121 Bcf/yr of LNG from the Lake Charles Terminal authorized by FERC and will not require additional construction or modification to the approved facilities.

The Department's regulations at 10 CFR Part 1021, Subpart D, Appendix B5, provide a list of categorical exclusions from preparation of either an EIS or an EA under NEPA by DOE. Specifically, categorical exclusion 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. LCE's proposed exports from the Lake Charles Terminal in the Application in FE Docket No. 16-110-LNG fall within the scope of

¹ *Trunkline Gas Co., LLC, et al.*, Order Granting Section 3 and Section 7 Authorizations and Approving Abandonment, 153 FERC ¶ 61,300, at PP 1-4 (Dec. 17, 2015) [hereinafter FERC 2015 Order].

² See *id.* at P 10 n.13.

³ U.S. Env'tl. Prot. Agency, Environmental Impact Statements; Notice of Availability, 81 Fed. Reg. 46,077 (July 15, 2016) (providing notice that DOE/FE adopted FERC's final EIS for the Lake Charles Liquefaction Project).

⁴ *Lake Charles Exports, LLC*, DOE/FE Order No. 3324-A, FE Docket No. 11-59-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Lake Charles Terminal in Calcasieu Parish, Louisiana, to Non-Free Trade Agreement Nations (July 29, 2016).

the B5.7 categorical exclusion because no new construction or modification to the Lake Charles Liquefaction Project facilities reviewed in the Lake Charles Liquefaction Project's final EIS by FERC and DOE will be necessary due to DOE/FE approval of 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 B, 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 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 (as authorized under DOE Order 451.1B), 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: 6/29/17

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