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August 2, 2022

BY ELECTRONIC FILING

Amy Sweeney
Director, Office of Regulation, Analysis and Engagement
Office of Fossil Energy and Carbon Management, FE-34
1000 Independence Ave., S.W.
Washington, DC 20585

Re: Energía Costa Azul, S. de R.L. de C.V., FE Docket No. 18-145-LNG

Dear Ms. Sweeney:

Energía Costa Azul, S. de R.L. de C.V. (“ECA”) respectfully submits this letter in response to the Department of Energy (“DOE”) Office of Fossil Energy and Carbon Management’s (“DOE/FECM”) Notice of Environmental Assessment (“EA Notice”), issued on July 12, 2022 in the above-referenced docket.¹

On September 18, 2020, ECA filed an application requesting to amend the authorized export volumes for its existing authorizations to export natural gas to Mexico by pipeline to the ECA Large-Scale Project (“Project”), and to re-export LNG from the Project to Free Trade Agreement (“FTA”) and Non-Free Trade Agreement (“Non-FTA”) countries (the “Design Increase Application”).² On June 11, 2021, DOE granted the FTA portion of the Design Increase Application pursuant to section 3(c) of the Natural Gas Act (“NGA”). The unopposed, Non-FTA portion of the Design Increase Application remains pending.

On July 12, 2022, DOE issued the EA Notice, which announced DOE’s intent to undertake an environmental assessment (“EA”) under the National Environmental Policy Act (“NEPA”) to analyze ECA’s request to export additional volumes of U.S.-sourced LNG to non-FTA countries.

¹ *Energía Costa Azul, S. de R.L. de C.V.*, Notice of Environmental Assessment, FE Docket No. 18-145-LNG (July 12, 2022) (“EA Notice”).

² Notice of the Design Increase Application was issued in the Federal Register on October 13, 2020, and the comment period closed on December 14, 2020. No interventions, and no adverse comments or protests to the Design Increase Application were filed, and accordingly as noted in the EA Notice, “the [Design Increase] Application is uncontested.” EA Notice at 5.

The EA Notice identifies four topics to be analyzed in the EA. Furthermore, DOE has provided notice to the cross-border host states of Arizona, Texas, and California and to all tribes on or within 100 kilometers of the U.S. border in those states, pursuant to 10 C.F.R. § 1021.301(c). According to the EA Notice, DOE expects to complete the EA by the end of October 2022.

While DOE's decision to prepare an EA in this proceeding departs from precedent³ and does not appear to be required under the applicable regulations,⁴ ECA views this as an opportunity for DOE to move forward with a prompt and orderly approval of its uncontested Non-FTA Design Increase Application.

Consistent with the EA Notice, ECA expects that the EA in this proceeding will be issued no later than the end of October 2022. Upon the EA's issuance, ECA understands that DOE will provide an opportunity to comment on the EA to the host states of Arizona, Texas, and California and to tribes on or within 100 kilometers of the U.S. border in those states. *See* 10 C.F.R. § 1021.301(d). Pursuant to DOE's regulations, this review and comment period may last between 14 to 30 days. *Id.* Furthermore, to the extent DOE considers any comments as part of this review, such comments must be restricted to the topics that are the subject of the EA. ECA respectfully notes that the comment period for the Non-FTA Application closed on December 14, 2020, with no interventions, protests, or adverse comments filed. Thus, any new comments that bear on DOE's public interest review under the NGA may not be entertained at this juncture.

ECA looks forward to cooperating with DOE during this process to facilitate a timely review and decision on the Non-FTA portion of the Design Increase Application.

Please contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/ Jerrod L. Harrison

Jerrod L. Harrison

Counsel to Energía Costa Azul, S. de R.L. de C.V.

cc: Brett A. Snyder, Blank Rome LLP

³ *See Epcilon LNG LLC*, DOE/FE Order No. 4629, FE Docket No. 20-31-LNG, Opinion and Order Granting Long-Term Authorization to Export Natural Gas to Mexico for Liquefaction, and to Re-Export U.S. Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Free Trade Agreement and Non-Free Trade Agreement Nations, at 37-38 (Dec. 8, 2020); *Mexico Pacific Limited LLC*, DOE/FE Order No. 4312, FE Docket No. 18-70-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export U.S.-Sourced Natural Gas by Pipeline to Mexico for Liquefaction and Re-Export in the Form of Liquefied Natural Gas to Non-Free Trade Agreement Countries (Dec. 14, 2018).

⁴ *See National Environmental Policy Act Implementing Procedures*, 85 Fed. Reg. 78197 (Dec. 4, 2020).

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding.

Dated at Washington, DC this 2nd day of August, 2022.

/s/ Lamiya Rahman _____

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