

**FINDING OF NO SIGNIFICANT IMPACT
FOR CAMERON LNG EXPANSION PROJECT REGARDING
CAMERON LNG, LLC APPLICATION SEEKING DEPARTMENT OF ENERGY
AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS FROM CAMERON
LNG TERMINAL TO NON-FREE TRADE AGREEMENT NATIONS**

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

ACTION: Finding of No Significant Impact (FONSI)

SUMMARY: Pursuant to section 1501.6 of the regulations of the Council on Environmental Quality (CEQ), 40 CFR 1501.6, the U.S. Department of Energy (DOE) participated as a cooperating agency with the Federal Energy Regulatory Commission (FERC) in preparation of an environmental assessment (EA) that analyzed the potential environmental impacts associated with an application submitted to FERC by Cameron LNG, LLC (Cameron LNG). The application at FERC sought authorization to expand Cameron LNG's existing facilities by siting, constructing, and operating additional liquefied natural gas (LNG) export facilities at the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana (Expansion Project).

SUPPLEMENTARY INFORMATION: On September 28, 2015, Cameron LNG filed an application with FERC in Docket No. CP15-560-000 under section 3(a) of the Natural Gas Act (NGA) and the procedures of Part 153 of FERC regulations seeking authority to expand its existing facilities by siting, constructing, modifying, and operating two new LNG liquefaction trains (referred to as Trains 4 and 5). This Expansion Project would increase the terminal's capability to liquefy natural gas for export by 515 billion cubic feet (Bcf) per year (1.41 Bcf per day). The LNG will be exported from the existing Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana.¹

On May 28, 2015, Cameron LNG filed an application in FE Docket No. 15-90-LNG (the Application)² with the DOE, Office of Fossil Energy (DOE/FE) seeking authorization to export the additional LNG to be produced at the Cameron LNG Terminal as a result of the Expansion Project, up to the equivalent of approximately 1.41 Bcf per day of natural gas, for a term of 20

¹ Cameron LNG's Liquefaction Project (Docket No. CP13-25-000) was approved by FERC on June 19, 2014. *Cameron LNG, LLC, and Cameron Interstate Pipeline, LLC.*, Order Granting Authorization Under Section 3 of the Natural Gas Act and Issuing Certificates, 147 FERC ¶ 61,230 (Jun. 19, 2014), Notice Denying Rehearing, 148 FERC ¶ 61,073 (July 29, 2014), Order Denying Rehearing, 148 FERC ¶ 61,237 (Sept. 26, 2014), appeal taken *sub nom. Sierra Club and Gulf Restoration Network v. FERC* (D.C. Cir., Case No. 14-1190), dismissed by Court order on March 16, 2015. This authorization included a fourth full containment LNG storage tank (T-204) and three systems for liquefying natural gas (Trains 1, 2, and 3) including the associated natural gas pre-treatment equipment, to produce up to 772 Bcf per year (2.12 Bcf per day) of LNG for export. The Liquefaction Project is currently under construction.

² Cameron LNG, LLC, Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, FE Docket No. 15-90-LNG (May 28, 2015).

years.³ 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 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.⁴

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, to non-FTA countries unless DOE finds that the proposed export will not be consistent with the public interest, per 15 USC § 717b. DOE's decision to grant or deny a requested export authorization is based on a public interest review of the proposed exports, which includes completing the environmental review required by National Environmental Policy Act (NEPA).

FERC prepared an EA for the Expansion Project, which it released for comment in February 2016 and finalized in its Order Granting Authorization Under Section 3 of the Natural Gas Act (FERC Order), issued May 5, 2016 (155 FERC ¶ 61,141). The FERC Order granted Cameron LNG's application to construct and operate the Expansion Project subject to appropriate mitigating measures set forth as an appendix to the order.

DOE's Addendum: On June 4, 2014, DOE/FE published the *Draft Addendum to Environmental Review Documents Concerning Exports 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.

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 export once the facility is operational.

There is also 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

³ Cameron LNG holds two export authorizations from DOE/FE to non-FTA countries. See *Cameron LNG, LLC*, DOE/FE Order No. 3391-A, FE Docket 11-162-LNG (Sept. 10, 2014); and *Cameron LNG, LLC*, DOE/FE Order No. 3797, FE Docket 15-67-LNG (March. 18, 2016).

⁴ Cameron LNG's applications also requested authorization to export domestically produced LNG to FTA countries. Under Section 3(c) of the NGA, applications to export natural gas to FTA countries are deemed to be consistent with the public interest, and DOE must grant the application without modification or delay, per 15 U.S.C. § 717b(c). Accordingly, DOE/FE granted the FTA portion of the applications in DOE/FE Order Nos. 3059, 3620, and 3680.

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, 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 the CEQ’s NEPA regulations.⁵

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 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 FE Docket No. 15-90-LNG.

Adoption: All discussion and analyses related to the potential impacts of a grant of the Application are contained within the EA prepared by FERC, "Environmental Assessment for the Cameron LNG Expansion Project,"⁶ which is herein adopted (DOE/EA-2041) and incorporated by reference, and in the FERC Order. The EA examined potential impacts in the following areas and found that with appropriate mitigating measures, none would constitute a major federal action significantly affecting the quality of the human environment: geology and soils; water resources; fisheries, vegetation, and wildlife resources; land use, recreation, and visual resources; socioeconomics; cultural resources; air quality and noise; reliability and safety; and cumulative impacts. While not required by NEPA, DOE also considered the Addendum, as discussed above.

DETERMINATION: On the basis of the EA, the Addendum, and the FERC Order, DOE has determined that granting Cameron LNG’s Application, subject to the environmental conditions set forth in the EA and the FERC Order, 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 FONSI.

Copies of the EA and FONSI will be available on the DOE/FE website at <http://www.energy.gov/fe/cameron-lng-llc-fe-dkt-no-15-90-lng>

⁵ *Sabine Pass*, DOE/FE Order No. 2961-A, at 11 (quoting 40 C.F.R. § 1508.7).

⁶ Environmental Assessment for the Cameron LNG Expansion Project, Cameron LNG, LLC, FERC Docket No. CP15-560-000 (Feb. 2016) (http://elibrary.ferc.gov/idmws/file_list.asp?document_id=14428653).

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

Signed in Washington, D.C., on July 15, 2016.

A handwritten signature in black ink, appearing to read "Chris Smith", with a horizontal line extending to the right.

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