

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



ENERGÍA COSTA AZUL, S. DE R.L. DE C.V.
FE DOCKET NO. 18-145-LNG


PROPOSED ACTION DESCRIPTION: Energía Costa Azul, S. de R.L. de C.V. (ECA) filed an application (Application) with the Office of Fossil Energy (FE) on September 18, 2020. In DOE/FE Order No. 4365, ECA is currently authorized to re-export¹ U.S.-sourced natural gas in the form of liquefied natural gas (LNG) in a volume equivalent to 475 billion cubic feet per year (Bcf/yr) of natural gas by vessel from the proposed ECA Large-Scale Project, to be located in Ensenada, Baja California, Mexico. ECA is authorized to re-export this LNG to any country with which the United States has not entered into 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).² In the Application, as relevant here, ECA asks DOE/FE to extend its 20-year export term in Order No. 4365 to a term ending on December 31, 2050. ECA filed the Application under section 3 of the Natural Gas Act (NGA)³ and DOE’s policy statement entitled, “Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050.”⁴

In a prior proceeding, DOE/FE conducted a NEPA analysis for the re-exports of U.S.-sourced natural gas in the form of LNG from the ECA Large-Scale Project that cover all facilities associated with the Application. No new facilities or modification to the ECA Large-Scale Project are required in order for ECA to re-export the authorized volume of LNG through December 31, 2050, as a result of approval of the Application. DOE/FE’s proposed action is to authorize the requested amendment if DOE/FE determines that extending the approved re-exports through December 31, 2050, is not inconsistent with the public interest. If granted, the authorization would extend the export term under DOE/FE Order No. 4365 through December 31, 2050, subject to the terms and conditions already set forth in that order.

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

¹ For purposes of this Categorical Exclusion Determination, “re-export” means to ship or transmit U.S.-sourced natural gas in its various forms (gas, compressed, or liquefied) subject to DOE/FE’s jurisdiction under the Natural Gas Act, 15 U.S.C. § 717b, from one foreign country (*i.e.*, a country other than the United States) to another foreign country.

² *Energía Costa Azul, S. de R.L. de C.V.*, DOE/FE Order No. 4365, FE Docket No. 18-145-LNG, Opinion and Order Granting Long-Term Authorization to Re-Export U.S.-Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Countries (Mar. 29, 2019).

³ 15 U.S.C. § 717b.

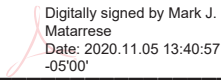
⁴ U.S. Dep’t of Energy, Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050; Notice of Final Policy Statement and Response to Comments, 85 Fed Reg. 52,237 (Aug. 25, 2020).

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; or (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  Digitally signed by Mark J. Matarrese
Date: 2020.11.05 13:40:57 -05'00'

Date Determined: 11/5/2020

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