

[6450-01-P]

**DEPARTMENT OF ENERGY**

<b>Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC</b>	<b>[DOE/EIS-0487]</b>
<b>Cameron LNG, LLC</b>	<b>[DOE/EIS-0488]</b>
<b>Jordan Cove Energy Project, L.P.</b>	<b>[DOE/EIS-0489]</b>
<b>Lake Charles Exports, LLC and Trunkline LNG Export, LLC</b>	<b>[DOE/EIS-0491]</b>
<b>LNG Development Company, LLC (d/b/a Oregon LNG)</b>	<b>[DOE/EIS-0492]</b>
<b>Cheniere Marketing, LLC</b>	<b>[DOE/EIS-0493]</b>
<b>Excelerate Liquefaction Solutions I, LLC</b>	<b>[DOE/EIS-0494]</b>
<b>CE FLNG, LLC</b>	<b>[DOE/EIS-0497]</b>
<b>Magnolia LNG, LLC</b>	<b>[DOE/EIS-0498]</b>
<b>Dominion Cove Point LNG, LP</b>	<b>[DOE/EA-1942]</b>
<b>Southern LNG Company, L.L.C.</b>	<b>[DOE/EA-1963]</b>
<b>Golden Pass Products LLC</b>	<b>[DOE/EA-1971]</b>
<b>Sabine Pass Liquefaction, LLC</b>	<b>[DOE/EA-1983]</b>

**Draft Addendum to Environmental Review Documents Concerning Exports of Natural Gas from the United States**

**AGENCY:** Office of Fossil Energy, Department of Energy.

**ACTION:** Notice of Availability of Draft Addendum to Environmental Review Documents Concerning Exports of Natural Gas from the United States.

**SUMMARY:** The Office of Fossil Energy (FE) of the Department of Energy (DOE) announces the availability of the *Draft Addendum To Environmental Review Documents Concerning Exports Of Natural Gas From The United States* (Addendum) for public review and comment. The purpose of this Addendum is to provide additional information to the public regarding the potential environmental impacts of unconventional natural gas exploration and production activities. DOE has received many comments in related proceedings expressing concerns about the potential impacts from increased development of unconventional natural gas resources in the United States, particularly production that involves hydraulic fracturing. While not required by the National Environmental Policy Act (NEPA), DOE has prepared this Addendum in an effort to be responsive to the public and provide the best information available. DOE is making this draft Addendum

available for public review and comment, and will consider comments prior to finalizing this Addendum.

**DATES:** Comments are to be filed using procedures detailed in the **Public Comment** section no later than 4:30 p.m., Eastern Time, July 21, 2014.

**ADDRESSES:**

**Electronic Filing Using Online Form:**

<http://energy.gov/fe/Draft-Upstream-Addendum>

**Regular Mail**

U.S. Department of Energy (FE-34)  
Attn: Addendum Comments  
Office of Oil & Gas Global Security & Supply  
Office of Fossil Energy  
P.O. Box 44375  
Washington, DC 20026-4375

**Hand Delivery or Private Delivery Services (e.g., FedEx, UPS, etc.)**

U.S. Department of Energy (FE-34)  
Attn: Addendum Comments  
Office of Oil & Gas Global Security & Supply  
Office of Fossil Energy  
Forrestal Building, Room 3E-042  
1000 Independence Avenue, SW  
Washington, DC 20585

**FOR FURTHER INFORMATION CONTACT:**

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U.S. Department of Energy (FE-34)  
Office of Natural Gas Regulatory Activities  
Office of Fossil Energy  
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1000 Independence Avenue, SW  
Washington, DC 20585  
(202) 586-0521.

Edward LeDuc

U.S. Department of Energy (GC-51)  
Office of the Assistant General Counsel for  
Environment  
Forrestal Building,  
1000 Independence Avenue, SW  
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**SUPPLEMENTARY INFORMATION:**

Section 3(a) of the Natural Gas Act, 15 U.S.C. § 717b(a), directs the U.S. Department of Energy (DOE) to authorize proposed exports of natural gas to countries with which the United States does not have a Free Trade Agreement (FTA) requiring national treatment for trade in natural gas (non-FTA countries), unless DOE finds that the proposed exportation will not be consistent with the public interest.

DOE presently has before it numerous applications to export liquefied natural gas (LNG) to non-FTA countries. The project proponents in these applications also have applied to the Federal Energy Regulatory Commission (FERC) for approvals related to onshore LNG facilities. FERC is the lead federal agency for the preparation of environmental assessments (EAs) and environmental impact statements (EISs) required under the National Environmental Policy Act (NEPA) for the applications that are pending before both federal agencies. DOE is participating as a cooperating agency in these NEPA reviews.

Several parties and commenters to these proceedings have urged DOE to review the potential environmental impacts of natural gas production activities, particularly the hydraulic fracturing of shale formations. These parties and commenters reason that authorizing exports of LNG to non-FTA countries would induce additional natural gas production in the United States, and that the environmental impacts of the additional natural gas production should be considered as a factor affecting the public interest.

Fundamental uncertainties constrain the ability to predict what, if any, domestic natural gas production would be induced by granting any specific authorization or authorizations to export LNG to non-FTA countries. Receiving a non-FTA authorization from DOE does not guarantee that a particular facility would be financed and built; nor does it guarantee that, even if built, market conditions would continue to favor export once the facility is operational. Numerous LNG import facilities were previously authorized by DOE, received financing, and were built, only to see declining use over the past decade.

The current rapid development of unconventional natural gas resources will likely continue, with or without the export of natural gas. Potential impacts associated with the development of unconventional natural gas resources will exist whenever it is produced, much the same as the conventional natural gas industry has for decades. Exporting natural gas may accelerate the timing of the development unconventional resources and the associated potential impacts. However, it is not reasonable to assume that unconventional natural gas production and the associated potential impacts will not occur if natural gas exports to non-FTA countries are prohibited.

Accordingly, to provide the public with a more complete understanding of potential impacts, DOE has prepared this draft Addendum to discuss the potential environmental impacts associated with unconventional natural gas production in the lower-48 states. By including this discussion of natural gas production activities, DOE is going beyond what NEPA requires. While DOE has made broad projections about the types of resources from which additional production may come, DOE cannot meaningfully estimate where, when, or by what method any additional natural gas would be produced. Therefore, DOE cannot meaningfully analyze the specific environmental impacts of such production, which are nearly all local or regional in nature. As DOE explained in *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961-A (Aug. 7, 2012),

lacking an understanding of where and when additional 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 Council on Environmental Quality’s (CEQ) NEPA regulations (40 CFR § 1508.7).

The Addendum is intended to provide information only on the impact areas most often associated with unconventional natural gas production. The Addendum is not the result of new analysis or research, but rather is based on DOE’s review of existing studies and analyses. A key resource in preparing the Addendum was the report *Environmental Impacts of Unconventional Natural Gas Development and Production* (May 29, 2014), prepared by the National Energy Technology Laboratory, a DOE Laboratory.

### **Public Comment**

In response to this Notice, any person may file comments. DOE prefers comments to be filed using the online form (method 1). However, for those lacking access to the Internet, comments may be filed using method 2 or 3. The three methods are: (1) submission of comments using the online form at <http://energy.gov/fe/Draft-Upstream-Addendum>; (2) mailing comments to the Office of Oil and Gas Global Security and Supply at the address listed in ADDRESSES; or (3) delivering comments (by hand or courier) to the Office of Oil and Gas Global Security and Supply at the address listed in ADDRESSES. All filings must include a reference to Draft Upstream Addendum. PLEASE NOTE: DOE/FE is not accepting any comments by email. Any hardcopy filing submitted that is greater in length than 50 pages must also include, at the time of the filing, a digital copy on disk of the entire submission in PDF format. Please do not include any active hyperlinks or password protection in any of the electronic documents related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are

filed in a timely manner. All comments filed in response to this Notice will be publicly available on the DOE/FE website (<http://energy.gov/fe/Draft-Upstream-Addendum>).

DOE will consider all comments received until the close of the comment period.

Comments must be limited to the issues and potential impacts addressed in the Addendum, and DOE may disregard comments that are not germane.

Commenters should be advised that filings with DOE shall be subject to public disclosure, so submissions should be free of any personally identifiable information (PII) or other information that the individual does not wish to be revealed in a public forum.

The Addendum and other relevant documents are available for download at <http://energy.gov/fe/Draft-Upstream-Addendum> and for inspection and copying in the Division of Natural Gas Regulatory Activities docket room, Room 3E-042, 1000 Independence Avenue, S.W., Washington, DC 20585. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

Issued in Washington, D.C., on May 29, 2014.



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