Comments by the **Center for a Sustainable Coast** to the Federal Energy Regulatory Commission (FERC) re the Elba Island Processing and Export facility for Liquefied Natural Gas (LNG)

March 7, 2016

1. FERC is obligated to comply with Executive Orders on GHG emissions.

   Two executive orders have been issued by President Obama that pertain to the review of this project under the National Environmental Policy Act (NEPA), neither of which have been honored in the E.A. as released by FERC in February 2016. These orders require thorough consideration of GHG emission associated with federally reviewed energy facilities – including the extraction, distribution, processing, and combustion of fuels handled by the facility under review.

2. FERC has not properly evaluated GHGs in the E.A. for this project.

   Lacking such assessment, an accurate and responsible analysis regarding the project's net benefits and costs cannot be done. The life-cycle burden of carbon and methane releases associated with the proposed facility could greatly alter net B/C evaluation and the E.A. findings. As I previously commented in the FERC docket for this project online, such an analysis should include assessment of methane leakages associated with the complete lifecycle of natural gas, from extraction to combustion. According to advice provided to the Center for a Sustainable Coast by legal staff at the Columbia University Law School, this evaluation is currently mandatory, yet the FERC E.A. for the referenced project has not provided it.

3. Water consumption for the proposed operation is not proportional to other similar facilities. If the Elba Island facility is planned to operate using comparable methods implemented at other LNG export facilities, the water consumption for Elba would be in excess of 600,000 gallons a day for the predicted volume of gas to be processed, yet the E.A. acknowledges only a small fraction of that water demand. Before proceeding on this permit review, the water consumption needs must be reconciled and accurately evaluated.

   This is of particular importance at the Elba location due to severe restrictions on the withdrawal of groundwater. Whether surface water or groundwater is proposed to be used must be specified in the volumes that are consistent with operations planned at this site.

4. FERC has ignored NEPA review guidance from both CEQ and EPA.

   A pattern of FERC practices that ignore specific guidance provided by other federal agencies having direct interest in energy facilities and their permitting has been well documented. Such deviant practices not only subvert public policy, but they are at odds with public interest, which has been captured in the most recent guidance provided by both EPA and CEQ.

In light of this history, we can only conclude that FERC has drifted from its mission and has become, in effect, a tool of the fossil-fuel industry, primarily serving the interests of those building energy facilities rather than American citizens. Under this misdirection, whether intentional or not, FERC is exposing itself to legal action that will not only delay critical decisions but will also dearly cost the U.S. taxpayers and further undermine public opinion of the agency, thereby fueling distrust of government.

5. Inadequate demand to justify the facility.

The market for LNG does not support demand for additional export facilities (ref. "Chenier's Gas Hits Tough Market," Wall Street Journal, February18, 2016.) If the analysis provided in the referenced article is correct, there appears to be little or no justification for the proposed LNG export facility at Elba Island because there's no substantiated need and thus no defensible economic feasibility for the undertaking – given projected demand and the capacity of existing facilities in the U.S.

Further evidence of such doubts are provided in a recent Forbes magazine report on the topic (*EIA Report Sounds Somber Note for U.S. LNG*, March 7, 2016)
http://www.forbes.com/sites/timdaiss/2016/03/07/e-i-a-report-sounds-somber-note-for-u-s-lng/2/#1a72edad7a1b

> "Market conditions have changed since many LNG export projects in the United States were initially proposed," the EIA said. Proposed LNG terminals in the United States face not only increased competition from other domestic and foreign terminals that have been completed, but they also face uncertainty in global LNG demand... Moreover, the most poignant question is where will demand come from by 2020 and beyond since it appears that LNG markets will be over supplied well into the next decade."

Surely FERC should consider the feasibility of a facility and thoroughly evaluate foreseeability for such projects before issuing any license or other permitting needed to proceed.

6. Conclusion and recommendations

1. For all of the above reasons, we unconditionally oppose the FERC "Finding of No significant Impact" (FONSI) for this project because the analysis required by law to make such a determination has not been completed – the E.A. being inadequate.
2. Further, we believe there is ample evidence to substantiate considerable doubt regarding the public necessity or market feasibility to justify the project.
3. We firmly believe that public safety concerns as well as global climate issues (related to GHG emissions) far exceed any demonstrated benefits of – or justification for – the proposed facility, but further study is required under U.S. law to confirm these beliefs.
4. To more properly address these questions and unfulfilled mandatory review requirements, we request (a) an extension of the review period for this Environmental Assessment, and (b) pending the clarification and documentation of the above concerns, a full Environmental Impact Statement (EIS) should be prepared.