

Energy



JULY 8, 2021 • NO. 1

DOE Kicks Off Supplemental Environmental Review of the Alaska LNG Project

On July 2, 2021, the Department of Energy's Office of Fossil Energy ("DOE/FE") issued a Notice of Intent ("Notice") to Prepare a Supplemental Environmental Impact Statement ("SEIS") for the Alaska LNG Project ("Project").¹ DOE/FE will evaluate potential environmental impacts of upstream natural gas production on the North Slope of Alaska, and will conduct a life cycle analysis to calculate greenhouse gas ("GHG") emissions for liquefied natural gas ("LNG") exported from the Project.

The \$38.7 billion Project includes a proposed gas treatment plant on the North Slope of Alaska, 800-mile pipeline, and a liquefaction facility with a planned liquefaction capacity of 20 million metric tons per year. The Federal Energy Regulatory Commission ("FERC") has issued an order approving the construction

and operation of the Project.² On August 20, 2020, DOE/FE authorized Alaska LNG Project LLC's ("Alaska LNG") request to export 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 ("Non-FTA countries") in a volume equal to the Project's planned liquefaction capacity (equivalent to roughly 929 Bcf per year or 2.55 Bcf per day).³

The July 2 Notice follows an order issued earlier this year, in which DOE/FE granted Sierra Club's request for additional environmental review of the Project.⁴ Among other things, Sierra Club argued that DOE/FE failed to evaluate upstream emissions associated with the production of gas for Alaska LNG's proposed exports. Unlike LNG projects approved in the lower-48

1. Department of Energy, *Notice of Intent to Prepare Supplemental Environmental Impact Statement for the Alaska LNG Project*, 86 Fed. Reg. 35280 (July 2, 2021).

2. *Alaska Gasline Development Corporation*, 171 FERC ¶ 61,134 (2020).

3. *Alaska LNG Project LLC*, DOE/FE Order No. 3643-A, FE Docket No. 14-96-LNG, Final Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations (Aug. 20, 2020). Both the FERC and DOE authorizations are subject to pending judicial appeals in the U.S. Court of Appeals for the District of Columbia Circuit. See Docket Nos. 20-1379 and 20-1503.

4. *Alaska LNG Project LLC*, DOE/FE Order No. 3643-B, FE Docket No. 14-96-LNG, Order on Rehearing (Apr. 15, 2021).

states that have the flexibility to source natural gas from various sources, Sierra Club argues upstream production impacts here can be reviewed because the Project must rely on gas supplied from Alaska's North Slope. Sierra Club also faulted DOE/FE for not having conducted a life cycle analysis analyzing downstream emissions from Alaskan exports. In its order granting rehearing, DOE/FE determined that further environmental analysis was required in order to comply with Executive Orders 13990 and 14008, each of which directs federal action on climate change.⁵ However, DOE/FE declined Sierra Club's request that the Alaska LNG order be withdrawn pending further review.

The SEIS will include an upstream analysis of potential environmental effects associated with incremental gas production on the North Slope. This review tentatively will include analysis of:

- Environmental justice
- Land use and visual resources
- Geology and soils
- Water resources
- Air quality and noise

- Ecological resources
- Cultural and paleontological resources
- Infrastructure
- Waste management
- Occupational and public health and safety
- Socioeconomics
- Transportation

The SEIS will also include a life cycle analysis that calculates GHG emissions for the LNG exported from the Project by vessel to import markets in Asia and possibly other regions. DOE/FE will issue a draft SEIS and solicit public comment.

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5. *Id.* at 13.