

132 FERC ¶ 61,070
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Jon Wellinghoff, Chairman;
Marc Spitzer, Philip D. Moeller,
John R. Norris, and Cheryl A. LaFleur.

Cameron LNG, LLC

Docket No. CP10-165-000

ORDER GRANTING AUTHORIZATION
UNDER SECTION 3 OF THE NATURAL GAS ACT

(Issued July 26, 2010)

1. On April 22, 2010, Cameron LNG, LLC (Cameron LNG) filed an application under section 3(a) of the Natural Gas Act (NGA)¹ requesting authority to install and operate a new 2,250 horsepower (hp) electric compressor and related facilities (the Spare Pipeline Compressor Project) at the site of its existing liquefied natural gas (LNG) import terminal, the Cameron LNG Terminal, in Cameron Parish, Louisiana.
2. In this order, the Commission finds that the requested authorizations are consistent with the public interest and grants Cameron LNG's request to construct and operate the proposed facilities subject to the conditions discussed herein.

Background and Proposal

3. Cameron LNG is a limited liability company organized under the laws of the State of Delaware. Cameron LNG is a wholly-owned subsidiary of Sempra LNG, a wholly-owned subsidiary of Sempra Global, which in turn is a wholly-owned subsidiary of Sempra Energy.
4. On September 11, 2003, the Commission, in Docket No. CP02-378-000, authorized Cameron LNG (formerly Hackberry LNG Terminal, L.L.C.) to construct and operate an LNG import facility near the town of Hackberry in Cameron Parish, Louisiana.² Cameron LNG states the terminal initiated operation on July 29, 2009.

¹ 15 U.S.C. § 717b(a) (2006).

² *Hackberry LNG Terminal, L.L.C.*, 101 FERC ¶ 61,294 (2002), *order issuing certificates and granting reh'g, Cameron LNG, LLC (formerly d/b/a Hackberry LNG Terminal, L.L.C.)*, 104 FERC ¶ 61,269 (2003).

During construction, Cameron LNG proposed a design modification to add a single electric motor-driven pipeline compressor. Letter orders issued on August 10, 2007, and February 20, 2008, authorized the modification. Cameron LNG states the previously-approved design modifications allow boil-off gas to be compressed and delivered to the connected interstate pipeline (operated by Cameron Interstate Pipeline, LLC) when the Cameron LNG Terminal would not otherwise be sending out natural gas through the natural gas vaporization process.

5. Cameron LNG states that currently the terminal utilizes a single pipeline compressor to compress and send out boil-off gas during times the vaporization process is not in use. If the existing pipeline compressor is out of service for repairs or maintenance, Cameron LNG states that boil-off gas cannot be compressed or sent out of the terminal and must be flared. Therefore, Cameron LNG proposes to install a spare compressor unit to compress and send out boil-off gas when the existing compressor unit is out of service.

6. Cameron LNG's proposed Spare Pipeline Compressor Project consists of (1) a 2,250 hp electric motor-driven compressor, (2) interconnecting piping to the existing compressor headers, and (3) electrical connections for power and instrumentation of the compressor. Cameron LNG states that its proposal will not increase or otherwise alter the existing authorized sustained or peak capacity of the terminal.

7. Cameron LNG states that its proposal does not include new pipeline, LNG equipment, or non-jurisdictional facilities and that the project will be constructed entirely within the previously-authorized facility plot. In addition, Cameron LNG states that no additional clearing, use of temporary workspace, or new construction areas will be needed and that no landowners will be directly impacted by the construction and operation of its proposed Spare Pipeline Compressor Project.³

Notice and Interventions

8. Notice of Cameron LNG's application was published in the *Federal Register* on May 12, 2010 (75 Fed. Reg. 26,744). No interventions or protests to the application were filed. The U. S. Fish and Wildlife Service (FWS) filed comments, which are addressed below.

³ In response to Cameron LNG's April 14, 2010 request, the Director of the Office of Energy Projects issued an April 20, 2010 letter order finding the Spare Pipeline Compressor Project exempt from the Commission's pre-filing procedures. *See* 18 C.F.R. § 157.21 (2010).

Discussion

9. Since the proposed facilities are part of an LNG terminal used to import natural gas from a foreign country, the construction and operation of the proposed facilities are subject to the requirements of section 3 of the NGA and the Commission's jurisdiction.⁴ According to section 3 of the NGA, the Commission shall issue authorization unless it finds that granting the requested authorization "will not be consistent with the public interest."⁵

10. Cameron LNG's proposed project is minor in nature and will not significantly alter the scope of the terminal's operation. The requested authorization will not change the capacity or the deliverability of the terminal and Cameron LNG proposes no new or additional service as a result of the proposed facilities. The new compressor unit will simply compress LNG boil-off gas into the send-out pipeline instead of flaring it when the primary pipeline compressor unit is unavailable for service.

11. We find that, subject to the conditions imposed in this order, Cameron LNG's proposal is not inconsistent with the public interest.

Environmental Assessment

12. As mentioned above, we received comments in response to the notice of application for the Spare Pipeline Compressor Project from the FWS.

13. To satisfy the requirements of the National Environmental Policy Act, Commission staff prepared an environmental assessment (EA) for the proposed Spare Pipeline Compressor Project. The EA was placed into the public record on June 24,

⁴ The regulatory functions of section 3 of the NGA were transferred to the Secretary of Energy in 1977 pursuant to section 301(b) of the Department of Energy Organization Act. 42 U.S.C. § 7151(b) (2006). In reference to regulating the imports or exports of natural gas, the Secretary subsequently delegated to the Commission the authority to approve or disapprove the construction and operation of particular facilities, the location of the proposed facilities, and, with respect to natural gas that involves the construction of new domestic facilities, the place of entry or exit for exports. DOE Delegation Order No. 00-44.00, 67 Fed. Reg. 8946 (Feb. 19, 2002). However, applications for authority to import natural gas must be submitted to the Department of Energy. The Commission does not authorize importation of the commodity itself.

⁵ 15 U.S.C. § 717b(a) (2006).

2010. The EA addresses land use and visual resources, wildlife, cultural resources, air quality and noise, safety, alternatives, and cumulative impacts.

14. The FWS comments that the general location of the project could result in impacts on the West Indian manatee, brown pelican, piping plover, gulf sturgeon, green sea turtle, and hawksbill sea turtle. The EA finds that given the ground disturbance associated with the project will be limited to 0.5 acre of crushed-stone covered land within the industrial site of the existing Cameron LNG Terminal, the project would have no effect on federally-protected species.

15. In order to ensure that the noise attributable to the operation of the new and existing pipeline compressor units will not exceed the day-night sound level (L_{dn}) of 55 A-weighted decibels (dBA) at a nearby noise-sensitive area, the EA recommends that, prior to construction, Cameron LNG file a noise survey of the Cameron LNG Terminal with the existing pipeline compressor unit operating at full load. Since the proposed compressor is identical to the existing compressor and only one unit will operate at any given time, this survey should confirm that the noise limits will not be exceeded. We agree and adopt this recommendation as an environmental condition listed in the Appendix.

16. Based on the discussion in the EA, we conclude that if constructed and operated in accordance with Cameron LNG's application and supplements, and in compliance with the environmental conditions in the Appendix to this order, our approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

17. Any state or local permits issued with respect to the jurisdictional facilities authorized herein must be consistent with the conditions of this certificate. The Commission encourages cooperation between interstate pipelines and local authorities. However, this does not mean that state and local agencies, through application of state or local laws, may prohibit or unreasonably delay the construction or operation of facilities approved by this Commission.⁶

Conclusion

18. The record in this case shows that Cameron LNG's proposed facilities will enable it to safely and reliably compress and send out boil-off gas instead of flaring the gas when its existing boil-off gas compressor is unavailable for service. For the reasons set forth

⁶See, e.g., *Schneidewind v. ANR Pipeline Co.*, 485 U.S. 293 (1988); *National Fuel Gas Supply v. Public Service Comm'n*, 894 F.2d 571 (2d Cir. 1990); and *Iroquois Gas Transmission System, L.P., et al.*, 52 FERC ¶ 61,091 (1990) and 59 FERC ¶ 61,094 (1992).

herein, and subject to the conditions set forth below in the Appendix, we find that Cameron LNG's proposed compression facilities are not inconsistent with the public interest under section 3 of the NGA. Thus, we grant the requested authorization to Cameron LNG.

19. The Commission on its own motion received and made a part of the record all evidence, including the application and exhibits thereto, submitted in support of the authorization sought herein, and upon consideration of the record,

The Commission orders:

(A) Cameron LNG is granted authorization under section 3 of the NGA to construct and operate the proposed facilities, as more fully described in Cameron LNG's application and as conditioned herein.

(B) Cameron LNG shall install and make available for service the facilities authorized herein within one year from the date of this order in accordance with section 157.20(b) of the Commission's regulations.

(C) Cameron LNG shall comply with the environmental conditions contained in the Appendix to this order.

(D) Cameron LNG shall notify the Commission's environmental staff by telephone, e-mail, and/or facsimile of any environmental noncompliance identified by other federal, state, or local agencies on the same day that such agency notifies Cameron LNG. Cameron LNG shall file written confirmation of such notification with the Secretary of the Commission within 24 hours.

By the Commission.

(S E A L)

Kimberly D. Bose,
Secretary.

APPENDIX

Environmental Conditions

1. Cameron LNG, LLC (Cameron LNG) shall follow the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests) and as identified in the EA, unless modified by the Order. Cameron LNG must:
 - a. request any modification to these procedures, measures, or conditions in a filing with the Secretary of the Commission (Secretary);
 - b. justify each modification relative to site-specific conditions;
 - c. explain how that modification provides an equal or greater level of environmental protection than the original measure; and
 - d. receive approval in writing from the Director of the Office of Energy Projects (OEP) before using that modification.
2. The Director of OEP has delegated authority to take all steps necessary to ensure the protection of life, health, property and the environment during construction and operation of the project. This authority shall include:
 - a. stop-work authority and authority to cease operation; and
 - b. the design and implementation of any additional measures deemed necessary to assure continued compliance with the intent of the conditions of the Order.
3. The authorized facility location shall be as shown in the EA, as supplemented by a filed alignment sheet. **As soon as it is available, and before the start of construction**, Cameron LNG shall file with the Secretary any revised detailed survey alignment map/sheet at a scale not smaller than 1:1,000 with station positions for all facilities approved by the Order. All requests for modifications of environmental conditions of the Order or site-specific clearances must be written and must reference locations designated on the alignment map/sheet.
4. **Within 60 days of the acceptance of the Certificate and before construction begins**, Cameron LNG shall file an Implementation Plan with the Secretary for review and written approval by the Director of OEP. Cameron LNG must file revisions to the plan as schedules change. The plan shall identify:
 - a. how Cameron LNG will implement the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests), identified in the EA, and required by the Order;

- b. how Cameron LNG will implement the construction procedures and mitigation measures described in its application and supplements (including responses to staff data requests), identified in the EA, and required by the Order;
 - c. how Cameron LNG will incorporate these requirements into the contract bid documents, construction contracts (especially penalty clauses and specifications), and construction drawings so that the mitigation required at each site is clear to onsite construction and inspection personnel;
 - d. the number of environmental inspectors (EI) assigned, and how the company will ensure that sufficient personnel are available to implement the environmental mitigation;
 - e. company personnel, including EIs and contractors, who will receive copies of the appropriate material;
 - f. the location and dates of the environmental compliance training and instructions Cameron LNG will give to all personnel involved with construction and restoration (initial and refresher training as the project progresses and personnel change),
 - g. the company personnel (if known) and specific portion of Cameron LNG's organization having responsibility for compliance;
 - h. the procedures (including use of contract penalties) Cameron LNG will follow if noncompliance occurs; and
 - i. for each discrete facility, a Gantt or PERT chart (or similar project scheduling diagram), and dates for:
 - (1) the completion of all required surveys and reports;
 - (2) the environmental compliance training of onsite personnel;
 - (3) the start of construction; and
 - (4) the start and completion of restoration.
5. Beginning with the filing of its Implementation Plan, Cameron LNG shall file updated status reports with the Secretary on a **monthly** basis **until all construction and restoration activities are complete**. On request, these status reports will also be provided to other federal and state agencies with permitting responsibilities. Status reports shall include:
- a. the construction status of the project, and work planned for the following reporting period;
 - b. a listing of all problems encountered and each instance of noncompliance observed by the EI during the reporting period (both for the conditions imposed by the Commission and any environmental conditions/permit requirements imposed by other federal, state, or local agencies);
 - c. a description of the corrective actions implemented in response to all instances of noncompliance, and their cost;

- d. the effectiveness of all corrective actions implemented;
 - e. a description of any landowner/resident complaints which may relate to compliance with the requirements of the Order, and the measures taken to satisfy their concerns; and
 - f. copies of any correspondence received by Cameron LNG from other federal, state, or local permitting agencies concerning instances of noncompliance, and Cameron LNG's response.
6. **Prior to construction**, Cameron LNG shall file with the Secretary documentation that it has received the Coastal Zone Management Act Consistency Determination from the Louisiana Department of Natural Resources for the proposed project.
7. **Prior to construction**, Cameron LNG shall file with the Secretary a noise survey of the Cameron LNG Terminal with the existing pipeline compressor unit operating at full load. If the noise attributable to the operation of the existing pipeline compressor unit exceeds a day-night level (L_{dn}) of 55 dBA (decibels on the A-weighted scale) at the nearby noise-sensitive area, Cameron LNG shall install additional noise controls to meet that level **within 1 year** of the survey date. Cameron LNG shall confirm compliance with the L_{dn} of 55 dBA requirement by filing a second noise survey with the Secretary **no later than 60 days** after it installs the additional noise controls.