

CASE IN POINT (#5): Flint Hills Resources, LP, for LNG sources including Stabilis,

April 13, 2016

Flint Hills Resources, LP (“Flint Hills”) proposes to export LNG sourced from manufacturing facilities in existence as of the date of the application filed with the U. S. Department of Energy.

Flint Hills plans to export LNG sourced from Stabilis, and it does not appear that the Stabilis Facility is currently manufacturing LNG. Similar to the cases of American LNG Marketing and Eagle Maxville, Flint Hills may be making a false comparison with companies that are producing, storing and distributing LNG. Carib Energy appears to be the only company that was actually eligible to claim the B5.7 Categorical Exclusion from NEPA review by the Department of Energy since the company planned to source LNG from an actual FERC-jurisdictional LNG facility.

“Environmental Review. Flint Hills states that the Application is subject to a categorical exclusion from the requirements of the National Environmental Policy Act (“NEPA”) pursuant to exclusion B5.7 at 10 C.F.R. Part 1021, Subpart D, Appendix B, of DOE/FE’s regulations. Item B5.7 provides a categorical exclusion from the requirements of NEPA where approvals of authorizations to export natural gas under NGA Section 3 involve minor operational changes, but not new construction. Flint Hills states that no new construction at the Stabilis Facility is proposed or would be required in order for Flint Hills to export LNG. Flint Hills states that the Stabilis Facility is an existing, operational facility currently producing LNG for exploration and production markets and other industrial fuel applications. Flint Hills claims that none of the operations at the Stabilis Facility would be changed due to DOE/FE’s action on this Application.”¹⁷

¹⁷ UNITED STATES OF AMERICA, DEPARTMENT OF ENERGY, OFFICE OF FOSSIL ENERGY, FLINT HILLS RESOURCES, LP) FE DOCKET NO. 15-168-LNG, ORDER GRANTING LONG-TERM, MULTI-CONTRACT AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS IN ISO CONTAINERS OR IN BULK LOADED AT THE STABILIS LNG EAGLE FORD, LLC FACILITY IN GEORGE WEST, TEXAS, AND EXPORTED BY VESSEL TO FREE TRADE AGREEMENT NATIONS, DOE/FE ORDER NO. 3809, APRIL 13, 2016
<https://www.energy.gov/sites/prod/files/2016/04/f30/ord3809.pdf>