UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

IN THE MATTER OF )
Venture Global CP2 LNG, LLC ) Docket Nos. CP22-21
Venture Global CP Express, LLC ) CP22-22

SCOPING COMMENTS OF NATURAL RESOURCES DEFENSE COUNCIL

Natural Resources Defense Council (NRDC), a timely intervenor in this proceeding, offers the following scoping comments to aid the Federal Energy Regulatory Commission (FERC or Commission) in its development of the Environmental Impact Statement (EIS) for the CP2 LNG and CP Express projects (Project or CP2) proposed by Venture Global CP2 LNG, LLC and Venture Global CP Express, LLC\(^1\) (collectively, Venture Global).

NRDC is a national non-profit membership organization with more than 3 million members and engaged community participants worldwide. NRDC has over 1,100 members in Louisiana, including in Cameron and Calcasieu Parishes. NRDC is committed to the preservation and protection of the environment, public health, and natural resources. To this end, NRDC conceives and develops policies that reduce greenhouse gas emissions and other forms of pollution and that accelerate the deployment of energy efficiency and renewable energy. NRDC also has a longstanding and active interest in ensuring need-driven and efficient energy resource development, protecting consumers from pipeline overbuild and stranded assets, promoting environmental justice, curbing harmful fossil fuel expansion, expanding clean energy resources,

and protecting the public from environmental threats, including the protection of waterbodies and wetlands.

As stated in our Motion to Intervene filed on December 16, 2021, NRDC is concerned about the Project’s consistency with the public interest, a requirement under both Sections 3 and 7 of the Natural Gas Act. The Project would substantially expand the volume of gas diverted from domestic consumption to export. Further, the record does not demonstrate that the CP Express pipeline is required by the public convenience and necessity. CP Express’s only customer is its corporate affiliate, the CP2 LNG terminal, which itself has no offtakers for the Project’s LNG capacity. Particularly given the sheer scale of the Project and its capacity, NRDC is concerned that Venture Global has not and will not be able to show that there is a market demand for the CP Express pipeline, and that authorizing the pipeline would thus be in violation of the Natural Gas Act.

Adequate scoping of an EIS is essential. And while that is true for all projects, it is particularly true here because of the scope and complexity of the Project. Specifically, Venture Global proposes an 18-train facility with a nameplate capacity of 20 million tonnes per annum (MTPA) and a peak achievable capacity of 28 MTPA. Its export application to the U.S. Department of Energy requests authorization for the largest initial export capacity in U.S. history.

Given the volume of LNG that Venture Global aims to place into the market, the breadth of harms associated with the production, transportation and uses of the LNG are far-
reaching. Proper scoping of the EIS is imperative to prevent irreparable harms to communities, climate, the environment, and consumers – both domestically and abroad. To that end, we offer the following scoping comments on key areas that FERC must address in its EIS.

1. **The Project will impact species and the natural environment of both the Calcasieu Ship Channel and Monkey Island.**

   The Project will cause significant and permanent changes to the physical landscape of the Calcasieu Ship Channel and Monkey Island. For example, construction of the new 91-mile CP Express pipeline would require a permanent easement of 552 acres, and construction will affect 1,613 acres in total. Additionally, the CP2 LNG terminal would lead to the permanent loss of 337 acres of wetlands in Cameron Parish.

   Western Louisiana depends on coastal wetlands to provide a first line of defense from storm surge. The elimination of wetlands therefore will have a particularly negative effect on both the ecology and stability of Louisiana. This effect is compounded by the fact that the Project itself will exacerbate climate change, thereby causing more extreme weather events, thereby causing Louisiana to be even more dependent on wetlands to protect it from these extreme weather events.

   In addition to assessing environmental impacts related to water resources and wetlands, the Commission must ensure that the Project’s impact on endangered and protected species (nine have thus far been identified in the project vicinity, including the West Indian manatee, Eastern

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4 See, Resource Report 1.

5 See, Resource Report 2, Table 2.4.3-1.


7 See NOAA, National Storm Surge Hazard Maps available at https://www.nhc.noaa.gov/nationalsurge/.
black rail, and Saltmarsh topminnow) and their critical habitat\(^8\) are thoroughly studied, utilizing the best scientific and commercially-available data.

2. **The proposed Carbon Capture and Sequestration features of the Project are squarely within FERC’s authority, and FERC’s EIS should analyze the technology in the context of the project’s total emissions.**

In its application, the Project Carbon Capture and Sequestration (CCS) features are minimally described as “[e]quipment to capture and sequester an estimated 500,000 tons per year of CO2 emissions for transport and injection into saline aquifers.”\(^9\) In a March 3, 2022 motion, Venture Global also mentions that the CCS features “will involve a short CO2 pipeline and underground storage of CO2.”\(^10\) At the outset, notwithstanding Venture Global’s claims to the

<table>
<thead>
<tr>
<th>NSR-Regulated Pollutant</th>
<th>Terminal Facilities Emissions (tpy)</th>
<th>Moss Lake Compressor Station Emissions (tpy)</th>
<th>Major Stationary Source Threshold Level (tpy)</th>
<th>Significant Emission Rate (tpy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PM(_{2.5})</td>
<td>346.7</td>
<td>96.5</td>
<td>250</td>
<td>15</td>
</tr>
<tr>
<td>PM(_{10})</td>
<td>348.7</td>
<td>96.5</td>
<td>250</td>
<td>10</td>
</tr>
<tr>
<td>NO(_x)</td>
<td>1,121.5</td>
<td>201.0</td>
<td>250</td>
<td>40</td>
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<tr>
<td>SO(_2)</td>
<td>207.8</td>
<td>4.0</td>
<td>250</td>
<td>40</td>
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<td>CO</td>
<td>1,700.0</td>
<td>475.0</td>
<td>250</td>
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<tr>
<td>Total VOC</td>
<td>170.0</td>
<td>44.7</td>
<td>250</td>
<td>40</td>
</tr>
<tr>
<td>CO(_2)(_e)</td>
<td>8,253,829(^c)</td>
<td>678,429</td>
<td>NA</td>
<td>75,000</td>
</tr>
</tbody>
</table>

NA = not applicable
\(^a\) In determining PSD permitting applicability, NO\(_x\) and CO emissions are based on an alternate operating scenario. Further details regarding alternate operating scenarios will be provided in the Title VI/PSD permit applications for the Terminal Facilities.

\(^b\) The Terminal Facilities will be part of Venture Global Calcasieu Pass, LLC’s LNG Terminal stationary source due to common ownership and location on adjacent/contiguous property. Because Venture Global Calcasieu Pass, LLC’s LNG Terminal is an existing major stationary source, emissions associated with the Terminal Facilities are compared to their respective PSD Significant Emission Rate thresholds.

\(^c\) Terminal Facilities CO\(_2\)\(_e\) emissions do not reflect the additional CO\(_2\) reductions through carbon capture.

\(^8\) See, Resource Report 3.


\(^10\) Venture Global CP2 LNG et. al., Motion for Leave to File Answer and Response of Venture Global CP2 LNG, LLC and Venture Global CP Express, LLC to Filed Comments under CP22-21, et. al. (Mar. 3, 2013) Accession No. 20220303-5139.
contrary, the CCS features of the Project clearly fall within FERC’s jurisdiction, as they are no different from any other form of pollution control equipment.\textsuperscript{11}

The Commission is well aware that other forms of pollution controls are FERC-jurisdictional.\textsuperscript{12} FERC should not accept Venture Global’s unfounded argument that making the CCS facilities of this Project subject to Commission jurisdiction would be an “expansion of the Commission’s jurisdiction.”\textsuperscript{13} In its application, Venture Global never identified a reason why CCS facilities should be treated any differently than other pollution control equipment. However, it subsequently attempted to give some backing to the argument in its March 3, 2022 motion by referencing a Commission decision on an application to modify the design and operation of the Freeport LNG export facility. Freeport sought to incorporate systems to extract helium from the boil-off gas pipeline of the LNG terminal’s pretreatment facility, and the FERC order referred to this incorporation as the Noble Gas Project.\textsuperscript{14} In a very salient footnote in that same order, the Commission explains why some features of that project (a helium plant and electrical tie-in) are non-jurisdictional:

“The helium plant itself and the electrical tie-in are considered non-jurisdictional facilities because they are not directly related to construction or operation of the LNG import or export facilities, and the helium plant will be separated by a unit fence and have minimal impacts on the safety and reliability of the pretreatment facility.”\textsuperscript{15}

In Venture Global’s motion, it asserts that the Commission’s holding in that case (that the jurisdictional aspects of the facilities were limited to the tie-in points to the LNG pretreatment

\textsuperscript{11} See, Application at 12.
\textsuperscript{12} E.g. Port Arthur LNG, Final EIS, Docket CP17-20 at 2-9 (Jan. 2019), Accession No. 20190131-3023
\textsuperscript{13} See, Motion for Leave, supra at 19.
\textsuperscript{14} Freeport LNG Development, L.P., 175 FERC ¶ 61,237 (2021).
\textsuperscript{15} Id. at 7. (Footnote, 9.)
facility, as opposed to the entirety of the proposed helium extraction facility) supports the contention that the jurisdictional aspects of the CCS facilities are limited to the tie-ins to the Commission-jurisdictional facilities. This is wrong. Here, the entire system is “tied in” to the jurisdictional facility. Applying the Commission’s explanation in the Freeport order, the CCS features for the CP2 project are directly related to the operation of the LNG export facilities, and are thus jurisdictional.

In addition, the March 3 motion also asserts that a recent Council on Environmental Quality (CEQ) report on CCS, which did not “identify any role for this Commission in that area,” is further evidence that the Commission has no jurisdiction over the carbon pipeline associated with CP2’s project. This is not persuasive. A mere report from an agency to Congress is not binding, and cannot by itself speak authoritatively to what the Commission (or any other agency) does or does not have authority over. In its report, CEQ explicitly states that “as with any industrial activity, the applicable permits and reviews will depend on the characteristics of the particular project.” In the report, CEQ also explicitly declines to foreclose FERC jurisdiction over the regulation of carbon pipelines and rates. Specifically, CEQ references a Congressional Research Service (CRS) analysis of federal jurisdiction over carbon pipelines that stated that while neither FERC nor the Surface Transportation Board (as of 2008 when the CRS analysis was released) indicated they have jurisdiction over carbon pipelines, it is possible for agencies to change their interpretation of existing law. Finally, to accept Venture Global’s

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17 Id. at 8.

18 Id at 41.
argument here would be to throw the baby out with the bath water – just because a “short CO2 pipeline” is associated with this Project, the Commission should not accept Venture Global’s conclusion that “there is no basis or need for Commission jurisdiction over the proposed CCS facilities.”\textsuperscript{19} The Project’s proposed CCS features are no different than any other equipment that is part of the liquefaction facility and therefore should be considered in FERC’s analysis of the Project.

Simultaneous to its insistence that FERC may not oversee or evaluate the Project’s CCS components, Venture Global repeatedly touts that these features make its Project climate-conscious, even though by its own estimates they would only sequester approximately 500,000 tons of carbon dioxide (CO2) emissions per year (tpy). \textit{For the terminal facility’s emissions}, \textit{500,000 tpy accounts for less than 6\% of the Project’s expected direct emissions, which total over 8 million tpy.}\textsuperscript{20} (See chart, supra page 4.)

In its EIS, FERC must take a “hard look” at whether the CCS components would, in fact, offer any meaningful benefit. Our conclusion is that, as proposed, they do not, and thus, the Project’s emissions make approval inconsistent with the public interest. But as the Commission considers alternatives for the project, it should look to other, more-rigorous proposed applications of CCS technology. There are project proposals (albeit flawed in other ways) where the CCS systems capture 90\% of total facility emissions.\textsuperscript{21} Ultimately, the proposed application of CCS on \textit{this} project is minimal when comparing with other models.

\textsuperscript{19} See Motion for Leave \textit{supra} at 21.

\textsuperscript{20} See Resource Report 9.

\textsuperscript{21} See Rio Grande LNG, Application of Rio Grande LNG, LLC for Limited Amendment to NGA Section 3 Authorization, Docket CP22-17 (Nov. 2021), Accession No. 20211117-5060.
3. **FERC must apply its new Policy Statements to the Project.**

On February 18, 2022, the Commission issued two policy statements, (1) an Interim Policy Statement, *Consideration of Greenhouse Gas Emissions in Natural Gas Infrastructure Project Reviews*\(^\text{22}\) (Interim GHG Statement) and (2) an *Updated Pipeline Certificate Policy Statement*\(^\text{23}\) (Certificate Policy Statement). Both policies are effective immediately and have implications for FERC’s approach to environmental reviews. Both should inform FERC’s approach to its EIS for the Project.

First, the Interim GHG Statement establishes a proposed emissions threshold of 100,000 MTPA for determining significance under the National Environmental Policy Act. Based on Venture Global’s own numbers, the Project’s emissions clearly are significant and should be given heavy weight in the Commission’s public interest analysis under the Natural Gas Act.

Second, FERC’s policy statements outline information it is encouraging project sponsors to include in their applications, such as:\(^\text{24}\)

- the project’s projected utilization rate and supporting information;
- an estimate of reasonably foreseeable project GHG emissions;
- if no upstream and downstream emissions are quantified, evidence demonstrating why those emissions are not reasonably foreseeable project emissions;
- any evidence impacting the quantification of the project’s reasonably foreseeable GHG emissions;
- a description of any proposed GHG mitigation measures, including the percent of the project’s direct and indirect GHG emissions that will be

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\(^\text{24}\) *Id.*
mitigated and, if applicable, a mechanism for tracking mitigation of GHG emissions; and

• a detailed cost estimate of any proposed GHG mitigation and a proposal for recovering such costs.

Venture Global may proffer this information on its own volition – and it absolutely should. But by any means, the Commission should request this information from Venture Global, and Venture Global should tender this essential information to the Commission.

Finally, we turn to the Commission’s scoping requirements regarding environmental justice impacts. Historically, FERC has failed to properly and appropriately scope environmental justice in its reviews. The new Certificate Policy Statement aims to provide a path away from the Commission’s past failings when scoping environmental justice. For this Project, as raised by others on the docket, there is a marked increase in the Indigenous and Black population within the proposed Project Census Block Group as compared with Cameron Parish; the non-white population is 2.9% higher in the Project Census Block Group than in the Parish overall (5.5% in the Parish to 8.4% in the Project’s Census Block group). The Commission’s selected geographic unit of analysis and reference community should be consistent with best practices of environmental justice and represent more than a “one-size-fits-all” approach. One successful way to achieve this for is to utilize local information and engage with the community on the ground.

Additionally, consistent with its Certificate Policy Statement, the Commission should engage in a full cumulative impacts analysis of the Project to assess which pre-existing factors

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26 See n. 23, supra.

27 See Healthy Gulf, Healthy Gulf submits comments re the application for an LNG terminal, pipeline system, compressor station and other facilities under CP22-21, (Jan. 05, 2022) at 11.
could be exacerbated by the development of Project. From the outset, it is clear that the Project will present serious health and air quality risks related to the sheer magnitude of pollutants it will cause. (See table 9.2.3-1 above from RR 9.) FERC must ensure that all cumulative factors that would be exacerbated by the Project are considered.

**CONCLUSION**

NRDC thanks the Commission for the opportunity to provide scoping comments on the Project. We look forward to continuing to participate in the review process.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Silver Spring, MD this 11th day of 2022.

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