May 13, 2022

Ms. Kimberly D. Bose  
Secretary  
Federal Energy Regulatory Commission  
888 First Street NE, Room 1A  
Washington, D.C. 20426

Re: Hackberry Storage Project Final Environmental Impact Statement

Dear Secretary Bose:

The U.S. Environmental Protection Agency (EPA) has reviewed the Federal Energy Regulatory Commission’s (FERC) Final Environmental Impact Statement (EIS) for the Hackberry Storage Project proposed by LA Storage, LLC (LA Storage) (FERC Docket Number CP21-44-000) (CEQ Number 20210185) in Cameron and Calcasieu Parishes, Louisiana. The Final EIS was reviewed pursuant to the National Environmental Policy Act (NEPA), the Council on Environmental Quality (CEQ) regulations (40 CFR Parts 1500 – 1508), and EPA’s NEPA review authority under Section 309 of the Clean Air Act.

LA Storage is proposing to construct and operate natural gas storage and transmission facilities in Louisiana. The Project is designed to provide 20.03 billion cubic feet (Bcf) of working gas storage capacity and 1.5 billion cubic feet per day (Bcf/d) of gas deliverability and injectability and interconnecting with the Cameron Interstate Pipeline (CIP) facilities operated by Cameron Interstate Pipeline, LLC and the Port Arthur Pipeline Louisiana Connector (PAPLC) facilities to be operated by Port Arthur Pipeline, LLC.

Based on our assessment of the environmental analysis in the Final EIS, EPA has concerns with the lack of adequate discussion of methods and analyses to support many of the conclusions about the significance of impacts throughout the document. We are also concerned with issues including deficiencies in air resource impacts modeling and associated emissions analysis, potential impacts to wetlands and surface waters, and incomplete GHG missions estimates and lack of disclosure of potential climate damages from those emissions. This includes EPA’s recommendations on the Notice of Availability for the assessment and disclosure of impacts from GHG emissions. Reasonable ranges of emissions forecasts can be produced for upstream and downstream GHG emissions to give the public and FERC the appropriate context for considering estimated climate damages associated with the proposal and relevant GHG reduction policies, and for FERC’s public convenience and necessity determination.
EPA welcomes the opportunity to discuss any of our enclosed comments and recommendations for addressing our outstanding concerns with FERC staff. The contact lead for this project is Eli Martinez and he can be reached at (214) 665-2119 or martinez.eli@epa.gov.

Sincerely,

ROBERT HOUSTON

Robert Houston
Staff Director
Office of Communities, Tribes and Environmental Assessment

Enclosure
General Comments
Based on our review of the Final EIS, EPA continues to have concerns about the lack of a comprehensive assessment of the project’s estimated direct and indirect greenhouse gas (GHG) emissions, lack of proposed or considered mitigation for GHG emissions as required by NEPA, and appropriate disclosure of the impacts attributable to the proposed action. In addition, we find that many of our comments pertaining to GHG emissions, mitigation, and accounting for the social cost of GHG were not substantively addressed, but instead dismissed as outside the scope of the FERC’s staff review of the EIS because the staff are awaiting further policy direction from the FERC. The Final EIS, however, does not present the FERC with all of the reasonably foreseeable adverse climate impacts of the proposed action and potential options for mitigation essential to making an informed decision.

Greenhouse Gas Emissions and Climate-Related Impacts
EPA continues to have concerns that the Final EIS solely expresses project-level emissions as a fractional percentage of national or state emissions. This approach trivializes substantial project-scale GHG emissions and is also misleading given the nature of the climate policy challenge to reduce GHG emissions from a multitude of sources, each making relatively small individual contributions to overall GHG emissions. EPA reaffirms the recommendation that NEPA documents discuss the conflict between GHG emissions and national, state, and local GHG reduction policies and goals, and—equally importantly—ways to avoid or address the policy conflict that increases over time, created by projects that otherwise expand and lock-in fossil fuel consumption.

The Final EIS does not quantify the upstream and downstream emissions associated with natural gas production and use, as EPA recommended on our comment letter on the Draft EIS, dated February 7, 2022. FERC staff’s response to this recommendation in the Final EIS states: “To date, FERC has not found upstream emissions to be an effect of any proposed project, primarily because of the following unknown factors: the location of the supply source; whether transported gas will come from new or existing production; and whether there will be any potential associated development activities, and if so, its location. (p.114 on the Final EIS). EPA provided recommendations for how to estimate changes in natural gas production and consumption caused by the project in its review of the Draft EIS. EPA reaffirms again the recommendation that the FERC fully assess these reasonably foreseeable indirect impacts to meet its obligations under NEPA and inform the public and FERC’s decision-making. Additionally, because the expected life of the storage, compressor and pipeline facilities is decades long, this project would effectively lock-in the production of the gas needed to support operation at the facility’s certificated capacity. In other words, the purpose of the proposed project is to store and transport natural gas for consumption, and that natural gas must be produced and will presumably be used.

In order for FERC to more fully assess climate impacts and help weigh their significance in cost-benefit balancing for a proposed project, EPA reiterates our strong recommendation to disclose climate damages and benefits through the use of the Social Cost of GHG (SC-GHG). Such
estimates should reflect the best available science and methodologies to monetize the value of net changes in direct and indirect GHG emissions resulting from a proposed action to society. The Final EIS reports direct annual operational emissions of 164,502 metric tons of carbon dioxide equivalent per year (MTCO$_2$e/yr). Based on these estimates and the current interim social cost of carbon (SC-CO$_2$), the present estimated monetized value of climate impacts associated with the operational emissions (over 2025 to 2050) would be approximately 211 million (2020 dollars).\(^1\) While FERC did not provide estimates for the reasonably foreseeable indirect emissions from upstream natural gas production and downstream natural gas production, EPA notes that those emissions may be significant, and should be estimated and their impacts monetized using the SC-GHG.

The Final EIS did not discuss any proposed mitigation for the project’s GHG emissions. EPA encourages the FERC to routinely adopt all practicable GHG mitigation measures, even where project benefits outweigh adverse environmental impacts, given the reasonableness of such measures from a public interest and necessity standpoint. We recommend that FERC consider practicable mitigation measures from Natural Gas STAR and Methane Challenge programs to reduce any potential GHG emissions attributable to the project.

Consistent with our Draft EIS comments, we continue to recommend that FERC incorporate such mitigation measures into the proposed terms and conditions required as part of certificate issuance. Potential mitigation options for FERC to consider for this proposed action include, but are not limited to, methane reduction activities to reduce emissions through several technologies and practices such as:

- Route gas to a compressor or capture system for beneficial use; including routine venting from condensate storage tanks;
- Using work practice standards and equipment types that minimize leaks and venting, including ultrasonic flow meters and low bleed pneumatic devices;
- Operate storage wells below fracture pressure;
- Perform routine leak detection at all compressor seals and wellhead components; and
- Utilize hot tapping, a procedure that makes a new pipeline connection while the pipeline remains in service, flowing natural gas under pressure, to avoid the need to blow down gas.

More information on these and other potential mitigation measures may be found at [https://www.epa.gov/natural-gas-star-program/recommended-technologies-reduce-methane-emissions](https://www.epa.gov/natural-gas-star-program/recommended-technologies-reduce-methane-emissions)

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For the calculations presented in this letter, the SC-CO$_2$ is applied to all CO$_2$e emissions changes because the Final EIS does not provide the emissions for each GHG separately. It would be more appropriate to apply the gas-specific social cost estimate to emissions changes of each GHG (i.e., use SC-CO$_2$ to monetize CO$_2$ emissions changes, and use SC-CH$_4$ to monetize CH$_4$ emissions changes).
Compensatory Mitigation for Wetland Impacts
The document is still lacking a compensatory mitigation plan for temporary and permanent impacts to scrub-shrub and forested wetlands. The document acknowledges these impacts will occur, but it doesn’t mention how they will be compensated. A simple reference to mitigation banks in a compensatory mitigation plan would suffice.