STEPS FOR LNG PROJECT APPROVAL

The One Federal Decision Policy established a two-year goal for the federal approval process for an LNG facility. This is the process to begin construction of a new facility:



STEP 1

Pre-filing: Applicants must pre-file at the Federal Energy Regulatory Commission (FERC) a minimum of 6 months before formally filing.



STEP 2

Filing: Applicants file all materials with FERC, the Pipeline and Hazardous Materials Safety Administration (PHMSA) and coordinating agencies.

PRE-FILING ALLOWS APPLICANTS TO COMMUNICATE FREELY WITH COOPERATING AGENCIES TO IDENTIFY AND RESOLVE ANY ISSUES BEFORE A FORMAL FILING.



STEP 3

Letter of Determination: PHMSA must confirm the filing complies with specific provisions and safety standards.



STEP 7

Authorization to start construction.



STEP 6

Joint record of decision: Cooperating agencies with environmental review authorization or consulting responsibilities deny or approve the project.



STEP 5

FERC Final Order: Commissioners deny or approve the permit. This may include conditions to be met before construction is authorized.



STEP 4

Final NEPA Document: All involved agencies coordinate on required permits, consults and other approvals to ensure it meets the parameters outlined in the National Environmental Policy Act (NEPA).

AGENCIES INVOLVED INCLUDE FERC, THE DEPARTMENT OF ENERGY (DOE), THE U.S. COAST GUARD, AND PHMSA.



STEP 8

Non-FTA Export Approval: If the facility plans to or wants to export to non- Free trade Agreement (FTA) countries, the DOE must separately complete a review of the application to determine whether the exports are in the public interest. Parties can file for non-FTA export approval at any step in the process.

THE JONES ACT OF 1920 MANDATES THAT ALL GOODS SHIPPED BETWEEN U.S. PORTS MUST BE TRANSPORTED BY U.S. FLAGGED VESSELS. BECAUSE THERE ARE CURRENTLY NO U.S. FLAGGED LNG VESSELS, U.S. LNG CANNOT BE TRANSPORTED TO OTHER LNG IMPORT FACILITIES IN THE COUNTRY.



STEP 9

Final Investment Decision (FID): Those owning and/or operating the project approve—or sanction—the project's future development.

THIS OCCURS BEFORE CONSTRUCTION BUT AFTER APPROVALS ARE RECEIVED AND AGREEMENTS FOR MOST OF THE PROJECTED CAPACITY ARE SECURED WITH GAS SUPPLIERS AND LNG OFF-TAKERS.



STEP 10

Construction begins.

IT TYPICALLY TAKES 2-5 YEARS AFTER THE FID FOR A FACILITY TO SHIP ITS FIRST COMMERCIAL CARGO.

