SPOT and COLT Deepwater Port License Application Review Process

Federal and State Interagency Meeting

Wednesday, March 20, 2019

Maritime Administration
Deepwater Port Licensing Program

U.S. Department of Transportation
Maritime Administration

Meeting Agenda

U.S. Department of Transportation
Maritime Administration
Deepwater Port Licensing Program

- Overview of the Deepwater Port Licensing Program
- Role of the Lead Agencies and Participating Agencies
- Deepwater Port Act & Texas Deepwater Port Procedure Act Timelines
- Deepwater Port Project Status Maps
- Sea Port Oil Terminal (SPOT): Project Overview
- Texas Crude Offshore Loading Terminal (COLT): Project Overview
- Future Application Milestones and DEIS/FEIS Administrative Coordination

Deepwater Port Act of 1974: Program Overview

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Deepwater Port Licensing Program

The Deepwater Port Licensing Program Established by:

- **The Act of 1974, as amended, (Act) authorized implementation of a licensing system for ownership, construction and operation of oil & natural gas deepwater ports located seaward of U.S. territorial waters.**
- **Congress amended the Act in 2002 to include offshore natural gas terminals for the import of LNG; and in 2012, the export of LNG & oil was authorized.**
  - In 2015, an amendment to the Consolidated Appropriations Act, 2016 (Public Law 114-113), repealed the ban on oil exports.
- **The Act sets out nine criteria that applicants must meet in order to receive a deepwater port license.**
- **The Act requires a 356-day expedited review process that includes an extensive multi-jurisdictional Fed/State/local agency review and consultation process.**

Seaward of U.S territorial waters off the coast of Louisiana is _____ nautical miles.

Role of the Lead Agencies

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- **The Secretary of Transportation delegated Maritime Administration (MARAD) and U.S. Coast Guard joint responsibility to process deepwater port license applications.**

- **MARAD has the ultimate authority to:**
  - 1) issue, transfer, amend, or reinstate a license for constructing or maintaining a Deepwater Port;
  - 2) determine an applicant's financial wherewithal to construct, operate, and decommission a proposed facility;
  - 3) evaluate an applicant's ownership structure and U.S. citizenship status
  - 4) develops and issues the Maritime Administrator's Record of Decision, which outlines the basis for the decision and defines the legal scope of the final license, upon its issuance.

- **U.S. Coast Guard is the lead agency that**
  - 1) executes and oversees the comprehensive National Environmental Policy Act (NEPA) review; including the interagency consultation process;
  - 2) evaluates the marine navigation, safety, and security measures of the proposed deepwater port;
  - 3) evaluates and approves the port Operations Manual and Security Manual
  - 4) evaluates and approves the port's design, engineering and equipment;
  - 5) establishes by regulation the port's safety zone, no anchoring area and area to be avoided.
  - 6) evaluates petitions to lower limits of liability under OPA-90.

Participating Agencies

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During the application review process, MARAD and Coast Guard are required to consult with a number of Federal, State, local agencies as well as public entities to make timely decisions and meet statutory obligations. These agencies include:

- Environmental Protection Agency (USEPA)
- Department of Interior (DOI) – U.S. Fish & Wildlife Service (USFWS) and the Bureau of Safety and Environmental Enforcement (BSEE)
- Department of Commerce (DOC) – National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NOAA Fisheries)
- Department of Energy (DOE)
- Department of Defense (DOD)
- Department of the Army (DOA)
- Department of State (DOS)
- U.S. Army Corps of Engineers (USACE)
- Tribal Nations
- State and local agencies
- Governor of the Adjacent Coastal State (ACS)

Interagency Chart

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MARAD DEEPWATER PORT LICENSING PROGRAM

INTERAGENCY COORDINATION CHART

ACTIVITY	PARTICIPATING AND COOPERATING AGENCIES																
	USCG	DOE	FERC	USACE	USEPA	NOAA	USFWS	BOEM	BSEE	ACHP	DOS	DOD	PHMSA	STATES	LOCAL	GOV*	TRIBES
Pre-Application	•	•	•										•				
Scoping	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
NEPA Consult	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•	•
Approval(s)	•	•	•					•			•	•	•			•	
Permit(s)				•	•	•	•	•						•	•		
Operations	•		•						•				•				
Decommissioning	•		•	•	•	•	•	•	•				•	•			
Int'l Trade											•						
Nat'l Defense												•					
Export (LNG)		•															
Shore Facility			•										•		•		
Pipelines			•										•	•			
Coastal Zone Mgmnt. Plan														•	•		
OCS Lease								•						•			
Clean Water Act				•	•									•			
Clean Air Act					•												
Endangered Species Act						•	•										
Marine Mammal Protection Act						•	•										
Rivers and Harbors Act				•													
Migratory Bird Treaty Act							•										
Historic Preservation Act										•				•			•
Floodplain Mgmnt. Act															•		

*- GOV denotes Governor(s) of the designated Adjacent Coastal State(s).

License Decision Requirements

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In making a decision to approve or disapprove an application to own, construct and operate a deepwater port, the Maritime Administrator must find that:

1. The applicant is financially responsible.
2. The applicant is able to comply with applicable laws, regulations and license conditions.
3. The deepwater port is in the national interest and consistent with national security, energy sufficiency and environmental quality policy goals.
4. The deepwater port will not unreasonably interfere with international navigation.
5. The deepwater port will be constructed and operated to prevent or minimize adverse impacts on the marine environment.
6. The deepwater port will comply with national environmental laws.
7. An approved coastal zone management program is in place.
8. The Secretaries of Army, State & Defense were consulted and the effect on their programs considered.
9. The governor of the Adjacent Coastal State approves or has presumed to approve the deepwater port.

Deepwater Port Application Processing Timeline

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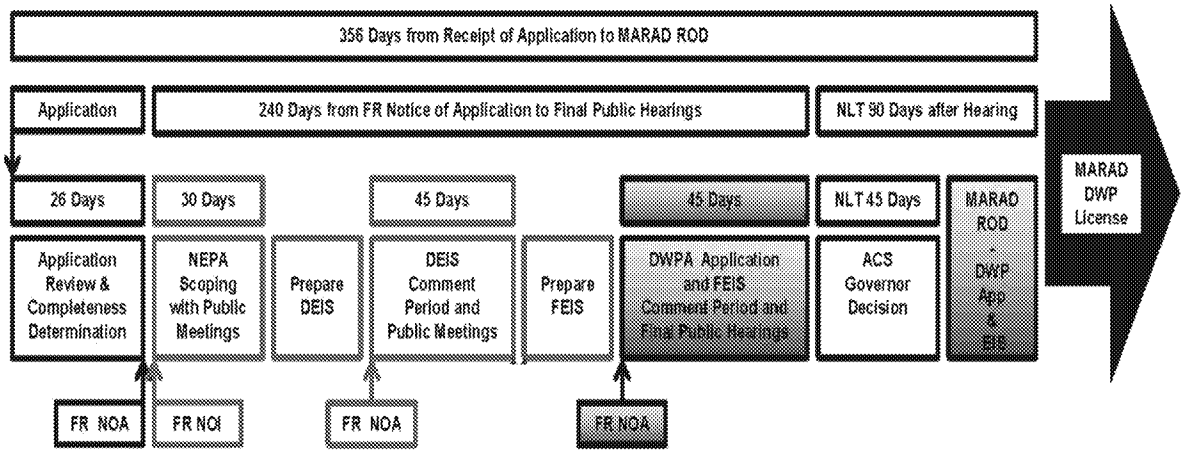
Deepwater Port Act and National Environmental Policy Act Timeline



Texas Deepwater Port Procedure Act

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- Texas Deepwater Port Procedure Act requires:
  - Texas agencies, identified by the State's Attorney General, to provide comments to Texas General Land Office (TGLO) Commissioner within 60 days of receipt of the deepwater port license application.
  - A report from Commissioner to the Governor within 150 days of receiving the application from the Governor.
- Federal/State Coordination
  - Alignment of Federal DWPA Process with TX DWP Procedure Act
  - Communication Among Fed/State; Interagency Teleconferences
  - TGLO Commissioner's Report to Governor Abbott
  - Posting of State reports to Federal docket
- Governor's Decision to MARAD within 45-days after MARAD/USCG final public hearing, (informed by TGLO Commissioner's Report)

Deepwater Port Location and Status Map

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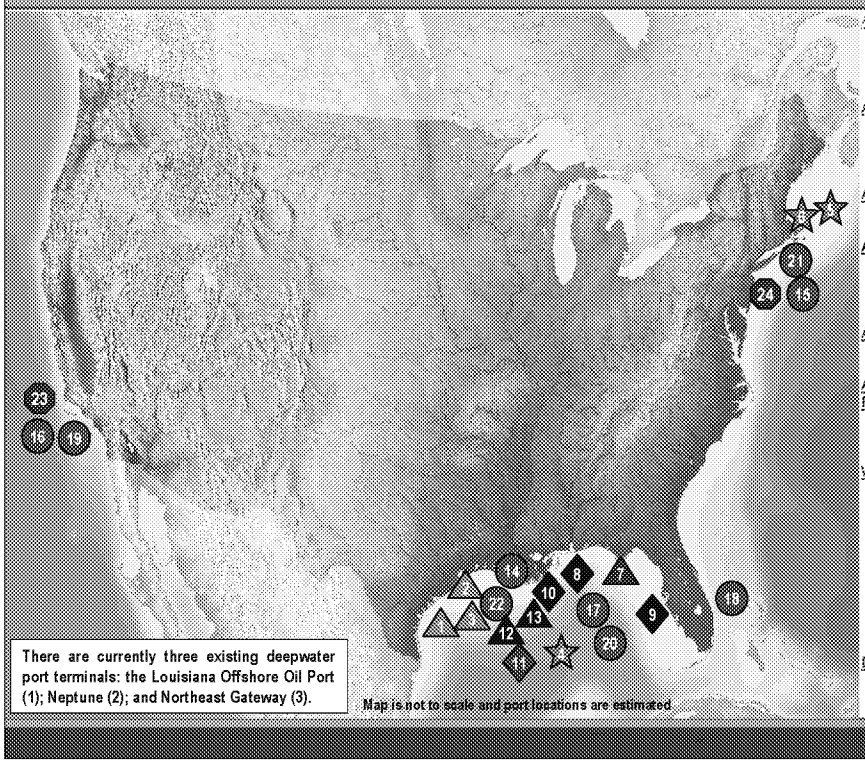

Applications Currently Under Review
1. Texas Gulf Terminals (Oil [Export])
2. SPOT Terminal Services (Oil [Export])
3. Texas COLT (Oil [Export])

Approved: Operational Facilities
4. Louisiana Offshore Oil Port (Oil [Bidirectional])
5. Neptune (LNG [Import])
6. Northeast Gateway (LNG [Import])

Approved: License Issuance Pending
7. Delfin (LNG [Export])

Approved: Surrendered Licenses
8. Gulf Landing (LNG [Import])
9. Port Dolphin (LNG [Import])
10. Port Pelican (LNG [Import])

Approved: Decommissioned
11. Gulf Gateway (LNG [Import])

Approved: Withdrawn After Record of Decision and Prior to License Issuance
12. Bienville (LNG [Import])
13. Main Pass Energy Hub (LNG [Import])

Withdrawn Prior to Record of Decision
14. Beacon Port (LNG [Import])
15. Calypso (LNG [Import])
16. Clearwater Port (LNG [Import])
17. Compass Port (LNG [Import])
18. Liberty Natural Gas (LNG [Import])
19. Oceanway Secure Energy (LNG [Import])
20. Pearl Crossing (LNG [Import])
21. Safe Harbor Energy (LNG [Import])
22. Texas Offshore Port System (Oil [Import])

Disapproved Prior to Record of Decision
23. Cabrillo Port (LNG [Import])
24. Port Ambrose (LNG [Import])

This map is current as of March 5, 2019

Current and Proposed Texas Offshore Deepwater Port Projects

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SPOT Deepwater Port: Project Overview

SPOT: Offshore Components

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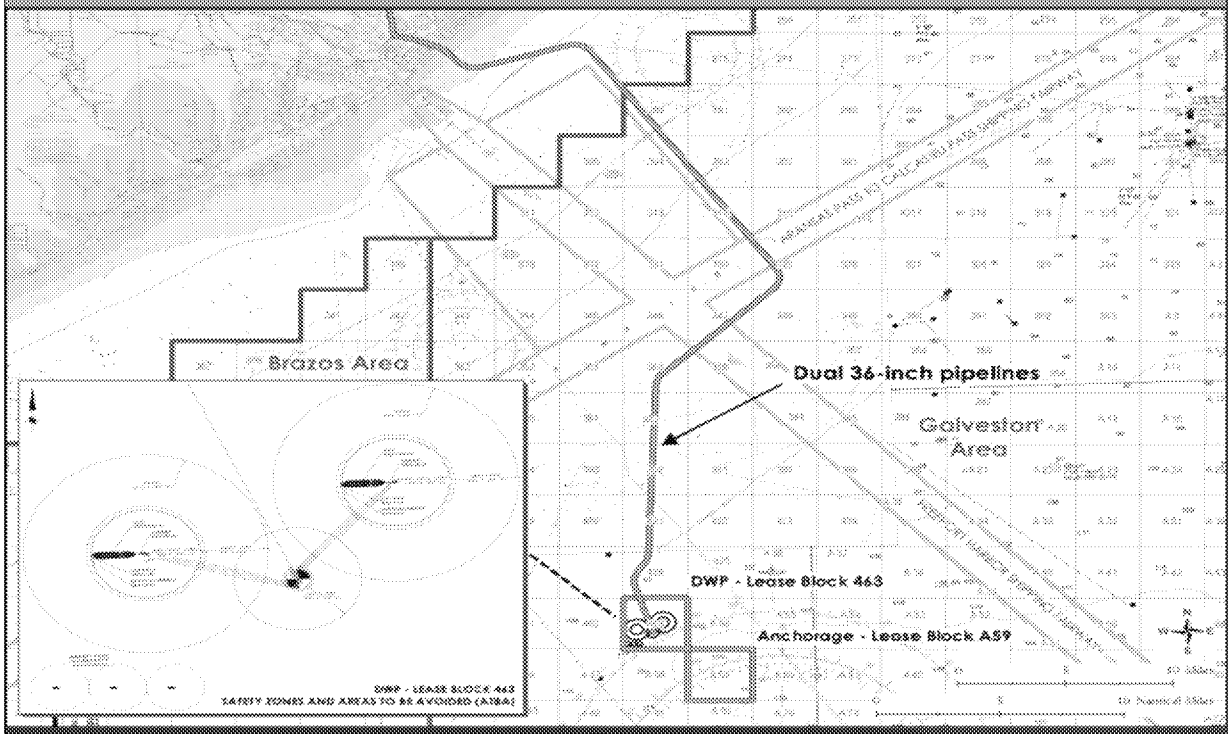
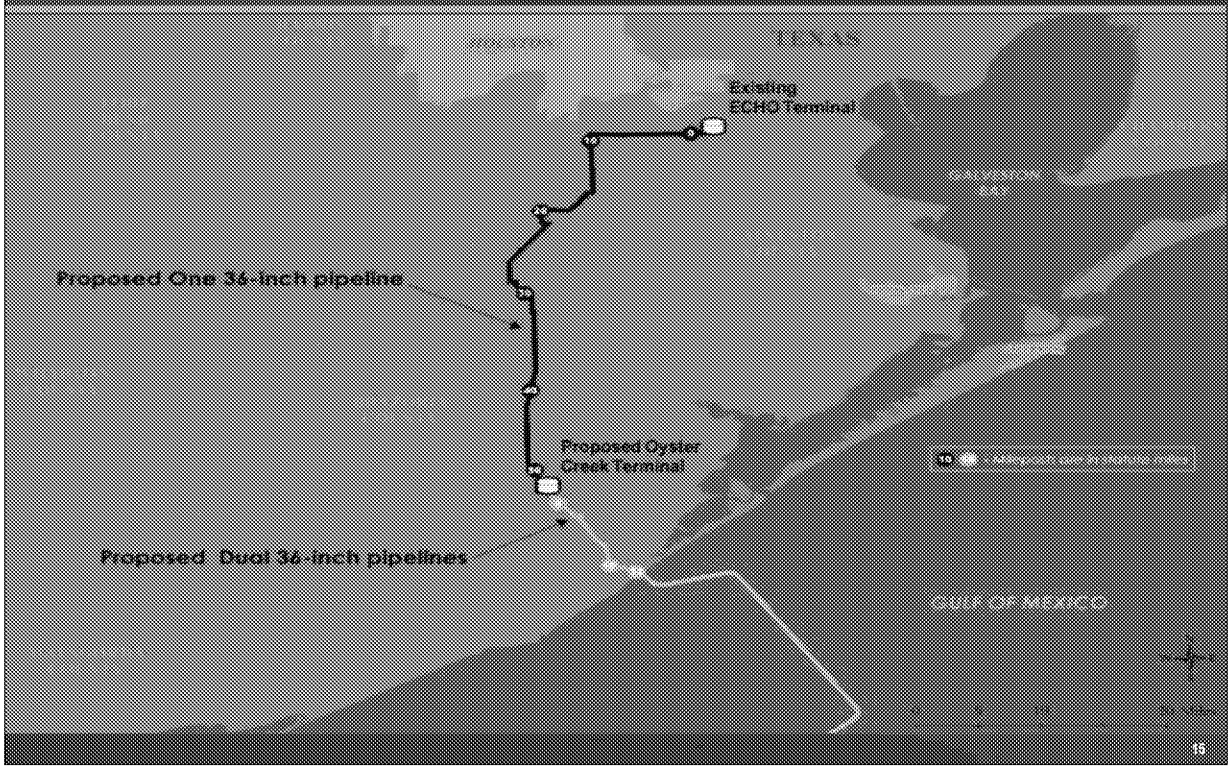


SPOT: Offshore Components

- An eight (8) pile fixed platform in Galveston Area lease block 463, approximately 27.2 to 30.8 nautical miles off the coast of Brazoria County, Texas in a water depth of approximately 115 feet
- Platform to contain three (3) vapor combustor units, measurement equipment and other ancillary facilities
- Two (2) SPM buoys providing VLCC mooring and floating hose interconnections to VLCCs
- Four (4) PLEMs on the seafloor providing an interconnection between outgoing crude oil pipelines from the platform to the SPM and incoming recovered VOC vapor pipelines from the VLCC to the SPM
- Two (2) colocated 36-inch outside diameter, 40.8-nautical mile long crude oil pipelines would be constructed from the shoreline crossing in Brazoria County, Texas, to the SPOT DWP port for crude oil delivery

SPOT: Onshore Components



SPOT: Onshore Components

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- **New Proposed Equipment at existing ECHO Terminal:**
  - Four (4) booster pumps
  - One (1) measurement skid
  - Four (4) crude oil pumps
- **Three onshore crude oil pipelines:**
  - One (1-proposed) 50.1 statute mile long 36-inch crude oil pipeline from the existing ECHO Terminal to the Oyster Creek Terminal.
  - Two (2-proposed) 12.2 statute mile long, collocated 36-inch crude oil export pipelines from the Oyster Creek Terminal to the shore crossing
- **Interconnection between the existing Rancho II pipeline and the existing ECHO to the proposed Oyster Creek pipeline**

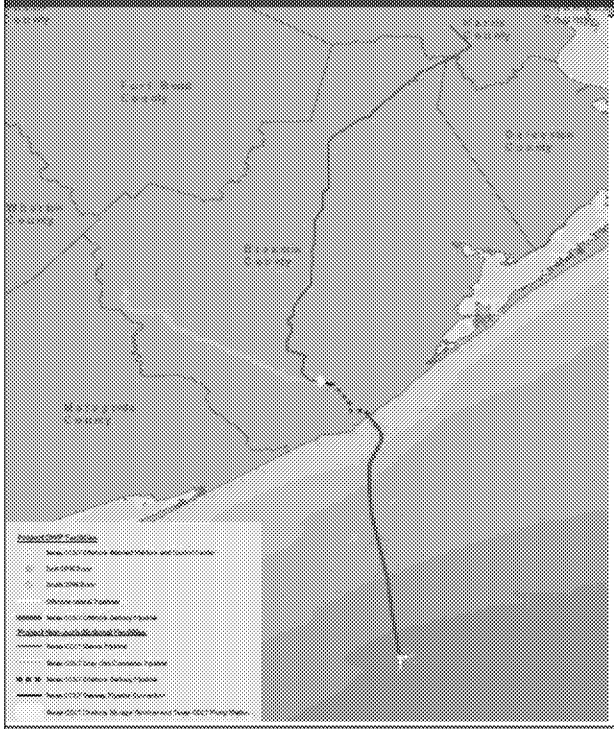
SPOT: Onshore Components

- **Oyster Creek Terminal located in Brazoria County, Texas, on approximately 140 acres of land consisting of seven (7) aboveground storage tanks, for a total onshore storage capacity of approximately 4.8 million barrels (4.2 million barrels working storage) of crude oil.**

- **The Oyster Creek Terminal also would include:**
  - Six (6) electric-driven mainline crude oil pumps;
  - Four (4) electric-driven booster crude oil pumps;
  - Two (2) crude oil pipeline pig launchers/receivers;
    One (1) crude oil pipeline pig receiver;
  - Four (4) measurement skids;
  - Two (2) permanent and one (1) portable vapor combustion units; as well as
  - Ancillary facilities.

COLT Deepwater Port: Project Overview

COLT: Onshore Project Overview



Onshore Terminal:

- 25 interconnected tanks, each tank has a 600 kbbl working capacity (Total Facility working capacity of 15 Mmbl)
- Outbound pumping capability of 85 kbbl/hr of WTI-spec crude

Onshore Pipelines:

- Gray Oak Connector – 30" pipeline, ~28 miles in length
- Genoa Pipeline - 24" pipeline, ~60 miles in length
- Seaway Pipeline Connection – 30" pipeline, ~1 mile in length
- Texas COLT Delivery Line - 42" pipeline, ~8 miles onshore, then ~32 miles offshore pipeline to platform

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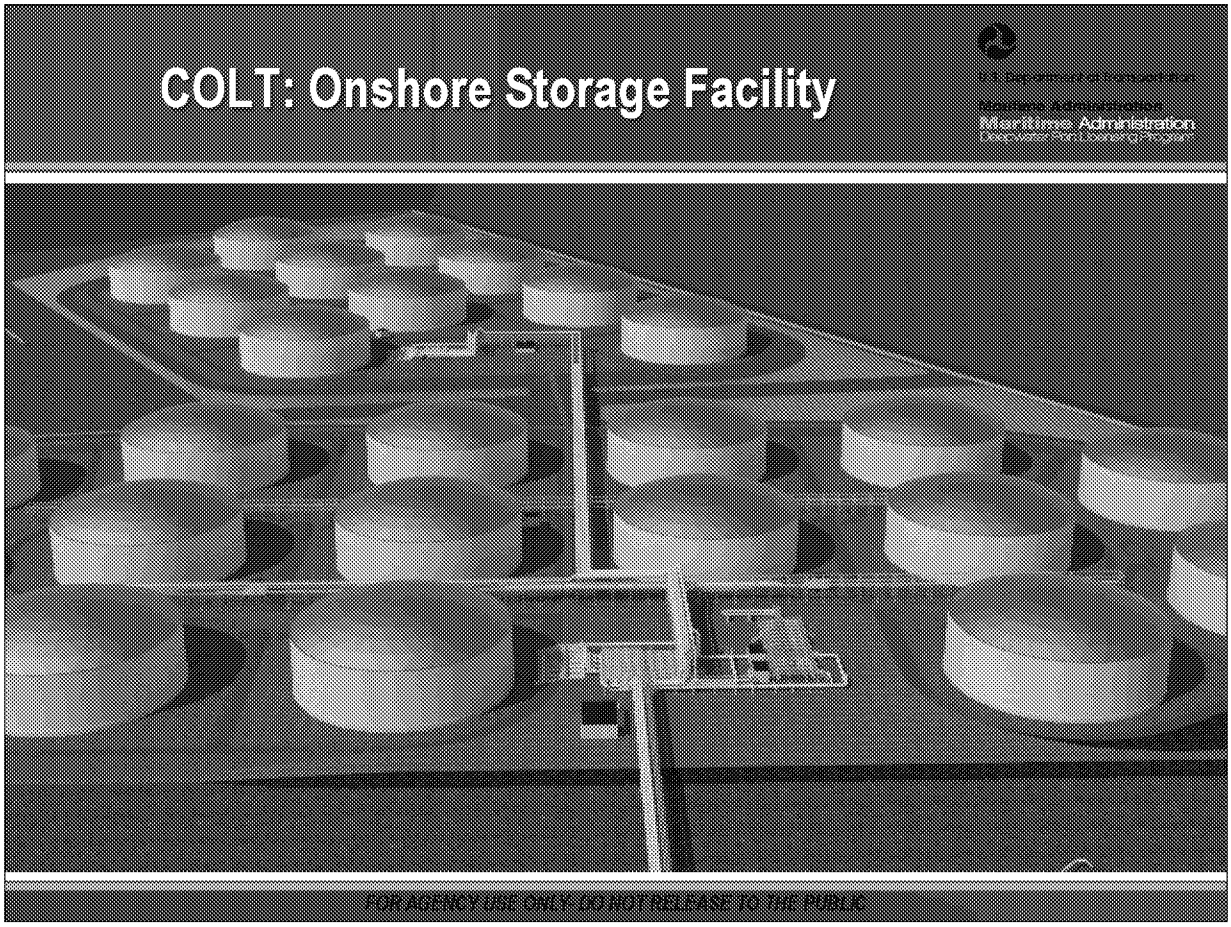

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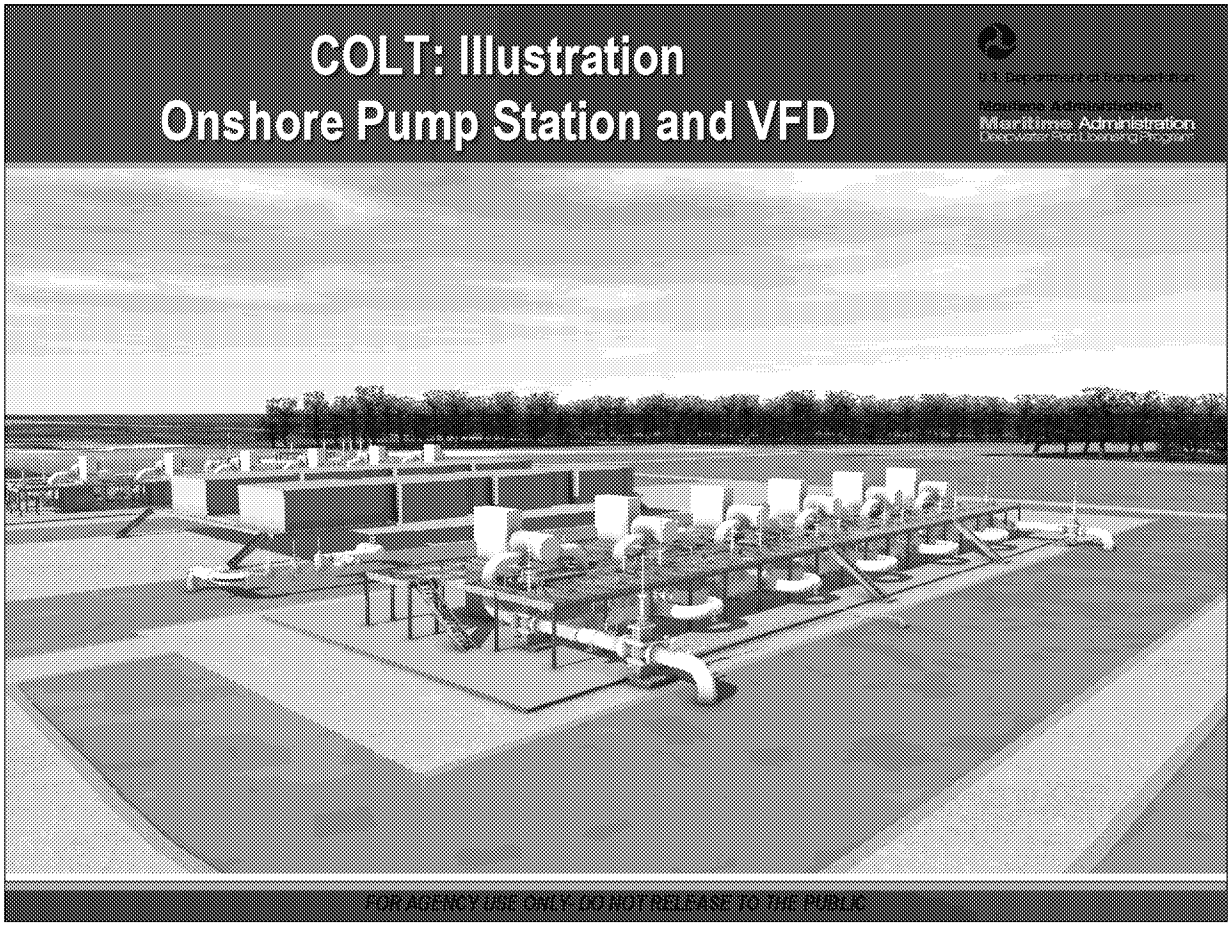

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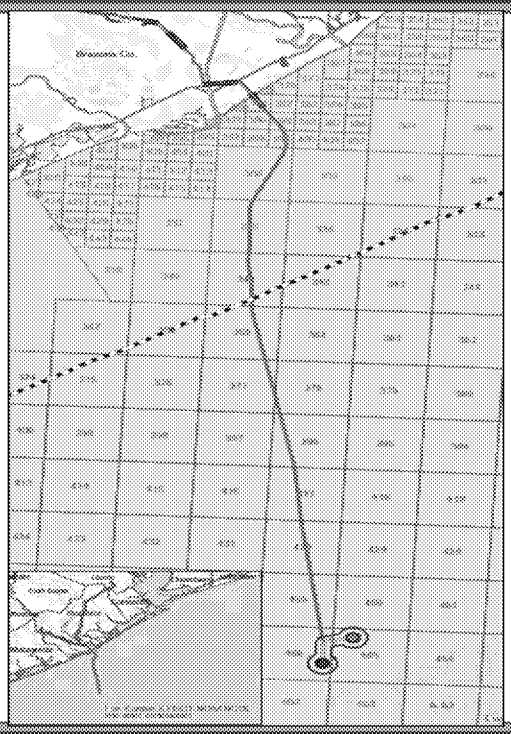
COLT: Offshore Project Overview



Offshore Pipeline:

- Extending ~32 miles from high water mark to a depth of at least 110'
- Pipeline will be connected to a manned offshore platform

VLCC Loading:

- 2 Single Point Mooring (SPM) buoys
- Each buoy is located approximately 1 mile from platform
- 2 x 24" hose connections to VLCC (4 total)
- Capability for 2 mmbbl/d VLCC loading (within a 24-hour window)

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COLT: Offshore Infrastructure Overview

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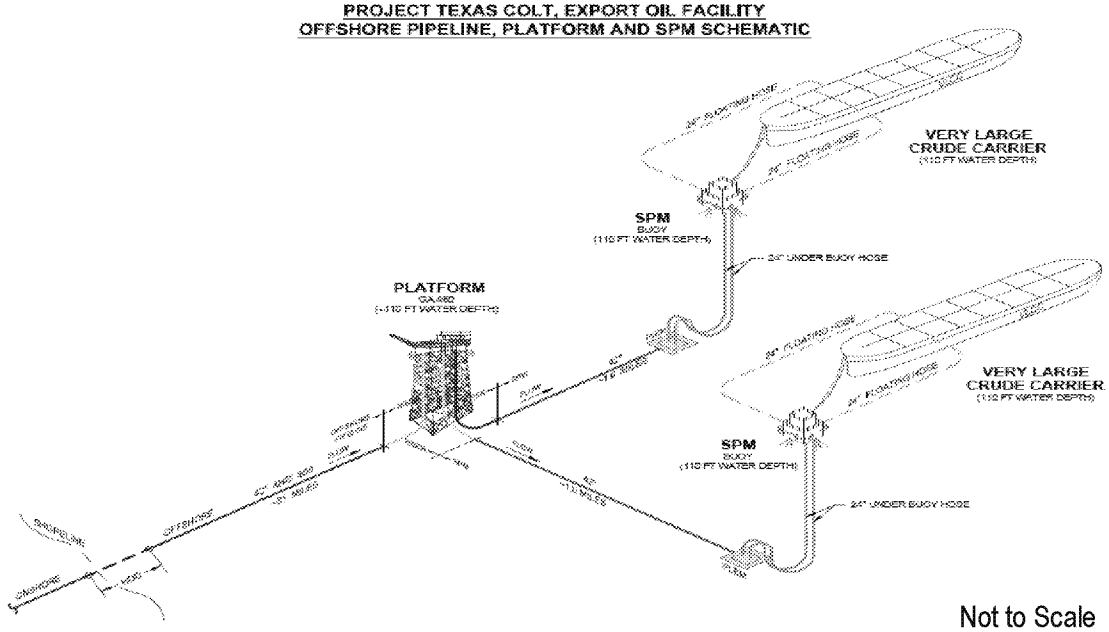
PROJECT TEXAS COLT, EXPORT OIL FACILITY
OFFSHORE PIPELINE, PLATFORM AND SPM SCHEMATIC



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COLT: Offshore Infrastructure – Platform

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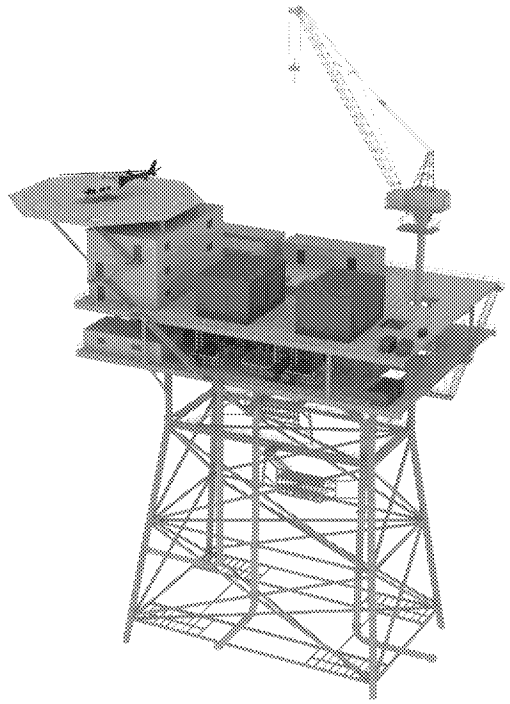
- 24 hour operation
- Personnel Quarters
- Control Center
- Staff includes:
  - Port Superintendent
  - Mooring Master
  - Vessel Traffic Controller
  - Pilot Master
  - Port Attendant
  - Scheduler



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COLT: Offshore Infrastructure
Single Point Mooring

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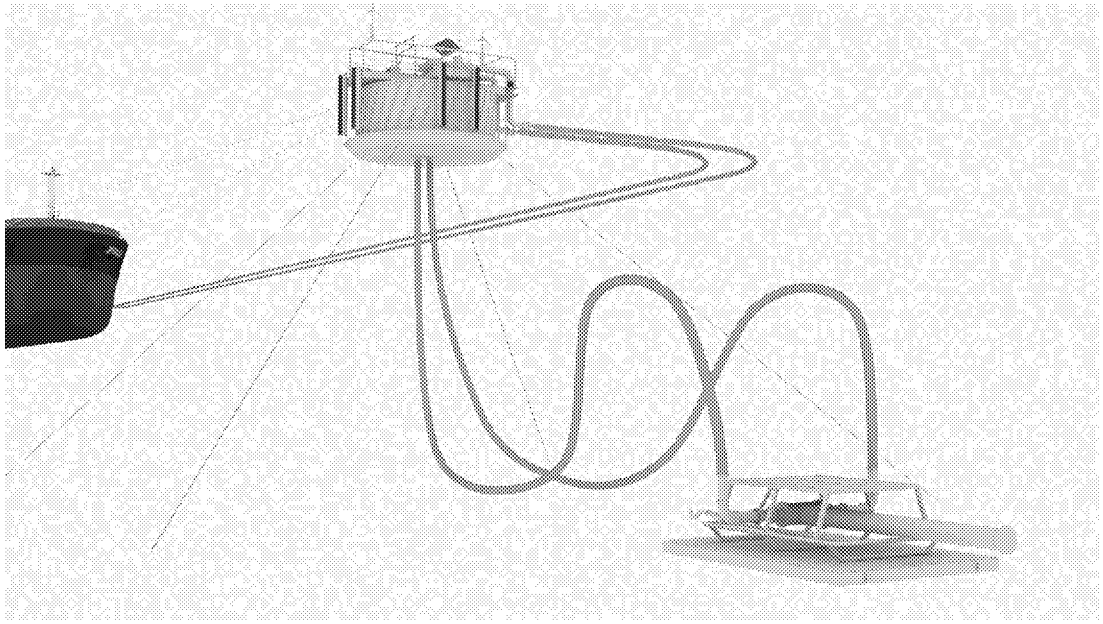

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Project Milestones

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SPOT

January 31, 2019: Application filed

*Q2 2020: Issue of MARAD License

*Q3-Q4 2020: Start of Construction

*Q1-Q2 2022: Project completion/ Commissioning

COLT

February 4, 2019: Application filed

*Q2 2020: Issue of MARAD License

*Q2-Q3 2020: Start of Construction

*Q2 2022: First In Service Date

*Q3: 2023 All Tanks in Service

*Proposed

Questions
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