



U.S. Department of Transportation
**Pipeline and Hazardous Materials
Safety Administration**

8701 S. Gessner, Suite 630
Houston TX 77074

NOTICE OF AMENDMENT

VIA ELECTRONIC MAIL TO: cguinta@newfortressenergy.com

July 3, 2025

Christopher S. Guinta
Chief Financial Officer
New Fortress Energy Inc.
111 W 19th Street, 8th floor
New York, NY 10011

CPF 4-2025-033-NOA

Dear Mr. Guinta,

From April 22 to 24, 2024 of the on-site inspection, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code (U.S.C.), inspected NFEnergía, LLC's¹ (NFEnergía) procedures for operations and maintenance of its liquefied natural gas (LNG) facility in San Juan, Puerto Rico.

As a result of the inspection, PHMSA has identified the apparent inadequacies found within NFEnergía's plans or procedures. The items inspected and the inadequacies are described below:

1. § 193.2503 Operating procedures.

Each operator shall follow one or more manuals of written procedures to provide safety in normal operation and in responding to an abnormal operation that would affect safety. The procedures must include provisions for:

(a)

(b) Startup and shutdown, including for initial startup, performance testing to demonstrate that components will operate satisfactory in service.

NFEnergía's written procedures for conducting normal operations were inadequate to provide for safe operation of a LNG facility in accordance with § 193.2503(b). Specifically, NFEnergía's operating procedures, *San Juan Multi-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan* (Rev. 0.1; April 18, 2024), and *Program Procedure: Conduct of Operations San Juan LNG Terminal*, NFE-SAN JUAN-193-0002 (Rev. 0, April 17, 2024) failed to provide

¹ NFEnergía is a subsidiary of New Fortress Energy, Inc.

instructions for performance testing to demonstrate that components will operate satisfactory in service.

PHMSA proposes NFEnergía revise its written procedures to include provisions, including instructions and identification of components, for performance testing to demonstrate that components will operate satisfactory in service in accordance with § 193.2503(b).

2. § 193.2503 Operating procedures.

Each operator shall follow one or more manuals of written procedures to provide safety in *normal operation* and in responding to an abnormal operation that would affect safety. The procedures must include provisions for:

(a)

(g) Cooldown of components according to the requirements of § 193.2505.

NFEnergía's written procedures for conducting normal operations were inadequate to provide for safe operation of a LNG facility in accordance with § 193.2503(g). Specifically, NFEnergía's *San Juan Multi-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan* (Rev. 0.1; April 18, 2024), section 7.3.1 *Cooldown* (§ 193.2505), and *Program Procedure: Conduct of Operations San Juan LNG Terminal, NFE-SAN JUAN-193-0002* (Rev. 0, April 17, 2024) failed to provide instructions on how to limit the rate and distribution pattern to keep thermal stresses within design limits during the cooldown periods, paying particular attention to the performance of expansion and contraction devices, in accordance with § 193.2505. Additionally, NFEnergía's procedures failed to identify components at its facility that are subjected to cooldown rates and distribution patterns.

PHMSA proposes NFEnergía revise its written procedures to include provisions, including instructions to personnel and identification of components, for the cooldown of components according to the requirements of § 193.2505, in accordance with § 193.2503(g).

3. § 193.2509 Emergency procedures.

(a)

(b) To adequately handle each type of emergency identified under paragraph (a) of this section and each fire emergency, each operator must follow one or more manuals of written procedures. The procedures must provide for the following:

(1)

(3) Coordinating with appropriate local officials in preparation of an emergency evacuation plan, which sets forth the steps required to protect the public in the event of an emergency, including catastrophic failure of an LNG storage tank.

NFEnergía's written procedures for adequately handling each type of emergency identified under § 193.2509(a) and each fire emergency were inadequate to provide for safe operation of a LNG facility in accordance with § 193.2509(b)(3). Specifically, NFEnergía's procedures, *San Juan Multi-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan* (Rev. 0.1; April 18, 2024), section 7.3.3 *Emergency Procedures* (§ 193.2509), and *Micro Fuel Handling Facility Emergency Response Plan* (Rev. 001, November 2, 2023), failed to provide instructions on coordinating with appropriate local officials in preparation of an emergency evacuation plan, which sets forth the steps required to protect the public in the event of an emergency, including catastrophic failure of an LNG storage tank. NFEnergía's procedures did not identify the appropriate local authorities to be contacted in the event of an incident, and did not provide for coordinating or participating in emergency drills designed to prepare NFEnergía personnel and local authorities to respond to emergencies and foster cooperative relationships.

PHMSA proposes NFEnergía revise its written procedures to provide for coordinating with local officials in preparation of an emergency evaluation plan in accordance with § 193.2509(b)(3).

4. § 193.2605 Maintenance procedures.

(a)

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedures must include:

(1)

(2) A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.

§ 193.2611 Fire protection.

(a) Maintenance activities on fire control equipment must be scheduled so that a minimum of equipment is taken out of service at any one time and is returned to service in a reasonable period of time.

NFEnergía's written procedures for conducting maintenance activities were inadequate to provide for safe operation of a LNG facility in accordance with § 193.2605(b)(2). Specifically, NFEnergía's procedures, *San Juan Multi-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan* (Rev. 0.1; April 18, 2024), and *Safe Work Practices, Fire Protection, LNG San Juan, NFE-SAN JAN-193-007* (Rev. 0; April 17, 2024) failed to provide adequate guidance on how NFEnergía performs maintenance activities on fire control equipment so that a minimum of equipment is taken out of service at any one time and is returned to service in a reasonable period of time in accordance with 193.2611(a). NFEnergía's procedures did not require a minimum amount of fire control equipment or identify how many pieces of equipment can be taken out of service at any one time, or define a reasonable period of time to return equipment to service.

PHMSA proposes NFEnergía revise its procedures to include requirements that enumerate the minimum amount of fire control equipment that can be taken out of service at one time and define the reasonable period of time needed to perform maintenance on fire control equipment before returning to service in accordance with § 193.2611(a).

5. § 193.2605 Maintenance procedures.

(a)

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedures must include:

(1) The details of the inspections or tests determined under paragraph (a) of this section and their frequency of performance;

§ 193.2613 Auxiliary power sources.

Each auxiliary power source must be tested monthly to check its operational capability and tested annually for capacity. The capacity test must take into account the power needed to start up and simultaneously operate equipment that would have to be served by that power source in an emergency.

NFEnergía's written procedures for conducting maintenance activities were inadequate to provide for safe operation of a LNG facility in accordance with § 193.2605(b)(1). Specifically, NFEnergía's *San Juan Multi-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan* (Rev. 0.1; April 18, 2024), did not identify what equipment must remain in operation during an emergency, does not include the required capacity of the auxiliary power sources, and does not provide instructions on how to test the capacity of the auxiliary power sources in accordance with § 193.2613. Additionally, NFEnergía's procedures did not provide guidance on how auxiliary power source capacity test results must be recorded.

PHMSA proposes NFEnergía revise its written procedures to include requirements and instructions for testing its auxiliary power sources monthly to check for operation capability and annually for capacity in accordance with § 193.2613.

6. § 193.2605 Maintenance procedures.

(a)

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedures must include:

(1)

(2) A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.

§ 193.2619 Control systems.

(a) Each control system must be properly adjusted to operate within design limits.

NFEnergía's written procedures for conducting maintenance activities were inadequate to provide for safe operation of a LNG facility in accordance with § 193.2605(b)(2). Specifically, NFEnergía's *San Juan Multi-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan* (Rev. 0.1; April 18, 2024), section 8.9 *Control Systems* (§ 193.2619) failed to identify each control system, provide instructions to NFEnergía's personnel regarding how to inspect and adjust the control systems to operate within design limits, or define the design limits for each control system.

PHMSA proposes NFEnergía revise its written procedures to include instructions for properly adjusting each control system to operate within design limits, in accordance with § 193.2619(a).

7. § 193.2605 Maintenance procedures.

(a)

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedures must include:

(1)

(2) A description of other actions necessary to maintain the LNG plant according to the requirements of this subpart.

§ 193.2625 Corrosion protection.

(a) Each operator shall determine which metallic components could, unless corrosion is controlled, have their integrity or reliability adversely affected by external, internal, or atmospheric corrosion during their intended service life.

NFEnergía's written procedures for conducting maintenance activities were inadequate to provide for safe operation of a LNG facility in accordance with § 193.2605(b)(2). Specifically, NFEnergía's procedures, *San Juan Multi-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan* (Rev. 0.1; April 18, 2024), section 8.11 *Corrosion Protection* (§ 193.2625), does not explain how NFEnergía personnel will determine which metallic components require corrosion protection, explain which type of corrosion protection is appropriate for each component, or provide guidance on how to categorize the degree of metal loss due to corrosion and how to record it.

PHMSA proposes NFEnergía revise its written procedures to give instruction to personnel on how to evaluate components that are susceptible to corrosion loss, determine which metallic components could, have their integrity or reliability adversely affected by corrosion during their intended service life, and how to categorize any corrosion loss and record it in accordance with § 193.2625(a).

Response to this Notice

This Notice is provided pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206. Enclosed as part of this Notice is a document entitled Response Options for Pipeline Operators in Enforcement Proceedings.

Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. § 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. § 552(b).

Following the receipt of this Notice, you have 30 days to submit written comments, revised procedures, or a request for a hearing under § 190.211. If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue an Order Directing Amendment. If your plans or procedures are found inadequate as alleged in this Notice, you may be ordered to amend your plans or procedures to correct the inadequacies (49 C.F.R. § 190.206). If you are not contesting this Notice, we propose that you submit your amended procedures to my office within 30 days of receipt of this Notice. This period may be extended by written request for good cause. Once the inadequacies identified herein have been addressed in your amended procedures, this enforcement action will be closed.

It is requested (not mandated) that NFEnergía maintain documentation of the safety improvement costs associated with fulfilling this Notice of Amendment (preparation/revision of plans, procedures) and submit the total to Bryan Lethcoe, Director, Southwest, Pipeline and Hazardous Materials Safety Administration. In correspondence concerning this matter, please refer to **CPF 4-2025-033-NOA** and, for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration

Enclosure: Response Options for Pipeline Operators in Enforcement Proceedings

cc: Komi Hassan, DOT Compliance Primary, NFEnergía, LLC,
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Andrew Kohout, Director, Division of LNG Facility Reviews and Inspections
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