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a new fortress energy company

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VIA ELECTRONIC EMAIL TO:

September 16, 2025

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
U.S. Department of Transportation
8701 S. Gessner, Suite 630
Houston, TX 77074

Re: NOTICE OF AMENDMENT – CPF 4-2025-033-NOA
NFEnergía LLC – San Juan Micro-Fuel Handling (SJMFH) Facility

Dear Mr. Lethcoe,

NFEnergía, LLC ("NFE") acknowledges receipt of Notice of Amendment No. CPF 4-2025-033-NOA ("NOA"), issued by the Pipeline and Hazardous Materials Safety Administration ("PHMSA") on July 3, 2025, following the inspection conducted at our liquefied natural gas (LNG) facility in San Juan, Puerto Rico, from April 22 to April 24, 2024.

In accordance with PHMSA's *Response Options for Pipeline Operators & Excavators in Enforcement Proceedings* ("Response Options"), NFE requested an extension to submit its response to the NOA. PHMSA granted this extension, allowing submission until September 17, 2025.

Pursuant to Part II of the Response Options, NFE hereby submits its formal response to the NOA. This submission includes revised materials, where applicable, and references to specific documents within our Manuals and Procedures that contain the information requested by PHMSA.

A detailed response to each item identified in the NOA is provided on the following page.

RESPONSE TO PHMSA

NOA #1. § 193.2503 Operating procedures.

a) Provide instructions for performance testing to demonstrate that components will operate satisfactorily during service.

NFE Response: Section 7.3 of the San Juan Micro-Fuel Handling Facility Liquefied Natural Gas Operations and Maintenance Plan ("NFE LNG O&M Plan") provides general statements for operations and maintenance work activities and directs employees to a specific standard Operating Procedures ("SOP") guiding the employee on the performance of specific tasks. Specifically, section 7.3, bullet point 3 of the NFE LNG O&M Plan refers to the SOP "NFE-SAN JUAN-193-0002 Conduct of Operations" for the *guidance on performance testing of equipment prior to startup.*

PHMSA proposes, through NOA #1 that NFENERGIA revises *its written procedures to include provisions, including instructions and identification of components, for performance testing to demonstrate that components will operate satisfactorily in accordance with § 193.2503(b).* Accordingly, NFE has revised and updated the SOP "NFE-SAN JUAN-193-0002 *Conduct of Operations*" to include adequate details and directions for performance testing components to demonstrate that they will operate satisfactorily during service:

- Section 3 Glossary, subsection 3.1.8 Normal Operations expands the description to include pre-startup, startup, and shutdown.
- Section 5 Responsibilities, subsection 5.3 Console Operator, subitems 5.3.1.3 and 5.3.1.6 were added to further detail responsibilities.
- Section 6 Procedure, subitem 6.1.1.2 was amended to include pre-startup. Also, subitem 6.1.1.3 was inserted to include a description of the following:
  - Attachment A to the Conduct of Operations SOP for relative pre-startup processes.

NOA #2. § 193.2503 Operating procedures.

a) Provide instructions on how to limit the rate and distribution pattern to keep thermal stress within design limits during the cooldown periods, paying particular attention to the performance of expansion and contraction devices.

NFE Response: Section 7.3.1 of the NFE LNG O&M Plan provides general statements for operations and maintenance work activities and references SOP "NFE-SAN JUAN-193-0002 *Conduct of Operations*" for the guidance on performing proper cooldown operations of equipment prior to startup, including paying close attention to cooldown rates and distribution rates to keep thermal stresses within design limits, and particularly to the performance of expansion and contraction devices.

PHMSA proposed that NFE revise its written procedure to include provisions, including instructions to personnel and identification of components for the cooldown of components according to the requirements of § 193.2505(g).

As a result, NFE amended the SOP "NFE-SAN JUAN-193-0002 *Conduct of Operations*" to include specific details and guidance for performing proper cooldown operations of equipment prior to startup, including closely monitoring cooldown rates and distribution rates to maintain thermal stresses within design limits. Accordingly, Subsection 6.1.1.4 of the SOP, will read as follows:

- Subsection 6.1.1.4 references the Cooldown procedures in Attachment B of the Conduct of Operations, which is the primary document used to ensure the process is performed properly.

b) Identify components at the SJMFH facility that are subjected to cooldown rates and distribution patterns.

Response:

- Subsection 6.2 Cooldown, subitem 6.2.1 was revised to reference the location of the components and parameters for cooldown are located, in Attachment B to the Conduct of Operations.

NOA #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.

NFE Response:

PHMSA requires NFE to revise their written procedure to provide for coordinating with local officials in preparation of an emergency evaluation plan in accordance with § 193.2509(b)(3) which requires:

"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."

NFE has actively maintained liaison with relevant emergency response and public safety agencies, in full compliance with § 193.2509(a). Regular Liaison and Public Awareness meetings have been held with representatives of local, state and private entities, including:

· San Juan and Guaynabo Municipal Police Departments

· Puerto Rico State Police in Bayamón

· Puerto Rico Emergency Management Bureau (PREMB)

· Puerto Rico Department of Health

· Puerto Rico Department of Transportation and Public Works (DTOP)

· PR Emergency Management Board

· San Juan Emergency Management Office

· Cataño Municipal Emergency Management Office

· Puerto Rico Medical Emergency Corps Bureau

· Guaynabo Municipal Emergency Management Office

· Department of Natural and Environmental Resources,

·Emergency Division

· Bacardi Fire Brigade

· Genera PR

Meeting dates, attendees, and topics discussed are listed on Exhibit A, NFENERGIA Stakeholders Meeting History, is attached to this response.

Internally, NFE has established procedures to convene liaison meetings as frequently as needed—such as when the original Emergency Plan was prepared, during amendments, or when significant changes in operations are anticipated. To reinforce compliance with Section § 193.2509(b)(3), NFE proposes to incorporate the following language in Section 18- Emergency Response Coordinator of the updated Emergency Response Plan:

"NFE shall maintain ongoing coordination with federal, state, and local emergency response agencies and public safety officials. The Company shall organize stakeholder

meetings with these entities to review and update emergency procedures, share relevant operational updates, and conduct joint exercises. These meetings shall occur on a regular basis and as needed in response to operational changes or plan revisions. Coordination protocols, responsibilities, and contact procedures will be updated accordingly to ensure effective joint emergency response."

Additionally, NOA#3 asserts that NFE's procedures fail to identify the local authorities to be contacted during an emergency. However, Sections 1.0 and 21.0 of the current Emergency Response Plan (ERP) list emergency contact details, including local authorities, the National Response Center protocol, and medical response contacts to support coordinated emergency actions. See the table below; Emergency Contact List as provided in Section 21 of the ERP.

Based on the foregoing, NFE agrees to amend the ERP on section 21.0 to read as follows:

"NFE will notify the National Response Center (NRC) as required. Additionally, and as instructed by State Emergency Officials, NFE will contact 911 as the first notification during an emergency event. When necessary, NFE may also directly contact additional emergency responders using the contact points listed in Section 1.0 of the Emergency Response Plan or the table below."

EMERGENCY CONTACT LIST			
Name	**Location**	**Contact Information**	**Comments**
Emergency Services		9-1-1	Fire, Police, and Emergency Services
San Juan PD Marine Unit		+1 787-977-3594	Marine Police Unit
Hospital Metropolitano	1785 Puerto Rico 21, San Juan, 00921, Puerto Rico	+1 787-782-9999	ergency Medical Services
Hospital Hermanos Meléndez	Km 11.7 PR-2, Bayamón, 00959, Puerto Rico	+1 787-620-8181	ergency Medical Services
First Response Emergency Services, Inc.	789 Cll Juan José Osuna, San Juan,	787-281-6096 info@frems.com	Emergency Medical Services and Transport

	00923, Puerto Rico		
Cuerpo De Emergencias Médicas – Oficina Central	Cll San Martin, Guaynabo, 00966, Puerto Rico	+1 787-775-0550	Emergency Medical Services and Transport
San Juan Fire Rescue Ems	San Juan, 00927, Puerto Rico	+1 787-480-2222	Emergency Medical Services and Transport
NOTE: Always monitor and transmit emergencies on Channel 16 VHF			

NOA #4. § 193.2605 Maintenance procedures.

a) **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.**

NFE Response: The NFE LNG O&M Plan, section 8.5 provides the following statement: "Fire protection at the San Juan MFH Facility shall be provided and maintained according to sections 9.1 through 9.7 and section 9.9 of NFPA–59A-2001. Maintenance activities on fire control equipment should be scheduled so that a minimum amount of equipment is taken out of service at any one time and is returned to service in a reasonable period. See SOP NFE-SAN JUAN-193-0007 Fire Protection."

PHMSA proposes that NFEnergia revise its procedure to include requirement 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 of fire control equipment before returning to service in accordance with § 193.2611(a).

Accordingly, NFE amended the SOP "NFE-SAN JUAN-193-0007 *Fire Protection*" to incorporate more detailed guidance on the amount of fire protection equipment that may be removed from service for maintenance purposes and a reasonable time-period that allows for the maintenance before it is returned into service.

For PHMSA's review, the following procedural updates were made within NFE-SAN JUAN-193-0007 *Fire Protection.*

- Section **1 Purpose**, subsection 1.2
- Section **2 Scope**, subsection 2.4
- Section **5 Responsibilities**, subsection 5.1 Terminal Manager, Item # 5.1.4
- Section **5 Responsibilities**, subsection 5.3 Maintenance Supervisor, Item # 5.3.1
- Section **5 Responsibilities**, subsection 5.4 Fire Safety Coordinator, Item # 5.4.1
- Section **5 Responsibilities**, subsection 5.5 Operations/ERT Members, Items 5.5.1

and 5.5.2.

- Section **6 Procedure**, subsection 6.10 Maintenance of Fire Protection Equipment, Item 6.10.1.
- Section **6 Procedure**, subsection 6.11 Impaired Fire Protection Equipment, Item 6.11.
- Section **6 Procedure**, subsection 6.12 Return to Service of Fire Protection Equipment, Item 6.12.1
- Section **7 Documentation**, subsection 7.3 for logging equipment impairments into OOS Register
- Section **8 References**, subsection 8.4 through 8.9 referencing standards.
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b) Require a minimum amount of fire control equipment.

NFE Response: To address PHMSA's claim that NFE needed to provide adequate guidance on maintenance of fire protection equipment so that a minimum equipment is taken out of service at any one time and returned to service in a reasonable period of time, the following updates were made within the procedure NFE-SAN JUAN-193-0007 *Fire Protection*.

- Table 6.10.1.1 was included for procedural purposes to require a minimum of fire protection equipment to remain in service during operations.

c) Identify how many pieces of equipment can be taken out of service at any one time.

NFE Response: To address PHMSA's claim that NFE needed to provide adequate guidance on maintenance of fire protection equipment so that a minimum equipment is taken out of service at any one time and returned to service in a reasonable period of time, the following updates were made within the procedure NFE-SAN JUAN-193-0007 *Fire Protection*.

- Table 6.10.1.1 was included for procedural purposes to a maximum amount of fire protection equipment allowed to be taken out of service for maintenance purposes.

d) Define a reasonable period of time to return equipment to service.

Response: To address PHMSA's claim that NFE needed to provide adequate guidance on maintenance of fire protection equipment so that a minimum equipment is taken out of service at any one time and returned to service in a reasonable period of time, the following updates were made within the procedure NFE-SAN JUAN-193-0007 *Fire Protection*.

- Table 6.10.1.2 of the NFE-SAN JUAN-193-0007 Fire Protection procedure was

included for procedural purposes to establish reasonable time periods for conducting required maintenance on fire protection equipment.

NOA #5. § 193.2605 Maintenance procedures.

PHMSA proposes that NFE revise its written procedure to include requirements and instruction for testing its auxiliary power sources monthly to check for operation capability and annually for capacity in accordance with § 193.2613.

a) Identify what equipment must remain in operation during an emergency

NFE Response: To attend PHMSA's proposal, NFE has defined the equipment that must remain in operation during an emergency in the following procedures and manuals.

1. NFE LNG O&M Plan, section 8.6.1
2. SOP-NFE-SAN JUAN-193-0003 *Conduct of Maintenance*, section 6.7.1.1

b) Include the required capacity of the auxiliary power sources.

NFE Response: To attend PHMSA's proposal, NFE has defined the capacity of the auxiliary power sources during an emergency in the following procedures and manuals.

1. NFE LNG O&M Plan, section 8.6
2. SOP NFE-SAN JUAN-193-0003 *Conduct of Maintenance*, section 6.7.1.

c) Provide instructions on how to test the capacity of the auxiliary power sources.

NFE Response: To attend PHMSA's proposal, NFE has defined the testing the capacity of the auxiliary power source in the following procedures and manuals.

1. NFE LNG O&M Plan, section 8.6
2. SOP NFE-SAN JUAN-193-0003 Conduct of Maintenance, section 6.7.1.

d) Provide guidance on how auxiliary power source capacity test results must be recorded.

NFE Response: To attend PHMSA's proposal, NFE provides guidance for guidance for recording the testing of the auxiliary power source equipment in the following procedures and manuals.

1. NFE LNG O&M Plan, section 8.6
2. SOP NFE-SAN JUAN-193-0003 Conduct of Maintenance, section 6.7.1.

NOA #6. § 193.2605 Maintenance procedures.

PHMSA proposes NFEnergía revises its written procedures to include instructions for properly adjusting each control system to operate within design limits, in accordance with § 193.2619(a). As such, NFE states the following:

a) Identify each control system.

Response: Refer to the SJMFH Control System Function Document I/O (input/output) Configuration, Attachment A of the Conduct of Maintenance, page 4, which details the safety and process control system of the SJMFH facility through the Allen Bradley Guard Logix Safety Controller.

b) Provide instructions to NFEnergía's personnel regarding how to inspect and adjust the control systems to operate within design limits.

NFE Response: Refer to the SJMFH Control System Function Document Safety/Process Control Interface in Attachment A, page 10, explaining the 'user interface' to the DCS (distributed control system) and how operations can perform testing procedures and make adjustments to system configurations.

The SJMFH control system utilizes multiple layers of protection to minimize risks and reduce potential hazards. Basic process control loops in the DCS provide monitoring and detection of operating parameters, maintain system pressures, temperatures, and process flow. In the event these control loops are impacted by unforeseen disruptions and control variables are pushed outside of normal operating ranges, alarm indications in the DCS provide advance warnings to help mitigate the likelihood of an interlock trip or a process fault condition. Cascading control loops have been developed to further aid operations in maintaining system stability and plant safety. Any alarm triggered in the DCS will require acknowledgment (visually and physically) from operations (board panel operator in the control room), with critical alarms requiring a manual reset prior to receiving permission to start back up.

The DCS design segregates safety logic from standard process code using a Rockwell safety PLC (programmable logic controller). This configuration allows the SJMFH facility's safety system to meet industry safety standards (e.g., ISA 18.2, IEC 61508 & 61511, and related), improve reliability and offer diagnostic monitoring on all safety modules down to each device point. Emergency shut down push buttons, fire and gas zone inputs, and critical safety I/O are all managed in the safety logic controller. The fail-safe design, redundant devices, test capabilities, and security access to safety logic ensure industry compliance with safety standards.

In addition to the DCS capabilities to stabilize the process during (unplanned) upset

conditions, the safety system is designed with pressure relieving devices as an added layer of protection. These safety valves are periodically tested in accordance with regulatory requirements.

The SJMFH Facility has an independent fire protection system, seismic detection, impoundment areas, emergency release couplings, and water deluge systems for additional layers of process safety protection. The SJMFH facility has defined evacuation routes and muster stations that provide site personnel with a clear path to safety in an emergency. Emergency response planning and safety drills are conducted periodically to aid plant operations response time in the event of an actual emergency.

Regarding the specific inspection of control systems (ref. NOA 6, b.), refer to section 6.17 of the Conduct of Maintenance Document.

c) Define the design limits for each control system.

NFE Response: Refer to DCS Setpoints & Alarms and Cause and Effects Documentation

NOA #7. § 193.2605 Maintenance procedures.

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). Accordingly, NFE response as follows:

a) Explain how NFEnergía personnel will determine which metallic components require corrosion protection.

NFE Response: The NFE LNG O&M Plan was revised and updated at section 8.11 *Corrosion Protection* to reference SOP NFE-SAN JUAN-193-0003 *Conduct of Maintenance*. The SOP NFE-SAN JUAN-193-0003 *Conduct of Maintenance*, section 6.19 has been revised and updated to include determinations for which metallic components require corrosion protection.

b) Explain which type of corrosion protection is appropriate for each component.

NFE Response: The NFE LNG O&M Plan was revised and updated at section 8.11 to reference SOP NFE-SAN JUAN-193-0003 Conduct of Maintenance. Section 6.19 of the SOP NFE-SAN JUAN-193-0003 Conduct of Maintenance has been revised and updated to include the types of corrosion protection are appropriate per the categories of metallic components. [e.g., above-ground carbon steel or metallic components (other than stainless steel, or below-ground steel)].

NFE has developed a holistic approach to manage corrosion at an "asset level" within the

NFE LNG Plant. NFE will follow industry codes and standards (such as the American Petroleum Institute (API) 510, 570, and 653 Inspection Codes) and recognized and generally accepted good engineering practices. An external visual inspection, including a corrosion under insulation (CUI) survey of assets should be conducted at intervals not greater than 3 years, as required by 49 CFR 193.2635(d). This is an NFE "enterprise" approach to asset integrity management that applies to the SJMFH Facility.

c) Provide guidance on how to categorize the degree of metal loss due to corrosion.

NFE Response: The NFE LNG O&M Plan was revised and updated at section 8.11 to reference SOP NFE-SAN JUAN-193-0003 *Conduct of Maintenance*. The SOP NFE-SAN JUAN-193-0003 *Conduct of Maintenance*, sections 6.19.4 and 6.19.5 have been updated to include the standard for assessing the severity of corrosion and the action to be taken per category of determination.

NFE will actively monitor corrosion at the SJMFH Facility under the guidance of an Asset Integrity Management program applying standards such as API 510 Pressure Vessel Inspection Code, API 570 Piping Inspection Code among other industry codes and standards.

d) How to record it.

NFE Response: The NFE LNG O&M Plan was revised and updated at section 8.11 to reference SOP NFE-SAN JUAN-193-0003 Conduct of Maintenance. The SOP NFE-SAN JUAN-193-0003 Conduct of Maintenance, section 7 has been updated to describe the guidance for proper record keeping regarding corrosion inspections and scheduling remedial action to be taken.

NFE respects and fully supports PHMSA's mission of ensuring LNG facility and pipeline safety. It is our goal to continuously evaluate our operations and maintenance programs and to identify opportunities to enhance our overall safety performance.

In support of this commitment, we have created a shared drive link titled "PHMSA Notice of Amendment 07-03-2025", where you will find the revised procedures and supporting documentation demonstrating compliance with the issues identified during the April 22–24, 2024 inspection. These materials have been prepared in accordance with the governing regulations pursuant to 49 U.S.C. § 60108(a) and 49 C.F.R. § 190.206.

NFE remains committed not only to addressing the specific findings in the Notice of Amendment but also to fostering a culture of safety, continuous improvement, and full

regulatory compliance. We value PHMSA's oversight and collaboration and welcome the opportunity to further strengthen our procedures and coordination with local authorities.

Should PHMSA have any further questions or require additional information, please do not hesitate to contact us.

Respectfully,

Zak Ahmed
Authorized Signatory
NFEnergia LLC