Enterprise Receives Deepwater Port License for Spot Project

April 9, 2024

HOUSTON--(BUSINESS WIRE)--Apr. 9, 2024-- Enterprise Products Partners L.P. (NYSE: EPD) (“Enterprise”) today announced that it has received the deepwater port license for the Sea Port Oil Terminal (“SPOT”) from the United States Maritime Administration (“MARAD”), an agency within the federal Department of Transportation. The license enables Enterprise to move forward to the next step in developing the offshore terminal capable of loading 2 million barrels per day (“BPD”) of crude oil.

“I would like to congratulate the entire Enterprise team, which demonstrated outstanding technical skills, dedication and perseverance over the past five years, allowing us to receive this license,” said A.J. “Jim” Teague, co-chief executive officer of Enterprise’s general partner. “With U.S. exports of crude oil at 4 million BPD, SPOT offers a more environmentally friendly, safe, efficient and cost-effective way to deliver crude oil to global markets. The receipt of the license is the most significant milestone to date in the development and commercialization of SPOT.”

Since the original application for a deepwater port license was submitted in January of 2019, Enterprise has worked diligently with various federal, state and local authorities, and participated in multiple public meetings that have allowed individuals and stakeholder groups to learn about the project and provide their comments to multiple environmental impact studies, including those translated into Spanish and Vietnamese. The exhaustive analysis associated with the project and continuous responses to requests for information from the various agencies produced more than 30,000 pages of documentation.

As planned, the SPOT offshore platform would be located approximately 30 nautical miles off the Brazoria County, Texas coast in 115 feet of water, and will be manned 24 hours per day. The facility is designed to load VLCCs and other crude oil tankers up to a rate of 85,000 barrels per hour. In addition, dual 36-inch diameter, bi-directional pipelines would be built that connect to the company’s new Oyster Creek crude oil terminal in Brazoria County that would be constructed approximately 10 miles inland. With a direct connection to Enterprise’s Houston ECHO terminal, as well as the company’s extensive integrated midstream network, SPOT would offer access to more than 40 distinct grades of crude oil, including Midland WTI.

SPOT reduces operational risks, including those associated with reverse lightering, an unregulated process in which crude oil is offloaded from multiple smaller ships onto a larger vessel in federal waters off the U.S. Gulf Coast. Limiting reverse lightering, combined with the SPOT platform’s state-of-the-art vapor combustion capabilities, would significantly reduce emissions.

“Compared with the current industry practice of reverse lightering, SPOT is expected to reduce crude vapor emissions by 95 percent, and lower total greenhouse gases by 65 percent,” said Teague. “Considering that as many as eight smaller vessels are required during the reverse lightering process, SPOT offers a safer alternative and reduces the potential for accidents and spills. At full capacity, SPOT would eliminate more than 900 ship-to-ship transfers in federal waters annually. The SPOT platform would also serve as a reef, supporting marine life.”

MARAD and U.S. Coast Guard led the comprehensive, four-year environmental review of this project. The reviews by more than a dozen federal governmental agencies, including the Army Corps of Engineers and Environmental Protection Agency, as well as reviews and approvals by the State of Texas. Highlighted below, are some of the notable findings from the record of decision, which SPOT received in November 2022:

- “The construction and operation of the Port is in the national interest because the Project will benefit employment, economic growth, and U.S. energy infrastructure resilience and security. The Port will provide a reliable source of crude oil to U.S. allies in the event of market disruption and have a minimal impact on the availability and cost of crude oil in the U.S. domestic market. Construction and operation of an offshore export terminal and the installation of a vapor combustion system at the DWP [deepwater port] will reduce the number of ship-to-ship transfers of crude oil and lessen emissions from conventional crude oil loading, thus providing a more efficient, less impactful crude oil transport facility within the offshore waters of the United States.”
- “The Project will be constructed and operated using the best available technology. Operating safety and control features of the Project will include autonomous shutdown valves, HIPPs, fire and gas detection, emergency shutdown and safety controls, and process control systems.”

Enterprise Products Partners L.P. is one of the largest publicly traded partnerships and a leading North American provider of midstream energy services to producers and consumers of natural gas, NGLs, crude oil, refined products and petrochemicals. Services include: natural gas gathering, treating, processing, transportation and storage; NGL transportation, fractionation, storage and marine terminals; crude oil gathering, transportation, storage and marine terminals; petrochemical and refined products production, transportation, storage, and marine terminals and related services; and a marine transportation business that operates on key U.S. inland and intracoastal waterway systems. The partnership’s assets include more than 50,000 miles of pipelines; over 300 million barrels of storage capacity for NGLs, crude oil, refined products and petrochemicals; and 14 billion cubic feet of natural gas storage capacity. Please visit www.enterpriseproducts.com for more information.

This press release includes “forward-looking statements” as defined by the Securities and Exchange Commission. All statements, other than statements of historical fact, included herein that address activities, events, developments or transactions that Enterprise and its general partner expect, believe or anticipate will or may occur in the future are forward-looking statements. These forward-looking statements are subject to risks and uncertainties that may cause actual results to differ materially from expectations, including required approvals by regulatory agencies, the possibility that the anticipated benefits from such activities, events, developments or transactions cannot be fully realized, the possibility that costs or difficulties related thereto will be greater than expected, the impact of competition, and other risk factors included in Enterprise’s reports filed with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of their dates. Except as required by law, Enterprise does not intend to update or revise its forward-looking statements, whether as a result of new information, future events or otherwise.

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Source: Enterprise Products Partners L.P.