

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CAMERON LNG, LLC

) FE DOCKET NO. 14-001-CIC
) FE DOCKET NO. 11-162-LNG
) FE DOCKET NO. 11-145-LNG

ORDER APPROVING CHANGE IN CONTROL
OF EXPORT AUTHORIZATIONS

DOE/FE ORDER NO. 3452

JUNE 27, 2014

I. DESCRIPTION OF REQUEST

On February 18, 2014, Cameron LNG, LLC (Cameron) filed an Application¹ with the Office of Fossil Energy (FE) of the Department of Energy (DOE) to transfer indirect control of two DOE/FE export authorizations that it currently holds. These authorizations include: (1) an authorization to export liquefied natural gas (LNG) to any country with which the United States has a free trade agreement (FTA) that requires national treatment for trade in natural gas (FTA countries),² and (2) a conditional authorization to export LNG to countries with which the United States does not have a FTA that requires national treatment for trade in natural gas (non-FTA countries).³ Together, these authorizations permit Cameron to export domestically produced LNG from the existing Cameron LNG Terminal located in Cameron and Calcasieu Parishes, Louisiana, in a cumulative volume equivalent to 1.7 billion cubic feet per day (Bcf/d) of natural gas, or 620 Bcf per year (Bcf/yr).⁴

Cameron states that the indirect transfer of control will occur due to a change in the ownership structure of Cameron's parent company. Cameron is a direct, wholly owned subsidiary of Sempra LNG Holdings II, LLC (Sempra LNG Holdings), and an indirect, wholly owned subsidiary of Sempra Energy (Sempra), a publicly traded corporation. Under the proposed transaction, the interest of Sempra LNG Holdings in Cameron will be transferred to Cameron LNG Holdings LLC (Cameron Holdings), also a wholly owned subsidiary of Sempra

¹ Cameron LNG, LLC, Application to Transfer Control of Long-Term Authorization to Export LNG to Free Trade Agreement Nations and Conditional Long-Term Authorization to Export LNG to Non-Free Trade Agreement Nations, FE Docket No. 14-001-CIC (Feb. 12, 2014) [hereinafter Cameron App.].

² *Cameron LNG, LLC*, DOE/FE Order No. 3059, FE Docket No. 11-145-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal to Free Trade Agreement Nations (Jan. 17, 2012) [hereinafter Cameron FTA Order].

³ *Cameron LNG, LLC*, DOE/FE Order No. 3391, FE Docket No. 11-162-LNG, Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Cameron LNG Terminal in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations (Feb. 11, 2013) [hereinafter Cameron Conditional Non-FTA Order].

⁴ See Cameron FTA Order, DOE/FE Order No. 3059, at 6; Cameron Conditional Non-FTA Order, DOE/FE Order No. 3391, at 142.

LNG Holdings. At the same time, Sempra LNG Holdings will cause to be issued additional membership shares equal to a 49.8% interest in Cameron Holdings to affiliates of its terminal service customers, as described below. Under the proposed transaction, Cameron LNG will remain the holder of both the FTA and conditional non-FTA authorizations. Further, Cameron states that the change in control will not affect the existing Cameron LNG Terminal or modify the proposed Liquefaction Project.⁵

Cameron requests approval of the proposed change in control pursuant to DOE/FE's regulations, which state that "[a]uthorizations by the Assistant Secretary to import or export natural gas shall not be transferable or assignable, unless specifically authorized by the Assistant Secretary,"⁶ and in compliance with its conditional non-FTA order.⁷ Upon an examination of the record evidence, we find that the proposed change in control has not been shown to be inconsistent with the public interest under section 3(a) of the Natural Gas Act (NGA), 15 U.S.C. § 717b(a), as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486), and we therefore grant Cameron's Application.⁸

II. BACKGROUND

Applicant. Cameron states that it is a Delaware limited liability company with its executive offices in Houston, Texas. Cameron owns and operates the Cameron LNG Terminal, which has an interconnection with Cameron Interstate Pipeline, LLC.

⁵ Cameron's proposed Liquefaction Project includes, in relevant part, natural gas pre-treatment, liquefaction, and export facilities to be constructed and operated at the Cameron LNG Terminal, thereby expanding the Terminal into a facility capable of liquefying and exporting domestic LNG. *See* Cameron Conditional Non-FTA Order, DOE/FE Order No. 3391, at 2, 11-12; Cameron App. at 4.

⁶ 10 C.F.R. § 590.405.

⁷ *See* Cameron Conditional Non-FTA Order, DOE/FE Order No. 3391, at Ordering Para. N (requiring DOE/FE approval prior to any change in control of the authorization holder).

⁸ The authority to regulate the imports and exports of natural gas, including LNG, under NGA section 3 has been delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04F (July 11, 2013).

Procedural History. The Application relates to the indirect legal control of two LNG export authorizations held by Cameron. First, on January 17, 2012, DOE/FE issued Order No. 3059, in which it authorized Cameron to export domestically produced LNG in a volume equivalent to 620 Bcf/yr of natural gas by vessel from the Cameron LNG Terminal to FTA countries for a term of 20 years, beginning on the earlier of the date of first cargo export or seven years from the date of authorization.⁹

Second, on February 11, 2014, DOE/FE issued Order No. 3391, in which it authorized Cameron to export the same volume of domestically produced LNG to non-FTA countries for a 20-year period, commencing on the earlier of the date of first cargo export or seven years from the date of the authorization.¹⁰ As noted above, the volumes authorized for export under both orders are not additive.

Cameron filed the Application in this proceeding on February 12, 2014. DOE/FE published a Notice of Application in the Federal Register on May 22, 2014.¹¹ The Notice of Application stated that comments, protests, and motions to intervene or notices of intervention would be due no later than June 18, 2014. DOE/FE received no filings in response to the Notice.

III. APPLICATION TO TRANSFER CONTROL

Pursuant to 10 C.F.R. § 590.405, Cameron seeks approval for the indirect transfer of control due to a change in its upstream ownership structure. Cameron previously informed DOE/FE, and states again in its Application, that it has entered into liquefaction and

⁹ See *supra* at n.2.

¹⁰ See *supra* at n.3.

¹¹ Cameron LNG, LLC, Application to Transfer Control of Long-Term Authorization to Export LNG to Free Trade Agreement Nations and Conditional Long-Term Authorization to Export LNG to Non-Free Trade Agreement Nations, 79 Fed. Reg. 30,837 (May 22, 2014).

regasification tolling agreements with the following three customers: GDF SUEZ S.A. (GDF SUEZ), Mitsui & Co., Ltd. (Mitsui), and affiliates of Mitsubishi Corporation (Mitsubishi).¹²

Under the proposed transaction, the interest of Sempra LNG Holdings in Cameron will transfer to Cameron Holdings, and Sempra LNG Holdings will cause to be issued additional membership interests in Cameron Holdings equal to a 49.8% interest.

These new membership interests will be conveyed to affiliates of Cameron’s terminal service customers as follows:

Member Name	Full Name and Description	Membership Interest (Totaling 49.8%)
The GDF SUEZ Member	GDF SUEZ Cameron LNG Holding II Corporation, a Delaware corporation and a wholly owned, indirect subsidiary of GDF SUEZ	16.6% interest in Cameron Holdings
The Mitsui Member	Mitsui & Co. Cameron LNG Investment, Inc., a Delaware corporation and a wholly owned, indirect subsidiary of Mitsui	16.6% interest in Cameron Holdings
The Mitsubishi Member	Japan LNG Investment, LLC, a Delaware limited liability company indirectly owned by: (i) Nippon Yusen Kabushiki Kaisha (NYK), through NYK Cameron LNG Holdings, Inc., a Delaware corporation; and (ii) Mitsubishi, through Diamond Gas America Corporation, a Delaware corporation	16.6% interest in Cameron Holdings

Cameron states that Mitsubishi and NYK are unaffiliated entities. Cameron further states that Sempra Energy will retain a 50.2% interest in Cameron Holdings, through Sempra LNG

¹² Cameron Conditional Non-FTA Order, DOE/FE Order No. 3391, at 10; Cameron App. at 4.

Holdings (known as the Sempra Member). Cameron states that each of the four members in Cameron Holdings will have a voting interest commensurate with its membership interest.¹³

Cameron maintains that it will continue to hold both the FTA authorization and conditional non-FTA authorization issued by DOE/FE; only the upstream ownership structure will change. According to Cameron, the proposed transaction will not affect or modify the Cameron LNG Terminal, the scope or commencement date of the Liquefaction Project, the total volume of LNG to be exported, or other terms and conditions of the export arrangements considered by DOE/FE in its prior public interest determinations. Cameron further asserts that, because the proposed transaction will not require any changes to the proposed Liquefaction Project facilities, granting the Application would not be a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act of 1969, 42 U.S.C. § 4321, *et seq.*

Cameron therefore submits that there are no facts that would alter DOE/FE's previous public interest determination in granting the FTA and conditional non-FTA orders, and that the proposed change in control is consistent with the public interest under NGA section 3(a).

IV. DECISION

A. Standard of Review

Pursuant to the transfer of authorities under sections 301(b) and 402 of the DOE Organization Act, 42 U.S.C. § 7151(b) and 42 U.S.C. § 7172, DOE/FE is responsible for evaluating the Application under section 3 of the NGA. Section 3(a) provides:

¹³ Cameron states that one of its affiliates, Sempra LNG Marketing, LLC (SLNG), holds a blanket authorization from DOE/FE to import LNG at the Cameron LNG Terminal. SLNG also has a blanket authorization to export previously imported (*i.e.*, foreign sourced) LNG from the Cameron LNG Terminal. Cameron states that nothing in its Application is intended to supersede or otherwise modify the blanket import and export authorizations granted by DOE/FE to SLNG.

[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless after opportunity for hearing, [he] finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by [the Secretary's] order grant such application, in whole or part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate.

15 U.S.C. § 717b(a). DOE/FE will apply the standard of review set forth in section 3(a) to the proposed change in control. Accordingly, we will authorize Cameron's requested change in control unless it is shown that the proposed change will not be consistent with the public interest.

B. Analysis and Findings

Cameron's Application is unopposed, as DOE/FE received no filings in response to the Notice of Application. Further, DOE/FE has found no basis in the Application to find that the proposed change in control would be inconsistent with the public interest. All parties involved are companies registered in the United States, availing themselves of United States law. Finally, it has not been shown that the change in control will impact any of the public interest considerations evaluated by DOE/FE in issuing Cameron's FTA and conditional non-FTA authorizations.

After due consideration based on all facts and evidence of record set forth above, DOE/FE finds that a grant of the requested change in control has not been shown to be inconsistent with the public interest, and we further find that the Application should be granted.¹⁴

¹⁴ Cameron is advised, however, that any change in control may require the approval of the Committee on Foreign Investment in the United States (CFIUS). DOE expresses no opinion regarding the need for review by CFIUS. Further information may be obtained at: <http://www.treasury.gov/resource-center/international/Pages/Committee-on-Foreign-Investment-in-US.aspx>.

ORDER

Pursuant to section 3 of the NGA and 10 C.F.R. § 590.405, it is ordered that:

A. DOE/FE approves the proposed change in control of Cameron's FTA authorization, issued in DOE/FE Order No. 3059 (FE Docket No. 11-145-LNG), and its conditional non-FTA authorization, issued in DOE/FE Order No. 3391 (FE Docket No. 11-162-LNG), as follows:

(i) The interest of Sempra LNG Holdings II, LLC in Cameron will be transferred to Cameron LNG Holdings LLC, a wholly owned subsidiary of Sempra LNG Holdings; and

(ii) Sempra LNG Holdings II, LLC will cause to be issued additional membership interests in Cameron LNG Holdings LLC equal to a 49.8% interest. These membership interests will be conveyed to the following three entities: GDF SUEZ Cameron LNG Holding II Corporation (the GDF SUEZ Member); Mitsui & Co. Cameron LNG Investment, Inc. (the Mitsui Member); and Japan LNG Investment, LLC (the Mitsubishi Member)—each of which will hold a 16.6% interest in Cameron LNG Holdings LLC.

B. Cameron will remain the holder of both the FTA and conditional non-FTA authorizations specified above.

C. This authorization shall be effective immediately.

Issued in Washington, D.C., on June 27, 2014.



John A. Anderson
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Office of Oil and Gas Global Security and Supply
Office of Fossil Energy