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Tuesday, March 18, 2014

Mr. John Anderson
U.S. Department of Energy
Office of Fossil Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, SW
Washington, D.C. 20585

RE: Clean Energy
FE Docket No. 14 - 54 - LNG
Application for Blanket Authorization to Import and Export Liquefied Natural Gas
from and to Free Trade Agreement Countries

Dear Mr. Anderson,

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, and Part 590 of the regulations of the Department of Energy, 10 C.F.R. Part 590 (2014), Clean Energy hereby submits its Application for Blanket Authorization to Import and Export Liquefied Natural Gas from and to Free Trade Agreement Countries.

Enclosed please find a check for the filing fee in the amount of \$50.00, pursuant to 10 C.F.R. § 590.207. In addition, pursuant to 10 C.F.R. § 590.103(b), a Verification Letter is attached as Appendix A and, pursuant to 10 C.F.R. § 590.202(c), an Opinion of Counsel Letter is attached as Appendix B. Copies of these documents are attached to the filing e-mail and originals will be sent via United Parcel Service.

Please do not hesitate to contact the undersigned should you have any questions about this application.

Respectfully Submitted,

_____/s/____

Joseph H. Fagan
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RECEIVED

By Docket Room at Mar 19, 2014

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In the Matter of:

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Clean Energy

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Docket No. 14- 54-LNG

**APPLICATION OF CLEAN ENERGY FOR BLANKET AUTHORIZATION
TO IMPORT AND EXPORT LIQUEFIED NATURAL GAS
FROM AND TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act (“NGA”), as amended by Section 201 of the Energy Policy Act of 1992,¹ and Part 590 of the regulations of the Department of Energy (“DOE”),² Clean Energy, a wholly owned subsidiary of Clean Energy Fuels Corp., hereby submits this Application (“Application”) to the DOE Office of Fossil Energy (“DOE/FE”) for blanket authorization to engage in short-term imports and exports of up to 100 billion cubic feet (“Bcf”) of liquefied natural gas (“LNG”). The authorization requested is for a two-year period commencing on the day the requested authorization is granted. Clean Energy requests that such authorization allow it to import and export, via truck, rail, barge or other waterborne vessel both previously imported and domestically sourced LNG from and to Canada, Mexico, and any other country with which the United States currently has, or in the future will have, a Free Trade Agreement (“FTA”).

Inasmuch as applications such as this one, which request import and export authorization from and to countries with which the United States has an FTA, are reviewed pursuant to the standards established by the Energy Policy Act of 1992, Clean Energy understands that section 3(c) of the NGA, as amended by § 201 of the Energy Policy Act of 1992, established a statutory presumption that imports and exports to FTA countries must be authorized. Such imports and

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. § 590 (2013).

exports are “deemed to be within the public interest,” and applications for such exportation “shall be granted without modification or delay.”³

In support of this Application, Clean Energy respectfully states as follows:

I.

DESCRIPTION OF APPLICANT

The exact legal name of the applicant is Clean Energy, a California corporation. Clean Energy is a corporation organized under the laws of the State of California, with its principal place of business at 4675 MacArthur Court, Suite 800, Newport Beach, California 92660. Clean Energy is a wholly owned subsidiary of Clean Energy Fuels Corp., a Delaware corporation.

Clean Energy is the largest provider of natural gas fuel for transportation in North America and a global leader in the natural gas vehicle market. Clean Energy has operations in compressed natural gas (“CNG”) and LNG vehicle fueling, construction and operation of CNG and LNG fueling stations, compressor equipment and technology and biomethane production. Clean Energy owns, operates, maintains and/or supplies over 440 natural gas fueling stations within the United States and Canada.

³ 15 U.S.C. § 717b(c). (“For purposes of [15 U.S.C. § 717b(a)] of this section, the importation of the natural gas referred to in [15 U.S.C. § 717b(b)] of this section, or the exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.”).

II.

COMMUNICATIONS

Correspondence and communications regarding this Application should be addressed to the following:

J. Nathan Jensen
Vice President and General Counsel
Clean Energy Fuels Corp.
4675 MacArthur Court, Suite 800
Newport Beach, CA 92660
(949) 437-1180
njensen@cleanenergyfuels.com

Joseph H. Fagan
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Washington, DC 20005
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III.

AUTHORIZATION REQUESTED

Clean Energy requests blanket authorization to import and export up to a cumulative total of 100 Bcf of LNG on a short-term or spot market basis over a two-year term. Clean Energy requests that such blanket short-term authorization provide for import to and export from Clean Energy's LNG facilities throughout the United States to and from Canada, Mexico and any other country that has, or in the future will have, the capacity to import and export LNG via truck, rail, barge or other waterborne vessel, and with which the United States currently has, or in the future will have, an FTA requiring the national treatment for trade in natural gas and LNG.

Clean Energy's negotiations with prospective domestic and FTA customers are continually in flux. For that reason, Clean Energy respectfully requests that DOE/FE grant import and export authorization on a blanket basis at all points of import and export from and to Canada, Mexico, or any other FTA country, to provide Clean Energy with the necessary flexibility to respond to such opportunities. In this regard, Clean Energy requests similar authority previously granted by DOE/FE to other applicants.

IV.

PUBLIC INTEREST STANDARD

As noted above, this Application is submitted pursuant to Section 3(c) of the NGA, under which DOE/FE is required to authorize imports/exports unless it makes an affirmative finding that such imports/exports “will not be consistent with the public interest.” Section 3 thus creates a statutory presumption in favor of the approval of this import and export Application. Any opposition to this Application would bear the burden of overcoming that presumption. It should further be noted that this Application is submitted pursuant to the standard established by the Energy Policy Act of 1992, under which applications for export to FTA countries are deemed to be in the public interest, and must be granted without modification or delay.⁴ This blanket short-term Application is therefore consistent with the public interest.

There is currently no domestic reliance on the LNG seeking to be exported and/or imported by Clean Energy. The primary source of natural gas supply to be exported will be the robust and liquid United States natural gas market, which now includes natural gas produced from shale deposits. Clean Energy will be producing LNG from its production plants in Willis, Texas and Boron, California and, in addition, Clean Energy may purchase LNG on both a spot basis and under long term purchase agreements from suppliers, including utilities that have excess natural gas and LNG, and which have obtained appropriate regulatory approval, if required, for the sales of such excess capacity.

As DOE/FE recently recognized, United States consumers currently have access to substantial quantities of natural gas, as a result of, among other things, technological advances

⁴ 15 U.S.C. § 717b(c).

that have allowed for development of previously undeveloped reserves of domestic shale gas.⁵ The Annual Energy Outlook 2013, prepared by the U.S. Energy Information Administration (“EIA”), forecasts shale gas production to increase to grow by 113 percent from 2011 to 2040, the greatest contributor to natural gas production growth.⁶ EIA’s Annual Energy Outlook 2013 further predicts that, as a result of increased shale production and low prices, the US will become a net exporter of LNG by 2016.⁷ Large volumes of domestic shale gas reserves and its development and extraction, as well as continued low production costs, will enable the United States to develop significant quantities of natural gas and LNG, which will be able to meet domestic demand for decades to come, and, as a result, also will provide an over-capacity of natural gas and LNG that would be available for export. The downward trend in natural gas prices in recent years provides evidence of such over-capacity.⁸

The quantities of LNG that Clean Energy will produce and purchase from within the United States for export are relatively small when compared to those included in recent export applications received by the DOE/FE. By allowing Clean Energy to produce this LNG for export, DOE/FE’s approval of this Application will benefit a domestic company, in addition to supporting President Obama’s National Export Initiative signed in 2010.⁹

⁵ *Cheniere Marketing, LLC*, FE Docket No. 10-31-LNG, Order No. 2795 (June 1, 2010).

⁶ U.S. ENERGY INFORMATION ADMINISTRATION, ANNUAL ENERGY OUTLOOK 2013 79 (2013) *available at* [http://www.eia.doe.gov/oiaf/aeo/pdf/0383\(2010\).pdf](http://www.eia.doe.gov/oiaf/aeo/pdf/0383(2010).pdf).

⁷ *Id.* at 3.

⁸ *See, e.g., id.* at Figure 86.

⁹ Exec. Order No. 13534, 75 Fed. Reg. 12433 (March 11, 2010).

V.

ENVIRONMENTAL IMPACT

No major facility modifications or additions will be required in order for Clean Energy to import and export LNG to and from the United States.¹⁰ Clean Energy will transport the LNG from its liquefaction facilities within the United States via truck, rail, barge or other waterborne vessel, and will transport LNG to buyers in Canada, Mexico, and other nations with which the United States has a FTA, using LNG transportation containers approved for transport.

Containers and carriers used for transportation within the United States will comply with all Association of American Railroads and United State Department of Transportation regulations, and the third parties with which Clean Energy will be contracting to handle such transportation will comply with all hazardous material and cryogenic handling regulations and requirements, including employee training, in addition to obtaining any state permits required for transportation of LNG.

As stated above, in the majority of cases, no new facilities (or modifications to any existing facilities) would be required in order for Clean Energy to export LNG. In the limited cases in which the Clean Energy chooses to make minor modifications to its facilities to accommodate any additional volume of LNG resulting from such production and deliveries, Clean Energy will obtain the necessary state, local, or federal permits before any such modifications. Approval of this Application therefore would not constitute a federal action

¹⁰ If and to the extent the non-Clean Energy owners of liquefaction facilities from which Clean Energy is taking delivery of LNG make minor modifications to those facilities to either accommodate the slight additional volume of LNG resulting from such deliveries or to account for the temperature requirements of LNG versus other liquefied petroleum products, those owners will obtain the necessary state, local, or federal permits before any such modifications or deliveries occur.

significantly affecting the human environment within the meaning of the National Environmental Policy Act.¹¹

VI.

APPENDICES

The following appendices are submitted as part of this Application:

Appendix A: Verification

Appendix B: Opinion of Counsel

VII.

CONCLUSION

WHEREFORE, for the foregoing reasons, Clean Energy respectfully requests that the DOE/FE expeditiously consider the instant Application and, in accordance with Section 3 of the NGA and Part 590 of the DOE regulations, grant the blanket short-term import and export authorization requested herein.

Respectfully submitted,

By: _____
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Washington, DC 20005
Tel: (202) 218-3900
Fax: (202) 354-5320
E-mail: jfagan@daypitney.com

Counsel for Clean Energy

Dated: March 18, 2014

¹¹ 42 U.S.C. § 4231, *et seq.*; Categorical Exclusion B5.7, 10 C.F.R. Part 1021, Subpart D, Appendix B.

APPENDIX B

OPINION OF COUNSEL

March 13, 2014

Mr. John A. Anderson
Office of Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

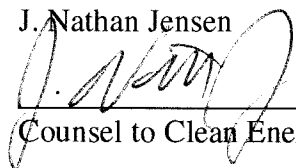
RE: *Clean Energy*; Application for Blanket Authorization to Import and Export Liquefied Natural Gas

Dear Mr. Anderson:

This opinion is submitted pursuant to 10 C.F.R. § 590.202(c) of the Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2013). The undersigned is counsel to Clean Energy. I have reviewed the corporate documents of Clean Energy, and it is my opinion that the proposed importation and exportation of liquefied natural gas by Clean Energy to which this Opinion of Counsel is attached as Appendix B, is within the corporate powers of Clean Energy.

Respectfully submitted,

J. Nathan Jensen



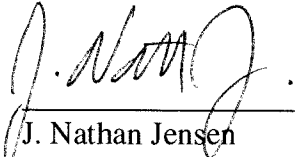
Counsel to Clean Energy.

APPENDIX A
VERIFICATION

County of ORANGE

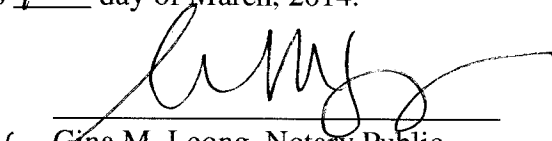
State of CALIFORNIA

I, J. Nathan Jensen, being duly sworn on his oath, do hereby affirm that I am Vice President and General Counsel of Clean Energy; that I am familiar with the contents of this Application; and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.



J. Nathan Jensen

Sworn to and subscribed before me, a Notary Public, in and for the State of California,
this 13th day of March, 2014.



Gina M. Leong, Notary Public

