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DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

EAGLE LNG PARTNERS JACKSONVILLE LLC) FE DOCKET NO. 16-15-LNG

APPLICATION TO AMEND EXPORT TERM FOR EXISTING LONG-TERM EXPORT AUTHORIZATIONS THROUGH DECEMBER 31, 2050

November 30, 2020

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UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

EAGLE LNG PARTNERS JACKSONVILLE LLC) FE DOCKET NO. 16-15-LNG

<u>APPLICATION TO AMEND EXPORT TERM FOR EXISTING</u> LONG-TERM EXPORT AUTHORIZATIONS THROUGH DECEMBER 31, 2050

Pursuant to Section 3 of the Natural Gas Act ("NGA"), Part 590 of the Department of Energy's ("DOE") regulations, and DOE's Final Policy Statement entitled "Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050," Eagle LNG Partners Jacksonville LLC ("Eagle LNG") requests that the DOE, Office of Fossil Energy ("DOE/FE") amend the orders issued in the above-captioned docket which grant Eagle LNG authorization to engage in long-term exports of domestically produced liquefied natural gas ("LNG") to (i) any nation that currently has or in the future develops the capacity to import LNG and with which the United States currently has, or in the future enters into, a free trade agreement ("FTA") requiring the national treatment for trade in natural gas and LNG ("FTA Nations") and (ii) any nation with which the United States does not now or in the future have an FTA requiring the national treatment for trade in natural gas that has, or in the future develops, the capacity to import LNG and with which trade is not prohibited by U.S. law or policy ("Non-FTA Nations"). Through this amendment application, Eagle LNG seeks an extension to the currently authorized export term of each of its existing LNG export authorizations through

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. Part 590 (2020).

³ DOE/FE, Final Policy Statement Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, FE Docket Nos. 10-111-LNG, *et al.* (July 29, 2020), 85 Fed. Reg. 52,237 (Aug. 25, 2020) ("Term Extension Policy Statement").

⁴ The relevant orders are cited and described in Section I below.

December 31, 2050, with an attendant increase in the total export volume over the life of these authorizations.

In support of this amendment application, Eagle LNG represents as follows:

Section I

1. FE Docket Number

This amendment application relates to DOE/FE Docket No. 16-15-LNG.

2. Authorization Holder

The exact legal name of the authorization holder is Eagle LNG Partners Jacksonville LLC. Eagle LNG is a limited liability company organized under the laws of Delaware. It is a wholly-owned subsidiary of Eagle LNG Partners LLC, which also is a Delaware limited liability company. The sole current member of Eagle LNG Partners LLC is Ferus Natural Gas Fuels, L.P. Ferus Natural Gas Fuels, L.P. is a Delaware partnership, with headquarters is located at 2445 Technology Forest Blvd, Suite 500, The Woodlands, TX 77381. Eagle LNG's headquarters office is also located at 2445 Technology Forest Blvd, Suite 500, The Woodlands, TX 77381. Eagle LNG's telephone number is +1 (832) 709-0744.

Communications concerning this amendment application, including service of pleadings and notices, should be directed as follows:

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3. Name and Location of Export Facility

Eagle LNG's Jacksonville Project remains under development. It will be located in the Port of Jacksonville, on the St. Johns River, in Jacksonville, Florida. At full build out, the Jacksonville Project will include three LNG trains having the capacity to produce approximately 45.5 MMcf/d of LNG per train, or a total of 136.4 MMcf/d (0.14 Bcf/d or 136,400 MMbtu/d) from the three trains. This is equivalent to approximately 49.8 Bcf/year (or 1.0 MTPA or 49,800,000 MMbtu/year). Current plans include construction of one LNG storage tank with a capacity of 12 million gallons, a marine load-out facility, and a dock that could accommodate small to mid-size LNG vessels (for export to nearby markets) and bunkering barges (for domestic ship fueling at the Port of Jacksonville), as well as a truck load-out facility.

4. Existing Long-Term DOE/FE Order Addressed in this Request

Eagle LNG is currently authorized by DOE/FE Order Nos. 3867⁵ and 4445⁶ to export up to the equivalent of 49.8 Bcf of natural gas per year to FTA Nations and Non-FTA Nations.

5. Federal Energy Regulatory Commission Order Authorizing Siting and Operation of the Eagle LNG Project

The Federal Energy Regulatory Commission authorized Eagle LNG to site, construct and operate the Jacksonville Project by order issued on September 19, 2019.⁷

⁵ Eagle LNG Partners Jacksonville LLC, DOE/FE Order No. 3867, FE Docket No. 16-15-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From, or in ISO Containers Loaded at, the Proposed Eagle LNG Facility in Jacksonville, Florida, to Free Trade Agreement Nations (July 21, 2016).

⁶ Eagle LNG Partners Jacksonville LLC, DOE/FE Order No. 4445, FE Docket No. 16-15-LNG, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations (Oct. 3, 2019) ("Order No. 4445").

⁷ Eagle LNG Partners Jacksonville LLC, Order Granting Authorization Under Section 3 of the Natural Gas Act, 168 FERC ¶ 61,181 (2019).

6. Requested amendment to existing export term

Eagle LNG asks that DOE/FE grant it an extension of the term of the export authorizations it currently holds through December 31, 2050 (inclusive of any make-up period), with a corresponding increase in the total volume of natural gas it is authorized to export over the extended term. Eagle LNG requests that DOE/FE act on this request by January 15, 2021.

Section II

1. Information Demonstrating that the Requested Term Extension is in the Public Interest

The export authorization term extension requested here satisfies the standards DOE/FE applies in evaluating requests for authorization under Section 3 of the NGA. Eagle LNG's request to extend the term of its authorization to export natural gas to FTA Nations must be evaluated under Section 3(c) of the NGA, which provides that such exports are deemed to be in the public interest and must be granted without modification or delay. This aspect of Eagle LNG's request may be granted without any further inquiry. Eagle LNG's request for an extension of the term of its authorization to export natural gas to Non-FTA Nations must be evaluated under Section 3(a) of the NGA, which provides that DOE/FE is required to authorize natural gas exports to a foreign country unless it finds that such exports "will not be consistent with the public interest." Section 3(a) therefore establishes a presumption that applications for authorization for exports of LNG to Non-FTA Nations should be approved.

The record developed in DOE/FE Docket No. 16-15-LNG establishes that exports from Eagle LNG's Jacksonville Project will be consistent with the public interest. Eagle LNG

⁸ 15 U.S.C. § 717b(c).

⁹ 15 U.S.C. § 717b(a). That section states, in relevant part: "After six months from June 21, 1938, no 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 Commission authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest." *Id.*

incorporates by this reference the record developed in that docket, which includes several DOE-commissioned studies on the economic effects of U.S. LNG exports generally supporting the conclusion that the United States will experience net economic benefits from the export of domestically produced LNG. ¹⁰ Following its review of the record in DOE/FE Docket No. 16-15-LNG, DOE/FE found no basis on which to conclude that Eagle LNG's proposed exports would be inconsistent with the public interest. ¹¹ It found that the single party that had contested Eagle LNG's application had failed to overcome the statutory presumption that the proposed export authorization would be consistent with the public interest. ¹² Those findings remain valid today. Given the relatively small quantity of natural gas Eagle LNG has been authorized to export relative to the enormous natural gas resource base available in the U.S., ¹³ their validity is not diminished by the prospective extension of the term of Eagle LNG's export authorization through December 31, 2050. ¹⁴

¹⁰ See generally Order No. 4445 at 4-8, citing 2012 LNG Export Study, 77 Fed. Reg. 73,627 (Dec. 11, 2012), available at http://energy.gov/sites/prod/files/2013/04/f0/fr_notice_two_part_study.pdf (Notice of Availability of the LNG Export Study); U.S. Dep't of Energy, Office of Fossil Energy, Request for an Update of EIA's January 2012 Study of Liquefied Natural Gas Export Scenarios, available at http://energy.gov/fe/downloads/request-update-eia-s-january-2012-study-liquefied-natural-gas-export-scenarios (May 29, 2014) (memorandum from FE to EIA); Center for Energy Studies at Rice University Baker Institute and Oxford Economics, *The Macroeconomic Impact of Increasing U.S. LNG Exports* (Oct. 29, 2015), available at

http://energy.gov/sites/prod/files/2015/12/f27/20151113 macro impact of lng exports 0.pdf; NERA Economic Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (June 7, 2018), available at

 $[\]frac{https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic\%20LNG\%20Export\%20Study\%202018.pdf}{(the "2018 LNG Export Study")}.$

¹ Order No. 4445 at 54.

¹² *Id*.

¹³ See, e.g., 2018 Export Study; see also U.S. Dep't of Energy, Study on Macroeconomic Outcomes of LNG Exports; Notice of Availability of the 2018 LNG Export Study and Request for Comments, 83 Fed. Reg. 27,314 (June 12, 2018); U.S. Dep't of Energy, Study on Macroeconomic Outcomes of LNG Exports; Response to Comments Received on Study, 83 Fed. Reg. 67,251 (Dec. 28, 2018).

¹⁴ See generally Term Extension Policy Statement, 85 Fed. Reg. at 52,243, citing the U.S. Energy Information Administration's Annual Energy Outlook 2020 (Jan. 29, 2020), available at https://www.eia.gov/outlooks/aeo/pdf/aeo2020.pdf ("AEO 2020") for the proposition that natural gas supply, demand and price projected for 2050 are projected to be supportive of LNG exports through 2050.

Other recently published official analyses provide additional support for the proposition that extension of Eagle LNG's existing export authorizations would be consistent with the public interest. Among these are the Term Extension Policy Statement, AEO 2020, and the National Energy Technology Laboratory's "Life Cycle Greenhouse Gas Perspective On Exporting Liquefied Natural Gas From The United States: 2019 Update," which calculates the life cycle greenhouse gas emissions from imported natural gas and coal-fired power production in Europe and Asia (the "NETL GHG Update") and DOE's response to comments on the NETL GHG Update. As DOE/FE has observed, the 2018 LNG Export Study establishes that "the United States will experience net economic benefits from the export of domestically produced LNG through the 30-year study period, i.e., from 2020 through 2050." Moreover, as DOE/FE has found in reviewing the NETL GHG Update, there is "no reason to conclude that U.S. LNG exports will increase global GHG emissions in a material or predictable way," and accordingly that analysis "supports the proposition that exports of LNG from the lower-48 states will not be inconsistent with the public interest."

DOE/FE has identified a number of benefits that should result from extension of the terms of authorizations to export LNG to Non-FTA Nations through 2050. After reviewing comments identifying such benefits in the Term Extension Policy Statement, DOE/FE concluded that a policy favoring extension of LNG export authorizations through 2050 "will provide important commercial benefits to existing and future authorization holders in the lower-48 states,"

¹⁵ National Energy Technology Laboratory, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update* (Sept. 12, 2019), *available at* https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf; DOE, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update – Response to Comments*, 85 Fed. Reg. 72 (Jan. 2, 2020).

¹⁶ Term Extension Policy Statement, 85 Fed. Reg. at 52,240.

¹⁷ Id.

while enhancing long-term regulatory certainty for both authorization holders and foreign buyers of U.S. LNG."¹⁸ It further noted that "the 2018 LNG Export Study, as well as DOE's four prior LNG export studies, consistently have projected positive economic benefits from increased levels of U.S. LNG exports, as measured by GDP."¹⁹ These well-supported findings regarding the benefits of extending the term of existing authorizations to export LNG to Non-FTA Nations are applicable to the proposed extension of Eagle LNG's existing export authorization.

Accordingly, DOE/FE has ample basis on which to find and conclude that the extension of Eagle LNG's existing authorization to export LNG to Non-FTA Nations through December 31, 2050 is consistent with the public interest.

2. Compliance with the National Environmental Policy Act of 1969

The Federal Energy Regulatory Commission issued a final EIS for Eagle LNG's Jacksonville Project on April 12, 2019.²⁰ After an independent review, DOE/FE adopted that final EIS on April 22, 2019 (DOE/EIS-0513),²¹ and the U.S. Environmental Protection Agency (EPA) published a notice of the adoption on May 3, 2019.²² DOE/FE issued its Record of Decision under NEPA for the Jacksonville Project as an Appendix to Order No. 4445.²³

There have been, and are expected to be, no changes to the proposed and authorized Jacksonville Project associated with the term extension requested by this application. Eagle LNG submits that because this term extension request requires no new construction or modification of the facilities it has been authorized to construct, the categorical exclusion for

¹⁸ *Id.* at 52,241.

¹⁹ *Id*

²⁰ Federal Energy Regulatory Comm'n, Final Environmental Impact Statement for Eagle LNG Partners *Jacksonville, LLC Jacksonville Project*, Docket No. CP17-41-000 (Apr. 12, 2019).

²¹ Letter from Amy Sweeney, DOE/FE, to Julie Roemele, U.S. EPA (Apr. 22, 2019) (adoption of final EIS).

²² U.S. Envtl. Protection Agency, Environmental Impact Statements; Notice of Availability, 84 Fed. Reg. 19,074 (May 3, 2019).

²³ Order No. 4445, Appendix: Record of Decision.

actions related to minor operational changes described in DOE's regulations²⁴ is applicable to this request.

WHEREFORE, Eagle LNG respectfully requests that, as contemplated by the Term Extension Policy Statement, DOE/FE grant this request for an extension to the export term specified in DOE/FE Order Nos. 3867 and 4445 through December 31, 2050 (inclusive of any make-up period), with corresponding increase in the total export volume of natural gas Eagle LNG is authorized to export over the extended term. Eagle LNG respectfully requests that the DOE/FE issue this authorization by January 15, 2021.

Respectfully submitted,

Cares J. More, Jr.

James F. Bowe, Jr.

Attorney for Eagle LNG Partners Jacksonville LLC

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Dated: November 30, 2020

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²⁴ 10 C.F.R. Part 1021, Subpart D, Appendix B:Categorical Exclusions Applicable to Specific Agency Actions, Item B5.7 (2020). Proposed actions covered by a categorical exclusion do not require further analysis and documentation in an Environmental Assessment or an Environmental Impact Statement when there are no extraordinary circumstances indicating further environmental review is warranted. 10 C.F.R. §§ 1021.400 and 1021.410.

Appendix A Legal Opinion of Counsel for Eagle LNG

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November 30, 2020

Ms. Amy Sweeney
Director, Division of Natural Gas Regulation
Office of Regulation, Analysis, and Engagement
Office of Fossil Energy (FE-34)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: Eagle LNG Partners Jacksonville LLC, Docket No. 16-15-LNG –
Application to Amend Export Term for Existing Long-Term Authorizations
to Export Liquefied Natural Gas to Both FTA and Non-FTA Countries
through December 31, 2050

Dear Ms. Sweeney:

This opinion is provided pursuant to Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. § 590.202(c), in support of the Application of Eagle LNG Partners Jacksonville II LLC ("Eagle LNG") to Amend Export Term for Existing Long-Term Export Authorizations Through December 31, 2050.

I am counsel to Eagle LNG, a limited liability company organized under the laws of the State of Delaware. I have reviewed and relied upon the corporate documents of Eagle Maxville, and it is my opinion that the proposed exports described in the Application are within the limited liability company powers of Eagle LNG.

Very truly yours,

James F. Bowe, Jr.

Counsel to Eagle LNG Partners Jacksonville LLC

Appendix B

Verification

VERIFICATION

I, James F. Bowe, Jr., being first duly sworn, state that I am a duly authorized representative of Eagle LNG Partners Jacksonville LLC; I have read the above Application and I am familiar with its contents; and the matters set forth in the Application are true and correct to the best of my knowledge, information, and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed in Chevy Chase, Maryland on November 30, 2020.

James F. Bowe, Jr.

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ares F. Borre. Jr.

Washington, DC 20006

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding.

Dated this 30th day of November, 2020.

James F. Bowe, Jr.

Attorney for Eagle LNG Partners Jacksonville LLC

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