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

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Delfin LNG, LLC	)	FE DOCKET NOS. 13-129-LNG
	)	and 13-147-LNC

APPLICATION TO CORRECT AND AMEND EXPORT AUTHORIZATIONS

# APPLICATION OF DELFIN LNG, LLC TO CORRECT AND AMEND ITS EXISTING FTA AND NON-FTA EXPORT AUTHORIZATIONS

The Department of Energy issued to Delfin LNG (Delfin) authorizations to export LNG in Order No. 3393 on February 20, 2014, for Free Trade Agreement counties and in Order No. 4028 on June 1, 2017, for non-Free Trade Agreement countries. The two orders authorize a single, combined export volume of 1.8 Bcf per day (657.5 Bcf/yr) of LNG. Delfin has not requested any increase in the authorized volume. Pursuant to Delfin's request, DOE amended those orders to extend the period of authorization to December 31, 2050, by orders issued to Delfin on December 10, 2020, Orders 3393-A and 4028-B. Delfin submits this request for a further amendment to change its existing authorizations to fully and correctly identify the location of its project.

### I. BACKGROUND

Delfin proposes to build a floating liquefaction facility that will be located in the West Cameron area of the Gulf of Mexico, approximately 40 miles offshore of Cameron Parish, Louisiana. Delfin's floating liquefaction facility will be a "deepwater port" within the meaning of the Deepwater Port Act of 1974. As such, Delfin's Project requires a deepwater port license from the U.S. Department of Transportation Maritime Administration (MARAD). MARAD issued a Record of Decision (ROD) dated March 13, 2017, entitled *The Secretary of Transportation's Decision on the Deepwater Port License Application of Delfin LNG, LLC*, Docket USCG-2015-0472. MARAD authorized issuance of the license subject to Delfin satisfying certain conditions, which Delfin is in the process of satisfying.

On September 28, 2017, the Federal Energy Regulatory Commission ("FERC") also issued an order that: (1) grants Delfin a certificate of public convenience and necessity to construct, operate, and maintain the proposed onshore facilities for the Project in Cameron Parish, Louisiana, and (2) authorizes High Island Offshore System, LLC authority to abandon FERC-jurisdictional services on

its off-shore pipeline facilities and instead use the facilities solely to transport gas for Delfin. *Delfin LNG LLC*, 160 FERC ¶ 61,130 (2017), *reh'g denied*, *High Island Offshore System*, *LLC*, 163 FERC ¶ 61,040 (2018). FERC has granted Delfin extensions to September 28, 2021 to construct the onshore facilities and make them available for service.

It has come to the attention of Delfin that there is an error in the description of the location of its offshore liquefaction facilities in the export authorizations that DOE issued. Delfin believes that this error likely results from an inadvertent failure on its part to adequately and clearly inform DOE of a change in the location of the liquefaction facilities that was made between the time of Delfin's submission of its original applications to DOE and DOE's issuance of the non-FTA approval. Nevertheless, as described in more detail below, the record is clear that DOE had the relevant information and considered it in its environmental review of the project prior to issuing the non-FTA authorization.

## II. REQUEST FOR CORRECTION AND AMENDMENT

When Delfin first applied for its export authorizations, it expected that its offshore liquefaction facilities, Floating Liquefaction and Storage Vessels (FLNGVs), would be located at the terminus of the U-T Offshore System (UTOS) natural gas pipeline in West Cameron Block 167. The UTOS pipeline has subsequently been designated the Delfin Offshore Pipeline, but will continue to be referred herein as UTOS for ease of reference. Delfin noted in its application that the final project location would depend on detailed design work that had not yet been done and on consultations with the Coast Guard and MARAD, but it anticipated that the location would be within 2000 feet of the terminus of the UTOS pipeline. See Delfin Application, Docket No. 13-129-LNG (Oct. 7, 2013).

During the design phase and the consultations with the Coast Guard and MARAD, it was determined that the water in West Cameron Block 167 was too shallow to accommodate the FLNGVs. Accordingly, Delfin made arrangements to lease pipeline facilities known as the High Island Offshore System (HIOS) line that connects with the UTOS line and to place the liquefaction facilities approximately 15 to 18 miles further offshore in the Gulf of Mexico along the HIOS line. This means that the FLNGVs (the liquefaction/export facilities) will be located in West Cameron Blocks 319, 327, 328, 334 and 335, rather than Block 167. Block 167 is the point of interconnection between the HIOS line and the UTOS line, which will bring the gas from onshore to the liquefaction facilities, and a new 700-foot section of 42 inch pipe will be added at that location to support Delfin's LNG exports. The correct locations of the Delfin FLNGVs and of the interconnection between the UTOS and HIOS lines are reflected on the map attached hereto as Exhibit A, which also appears in the Final Environmental Impact Statement for the project.

As the map illustrates, the information about the correct locations of the project facilities (including the FLNGVs) was part of the environmental review of the project in which DOE was a cooperating agency. The correct location is also reflected in the DOE's Record of Decision (ROD) issued pursuant to the National Environmental Policy Act (NEPA). Specifically, the ROD acknowledges that the HIOS line is now a part of the project, and it identifies the correct locations for the four permanently moored Delfin FLNGVs. *See* 82 Fed. Reg. 26672, 26673, note 1. However, presumably as a result of Delfin's inadvertent failure to adequately clarify in its filings specifically in these dockets that the liquefaction facilities would be built at other locations in the West Cameron area of the Gulf of Mexico, Block 167 was the only West Cameron Block identified and mentioned by DOE in the final export authorization orders, and not the additional Blocks where the FLNGVs will be located.

Delfin failed to note this omission, and thus did not correct the record at the time. Thus, the final orders are incomplete in their specification of the location of the Delfin project. So that Delfin's export authorizations fully and accurately describe where the Delfin facilities will be located, Delfin requests that Orders 3393 and 4028 be amended to specify that project facilities will be located at West Cameron Blocks 167, 319, 327, 328, 334 and 335. Given that the full information was in DOE's possession through the environmental review process and the DOE ROD accurately described all of the affected West Cameron Blocks, Delfin believes this is a non-material amendment. Should DOE require any additional information to support the amendment, Delfin stands ready to provide it.

### III. Procedural Matters

Pursuant to 18 C.F.R. § 590.103(c), Delfin represents that, to the best of its knowledge, the same or a related matter is not being considered by any other part of the Department of Energy, including FERC. Compliance with the conditions MARAD set forth in the ROD entitled *The Secretary of Transportation's Decision on the Deepwater Port License Application of Delfin LNG*, *LLC* is ongoing, but there are no active proceedings there or at any other federal agency.

Delfin is submitting electronically the non-refundable filing fee of \$100, covering the two dockets, as required by 10 C.F.R. § 590.207. The verification of the matters stated herein accompanies this filing as Exhibit B, as required by 10 C.F.R. §590.103(c), and an opinion of counsel is attached hereto as Exhibit C as required by 10 C.F.R. §590.202(c).

Please advise the undersigned if you require any additional information in order to act on the requested correction and amendment of Delfin's export authorizations.

Respectfully submitted,

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s/William Daughdrill

William Daughdrill Chief Operating Officer Delfin LNG LLC 25 West Cedar Street, Suite 215 Pensacola, FL 32502 Phone: 850 933-1720 (M)

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March 19, 2021

# **EXHIBIT A**

# MAP OF DELFIN LNG LIQUEFACTION AND EXPORT PROJECT

(Provided as a separate document)

# **EXHIBIT B**

# **VERIFICATION**

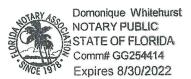
(Provided as a separate document)

STATE OF FLORIDA	)	
	)	SS
COUNTY OF ESCAMBIA	)	

William Daughdrill, being duly sworn deposes and says: I am the Chief Operating Officer of Delfin LNG, LLC ("Delfin") and an authorized representative of Delfin. I am duly authorized to make this Verification. I have read the foregoing, and I am familiar with the contents thereof. All of the statements and matters contained therein are true and correct to the best of my information, knowledge and belief. I am authorized to execute and file this Verification with the U.S. Department of Energy.

William H. Daughdrill Chief Operating Officer

Sworn to and subscribed before me this / day of March, 2021.



Notary Public

My commission expires: 08 30 2022

# **EXHIBIT C**

# **OPINION OF COUNSEL**

# **OPINION OF COUNSEL**

This opinion is submitted pursuant to 10 C.F.R. § 590.202(c). The undersigned is outside counsel to and an authorized representative of Delfin LNG, LLC. I have reviewed the organizational documents of Delfin LNG LLC, and it is my opinion that the proposed amendment to Delfin's export authorization is within the powers of the limited liability company.

Respectfully submitted,

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Mary Anne Sullivan

# **Certificate of Service**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service lists compiled by the Department of Energy, Office of Fossil Energy in these proceedings.

Dated at Washington, D.C. this 19th day of March 2021

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