

RECEIVED**By Docket Room at 3:14 pm, Sep 14, 2021****Eversheds Sutherland (US) LLP**
700 Sixth Street, NW, Suite 700
Washington, DC 20001-3980D: +1 202.383.0708
F: +1 202.637.3593paulforshay@
eversheds-sutherland.com

September 14, 2021

Ms. Amy Sweeney
Office of Fossil Energy
U.S. Department of Energy
Room 3E-052, FE-34
Forrestal Building
1000 Independence Avenue,
S.W. Washington, D.C. 20585

**Re: Carib Energy (USA) LLC, FE Docket No. 21-99_- LNG
Application for Blanket Authorization to Export Previously Imported
Liquefied Natural Gas**

Dear Ms. Sweeney:

Pursuant to Section 3 of the Natural Gas Act and Part 590 of the regulations of the Department of Energy ("DOE") Carib Energy (USA) LLC ("Carib Energy") submits its Application for Blanket Authorization to Export Previously Imported Liquefied Natural Gas.

Carib Energy is submitting two versions of its Application: (1) a Confidential Non-Public Version which contains as Appendix C Crowley LNG's deed to the Crowley Facility site; and (2) a Public Version. Carib Energy respectfully submits that Appendix C in the Confidential Non-Public Version of the Application contains highly sensitive commercial information eligible for exemption from disclosure pursuant to Section 1004.10(b)(4) of the DOE regulations. Disclosure of this information is likely to cause substantial harm to the competitive position of Carib Energy.

Accordingly, Carib Energy is providing via Federal Express a hard copy "original" of its Confidential Non-Public Application in a sealed envelope marked "Contains Confidential Information – Do Not Release." Carib Energy is submitting a Public Version of its Application via e-mail to fergas@hq.doe.gov.

Carib Energy reserves its rights under 590.1004.11(c) of the DOE regulations to receive notice before any disclosure of any of the confidential information, and to be allowed an opportunity to submit its views with respect to any disclosure.

Ms. Amy Sweeney
September 14, 2021
Page 2

Carib Energy has paid the amount of \$50.00 by credit card as payment of the applicable filing fee as required in 10 C.F.R. § 590.207.

Please contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/ Paul F. Forshay
Paul F. Forshay

Counsel for Carib Energy (USA) LLC

Enclosures

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

Carib Energy (USA) LLC

)

FE Docket No. 21— -LNG

**APPLICATION OF CARIB ENERGY (USA) LLC
FOR BLANKET AUTHORIZATION
TO EXPORT PREVIOUSLY IMPORTED LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Carib Energy (USA) LLC (“Carib Energy”) hereby requests that DOE/Office of Fossil Energy (“DOE/FE”) issue an order granting blanket authorization for Carib Energy to export Liquefied Natural Gas (“LNG”) that has been previously imported into the U.S. from foreign sources. More specifically, Carib Energy requests authorization to export previously imported LNG purchased primarily at the Crowley LNG Puerto Rico Truck Loading Facility in Peñuelas, Puerto Rico (“Crowley Facility”). Carib proposes to re-export the LNG by use of ocean-going carriers or approved IMO7/TVAC-ASME LNG containers transported on ocean-going container vessels, to any free trade agreement (“FTA”) country or Non-FTA country within Central America, South America or the Caribbean, which has, or in the future develops, the capacity to import LNG delivered via ocean-going carriers and also via ocean-going container vessels carrying approved IMO7/TVAC-ASME LNG containers, provided that trade with that country is not prohibited by United States law or policy. The requested authorization would run for a two-year period, commencing on the earlier of (i) the date of first re-export of LNG by Carib Energy, or (ii) five years from the date on which DOE/FE issues an order granting the requested

¹ 15 U.S.C. § 717b (a) and (c) (2018).

² 10 C.F.R. Part 590 (2019).

re-export authorization. Carib Energy requests this authorization both on its own behalf and when acting as agent on behalf of other entities who themselves hold title to the LNG, after registering each such entity with DOE/FE in accordance with the established procedures.

Carib Energy's application to export LNG to FTA and non-FTA countries is reviewed under Sections 3(a) and (c) of the NGA.³ Section 3(a) creates a rebuttable presumption that a proposed export of natural gas is in the public interest. Under this standard, the DOE/FE "must grant such an application unless opponents of the application overcome that presumption by making an affirmative showing of inconsistency with the public interest."⁴ Moreover, NGA Section 3(c) provides that the import and export of natural gas, including LNG, from and to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are deemed to be consistent with the public interest, and applications for such imports and exports must be granted without modification or delay.

In support of this Application, Carib Energy states as follows:

I. DESCRIPTION OF THE APPLICANT

Carib Energy is a wholly-owned subsidiary of Crowley Shipping, Inc. (Crowley), with its principal place of business in Jacksonville, Florida. Crowley is a wholly-owned subsidiary of Crowley Maritime Corporation, which is a wholly-owned subsidiary of Crowley Holdings, Inc. Crowley Holdings, Inc. is a privately held corporation.

³ 15 U.S.C. § 717b (a) and (c) (2018).

⁴ *Cheniere Marketing, LLC and Corpus Christi Liquefaction, LLC*, DOE/FE Order No. 3638, Final Opinion and Order Granting Long-term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Corpus Christi Liquefaction Project to be Located in Corpus Christi, Texas to Non-Free Trade Agreement Nations, at 12 (May 12, 2015); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961, Opinion and Order Conditionally Granting Long-Term Authorization to Export Liquefied Natural Gas From Sabine Pass LNG Terminal to Non-Free Trade Agreement Nations, at 28 (May 20, 2011).

II. COMMUNICATIONS

Matthew Jackson VP Business Development Crowley Maritime Corporation 9487 Regency Square Blvd. Jacksonville, FL 32225 Email: Matthew.Jackson@crowley.com	Paul F. Forshay Eversheds-Sutherland (US) LLP : 700 Sixth Street, N.W., Suite 700 Washington, D.C. 20001-3980 Tel.: 202-383-0100 Fax: 202-637-3593 Email: paulforshay@eversheds-sutherland.us
Julia Shemesh VP & Deputy General Counsel Crowley Maritime Corporation 9487 Regency Sq. Blvd. Jacksonville, FL 32225 Email: Juia.Shemesh@crowley.com	Greg Buffington VP Business Development Crowley LNG Crowley Maritime Corporation 9487 Regency Square Blvd. Jacksonville, FL 32225 Email: Greg.Buffington@crowley.com

III. BACKGROUND AND EXISTING AUTHORIZATIONS

Crowley LNG Puerto Rico (“Crowley LNG”) has completed construction of a truck loading facility in Peñuelas, Puerto Rico. Crowley LNG owns and controls the site on which the Crowley Facility is located.⁵ The Crowley Facility includes: (i) truck loading stations capable of loading standard LNG trailers; (ii) an LNG supply pipeline; (iii) a vapor return pipeline; (iv) an LNG recirculation pipeline; (v) a nitrogen purge system; and (vi) instrumentation and control systems. The Crowley Facility will not include any LNG or natural gas storage facilities. The Crowley Facility is subject to the regulatory jurisdiction of the Public Service Commission of Puerto Rico.

⁵ Crowley LNG’s deed to the Crowley Facility site is included as Appendix C to this application. Due to its commercially sensitive nature, Carib Energy requests that this document receive confidential treatment. To that end, Carib Energy has filed the Crowley LNG deed under seal with DOE/FE.

Commissioning of the Crowley Facility currently is projected to take place on or about September 23, 2021. Upon commissioning, the Crowley Facility will receive LNG that has been imported into Puerto Rico via the EcoElectrica LNG Terminal.⁶ LNG received from the EcoElectrica Terminal can be loaded into either LNG trailers or IMO7/TVAC-ASME LNG containers. The Crowley Facility will have an annual LNG send out capability equivalent to approximately 15 million Dth of LNG, or 0.24 Bcf of natural gas.

Carib Energy would purchase LNG from the Crowley Facility. LNG purchased by Carib Energy would be loaded into IMO7/TVAC-ASME LNG containers at the Crowley Facility for re-exported for consumption in FTA or Non-FTA countries in Central America, South America or the Caribbean.

Carib Energy currently holds DOE/FE authorization to export LNG from various LNG facilities in the United States pursuant to DOE/FE Order No. 3937.⁷ Order No. 3937 grants Carib Energy long-term authorization to export 1.3 Bcf/yr of natural gas, or 0.004 Bcf/d, for a 20-year period to non-free trade nations in Central America, South America and the Caribbean.

IV. AUTHORIZATION REQUESTED

All LNG received at the Crowley Facility will have been imported into Puerto Rico via the EcoElectrica LNG Terminal from locations outside the United States, and Carib Energy will

⁶ The EcoElectrica LNG Terminal is subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC). The FERC first authorized construction of the EcoElectric LNG Terminal under NGA Section 3 in 1996. See *EcoElectric, L.P.*, 75 FERC ¶ 61,157 (1996). The FERC subsequently has approved several amendments to the EcoElectrica authorization. See *EcoElectric, L.P.*, 127 FERC ¶ 61,044 (2009); *EcoElectric, L.P.*, 147 FERC ¶ 61,222 (2014).

⁷ See *Carib Energy (USA) LLC*, Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas in ISO Containers Loaded at Designated Pivotal LNG, Inc. Facilities and Exported by Vessel to Non-Free Trade Agreement Nations in Central America, South America or the Caribbean, DOE/FE Order No. 3937 (Nov. 28, 2016) (“Order No. 3937”).

acquire title to LNG through purchases made after the LNG has entered the Crowley Facility. The LNG acquired by Carib Energy will be loaded into IMO7/TVAC-ASME LNG containers and then exported to FTA or Non-FTA countries in Central America, South America or the Caribbean depending on the demand for gas and global market conditions.

Accordingly, Carib Energy requests blanket authorization to re-export to FTA and Non-FTA countries previously imported LNG equivalent to 0.24 Bcf of natural gas during any consecutive 12-month period, and equivalent to 0.48 Bcf of natural gas during the entire two-year period covered by the requested authorization. The re-export volumes for which Carib Energy requests authorization would be additive of those volumes authorized for export in Order No. 3937.

The Crowley Facility is fully capable of supplying the LNG needed to support the requested authorization. There are no other proceedings related to this application currently pending before DOE or any other federal agency. Carib Energy requests a two-year re-export authorization, and also requests confirmation that it may extend that authorization so long as third parties are authorized to import LNG into Puerto Rico.

Carib Energy requests authorization to re-export previously imported LNG on its own behalf or as agent for third parties who may hold title to the LNG at the point of export. Carib Energy will comply with all DOE/FE requirements for exporters and agents.⁸ When acting as agent, Carib Energy will register with DOE/FE each LNG title holder for whom it seeks to export as agent, and will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to (i) comply with all requirements in Carib Energy's export authorization, and (ii)

⁸ See *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, Order Granting Long-Term Authorization to Export Liquefied Natural Gas From Freeport LNG Terminal to Free Trade Nations, DOE/FE Order No. 2913 (Feb. 10, 2011).

include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

V. PUBLIC INTEREST

In evaluating export applications, DOE/FE applies the principles set forth in DOE Delegation Order No. 0204-111, which focuses on domestic need for the gas proposed for export, and the Secretary's natural gas policy guidelines.⁹ Carib Energy's proposed export of LNG to FTA and Non-FTA countries with the capacity to import LNG via ocean-going container vessels and with which trade is not prohibited by U.S. law or policy is consistent with NGA Section 3 and DOE/FE guidelines.

In approving Order No. 3937, DOE conducted an extensive public interest review regarding the exports proposed by Carib Energy. DOE/FE concluded that the proposed exports would result in significant benefits and would not be inconsistent with the public interest.¹⁰ The modest level of natural gas volumes proposed for re-export by this application (0.24 Bcf/year) represents a fraction of the annual volumes (1.3 Bcf/year) previously authorized for export under Order No. 3937. Because the public interest impact of Carib Energy's total authorized exports will not increase with DOE/FE's approval of the instant application, no additional public interest review beyond that already conducted concerning Order No. 3937 is warranted.¹¹

In DOE/FE Order No. 4545, DOE/FE authorized the export of previously imported LNG citing authoritative data that substantiates U.S. consumer access to ample volumes of natural gas

⁹ See *New Policy Guidelines and Delegation Orders from Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

¹⁰ See DOE Order No. 3937 *supra* at note 7.

¹¹ See, e.g., *Sabine Pass Liquefaction, LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, DOE/FE Order No. 3767 at 10 (January 13, 2016).

to meet domestic demand.¹² In that order, DOE/FE took administrative notice that the Energy Information Administration (“EIA”) Annual Energy Outlook 2020 (“AEO2020”) shows annual domestic dry natural gas production in 2021 of 33.70 Tcf, with total natural gas consumption projected to be 31.92 Tcf in the same year.¹³ DOE/FE went on to find that AEO2020 supports the conclusion that volumes of foreign-sourced LNG are not needed to meet domestic demand.¹⁴

Granting Carib Energy blanket authorization request would provide Carib Energy and its customers with the flexibility required to respond in a timely, efficient manner to changes in global markets for natural gas and LNG. In addition, the option to re-export previously imported LNG would encourage continued imports. For these reasons, Carib Energy’s request for re-export authorization is consistent with the public interest and should be granted without modification or delay.

VI. ENVIRONMENTAL IMPACT

No new construction will be required for the re-export activity contemplated by this application. Crowley LNG has completed the Crowley Facility as originally designed; no design modifications were needed to accommodate the re-export of LNG by Carib Energy. Nor will Carib Energy need to construct additional facilities to implement the proposed re-export of LNG.

DOE regulations¹⁵ provide a list of categorical exclusions from the preparation of an environmental analysis or environmental impact statement under the National Environmental Policy Act of 1969 (“NEPA”).¹⁶ Categorical exclusion B5.7 affords an exclusion where approvals

¹² *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4545 at 7 (June 4, 2020).

¹³ *Id.* at 8.

¹⁴ *Id.*

¹⁵ 10 C.F.R. Part 1021, Subpart D, Appendix B5 (2020).

¹⁶ 42 U.S.C. 4321, i.

of authorizations to import or export natural gas under NGA Section 3 involve minor operational changes but no new construction.

Because Carib Energy's proposed re-export of previously imported LNG requires no new construction, and would merely expand the potential disposition of LNG volumes from the Crowley Facility to include re-exports, Carib Energy's requested authorization falls within categorical exclusion B5.7 and requires no further environmental analysis under NEPA.¹⁷ Accordingly, Carib Energy's proposed re-export of previously imported LNG does not constitute a major federal action significantly affecting the quality of the human environment within the meaning of NEPA consistent with DOE/FE regulations and precedent.

VII. APPENDICES

The following appendices are included with this application:

Appendix A: Verification

Appendix B: Opinion of Counsel

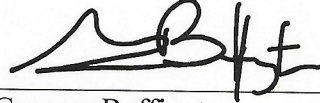
Appendix C: Crowley LNG Deed (filed under seal)

¹⁷ 42 U.S.C. §§ 4321, *et seq.*; *see, e.g., Cameron LNG, LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal Located in Cameron and Calcasieu Parishes, Louisiana, DOE/FE Order No. 3904 at 11 (Oct. 3, 2016); *Sabine Pass Liquefaction, LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, DOE/FE Order No. 3767 at 13 (Jan. 13, 2016).

VIII. CONCLUSION

For the reasons discussed above, Carib Energy respectfully requests that the DOE/FE grant the requested two-year blanket authorization to re-export previously imported LNG.

Respectfully submitted,



Gregory Buffington
VP Business Development Crowley LNG
Crowley Maritime Corporation
9487 Regency Square Blvd.
Jacksonville, FL 32225
Email: Greg.Buffington@crowley.com

Dated: September 13, 2021

APPENDIX A

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Carib Energy (USA) LLC

)

FE Docket No. 21-__-LNG

VERIFICATION

The undersigned, being duly sworn, states that he is the authorized representative of Carib Energy (USA) LLC and that he is duly authorized to make this Verification; that he has read the foregoing application and is familiar with the contents therein; that all the statements and matters contained therein are true and correct to the best of his information, knowledge and belief; and that he is authorized to execute and file this application with the United States Department of Energy.



Paul F. Forshay
Eversheds-Sutherland (US) LLP
700 Sixth Street, N.W. Suite 700
Washington, D.C. 20001-3980
Tel.: 202/383-0100
Email: paulforshay@eversheds-sutherland.us

Counsel for Carib Energy (USA) LLC

Subscribed and sworn to before me
this 13th day of September 2021



Notary Public

Rebecca A. Menso
Notary Public, District of Columbia
My Commission Expires October 14, 2025



APPENDIX B

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Carib Energy (USA) LLC

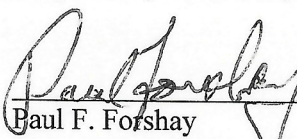
)

FE Docket No. 21-__-LNG

OPINION OF COUNSEL

This opinion is furnished pursuant to Section 590.202(c) of the Department of Energy's Regulations, 10 C.F.R. § 590.202(c) and in connection with the application of Carib Energy (USA) LLC (Carib Energy) for blanket authorization to export previously imported liquefied natural gas. I am counsel for Carib Energy. I have reviewed and relied upon the corporation formation documents of Carib Energy and information provided to me by its upstream parent company, Crowley Maritime Corporation. Based on the foregoing, and for the purposes of Carib Energy's application to the Office of Fossil Energy, I am of the opinion that the proposed exports as described in the application are within the corporate powers of Carib Energy.

Respectfully submitted,



Paul F. Forshay
Eversheds-Sutherland (US) LLP
700 Sixth Street, N.W. Suite 700
Washington, D.C. 20001-3980
Tel.: 202/383-0100
Email: paulforshay@eversheds-sutherland.us

Counsel for Carib Energy (USA) LLC

APPENDIX C
(FILED UNDER SEAL)