### UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

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In the Matter Of:

New Fortress Energy Louisiana FLNG LLC FE Docket No. 22- 39-LNG

### APPLICATION OF NEW FORTRESS ENERGY LOUISIANA FLNG LLC FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT NATIONS AND NON-FREE TRADE AGREEMENT NATIONS

I. DESCRIE	PTION	OF APPLICANT	2	
II. COMMUNICATIONS AND CORRESPONDENCE				
III. PROJECT DESCRIPTION				
IV. AUTHO	ORIZA	TION REQUESTED	5	
V. COMMI	ERCIA	L AGREEMENTS	5	
VI. APPLIC	CABLE	E LEGAL STANDARD AND PUBLIC INTEREST ANALYSIS	6	
A.	Exp	Exports to FTA Nations		
B.	Exp	Exports to Non-FTA Nations		
	1.	Domestic Impacts		
	2.	International Impacts	11	
VII. ENVIR	RONMI	ENTAL IMPACT		
VIII. APPE	NDICE	ES		
IX. CONCLUSION				

# **Table of Contents**

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Pursuant to Section 3 of the Natural Gas Act ("NGA"),<sup>1</sup> and Part 590 of the regulations of the United States ("U.S.") Department of Energy ("DOE"),<sup>2</sup> New Fortress Energy Louisiana FLNG LLC ("Applicant") hereby submits the instant application ("Application") to DOE's Office of Fossil Energy and Carbon Management ("DOE/FECM"), requesting long-term, multi-contract authorization to export domestically-produced liquefied natural gas ("LNG") in an amount of up to approximately 145 billion cubic feet ("Bcf") of natural gas per year (equivalent to approximately 2.8 million metric tons per annum ("MTPA")) from its proposed deepwater port ("DWP") export terminal project, the New Fortress Energy Louisiana FLNG Project (the "Project"), that will be located off the southeast coast of Grand Isle, Louisiana.

Applicant requests authorization, on a non-additive basis, to export LNG to both (i) countries with which the U.S. has a free trade agreement ("FTA") requiring national treatment for trade in natural gas ("FTA Nations"), and (ii) any country that lacks an FTA with the U.S. requiring

<sup>&</sup>lt;sup>1</sup> 15 U.S.C. § 717b (2012).

<sup>&</sup>lt;sup>2</sup> 10 C.F.R. Part 590 (2021).

national treatment for trade in natural gas, with which trade is not prohibited by U.S. law or policy and that has, or in the future develops, the capacity to import LNG ("Non-FTA Nations"). Applicant seeks such authorization both on its own behalf and as agent for other entities who may hold title to the LNG at the point of export.<sup>3</sup> Consistent with the DOE's Term Extension Policy Statement, Applicant requests such authorization for a term extending through December 31, 2050.<sup>4</sup>

In support of this Application, Applicant respectfully submits the following:

### I. DESCRIPTION OF APPLICANT

The exact legal name of Applicant is New Fortress Energy Louisiana FLNG LLC. Applicant is a Delaware limited liability company, with its principal place of business located at 111 West 19<sup>th</sup> Street, 8<sup>th</sup> Floor, New York, New York 10011, and is being registered to do business in the State of Louisiana.<sup>5</sup>

Applicant was formed for the purpose of developing and owning the Project and is a wholly owned subsidiary of New Fortress Energy Inc. ("NFE"), a Nasdaq listed company (symbol: NFE). NFE finances, builds, and operates global gas-to-power energy infrastructure assets utilizing LNG as a means to provide cleaner, more stable, and more cost-effective fuel for power generation. These assets consist of power plants and regasification terminals operating or under development in Puerto Rico, Jamaica, Mexico, Nicaragua, Brazil, Sri Lanka, Ireland, and elsewhere. The Project

<sup>&</sup>lt;sup>3</sup> While NFE intends to export for its own account and does not anticipate exporting for others, it nonetheless is requesting authorization to export as agent for others in the event circumstances change in the future.

<sup>&</sup>lt;sup>4</sup> *DOE*, Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, 85 Fed. Reg. 52,237 (Aug. 25, 2020).

<sup>&</sup>lt;sup>5</sup> The two (2) liquefaction systems being installed as part of the Project, as detailed below, "FLNG1" and "FLNG2" are each held by a wholly-owned subsidiary of Applicant, NFE FLNG 1 LLC and NFE FLNG 2 LLC, respectively.

will help NFE to better manage the value chain, produce lower-cost LNG, and minimize commodity price volatility for its diversified portfolio of downstream assets, as well as help address the current worldwide demand for natural gas supplies that has resulted from the ongoing Ukraine crisis and Europe's efforts to achieve energy independence from Russian-sourced LNG.

### II. COMMUNICATIONS AND CORRESPONDENCE

All communications and correspondence concerning the instant Application, including all

service of pleadings and notices, should be directed to the following persons:<sup>6</sup>

Cameron MacDougall New Fortress Energy Inc. 111 West 19<sup>th</sup> Street, 8<sup>th</sup> Floor New York, New York 10011 Telephone: (516) 400-7342 Email: <u>cameron.macdougall@newfortressenergy.com</u> Lisa M. Tonery Mariah T. Johnston Orrick, Herrington & Sutcliffe LLP 51 West 52nd Street New York, N.Y. 10019-6142 Telephone: (212) 506-3710 Email: <u>ltonery@orrick.com</u> Email: <u>mjohnston@orrick.com</u>

### III. PROJECT DESCRIPTION

The Project will provide a safe and reliable source of much needed natural gas supplies to

global markets in the form of LNG. The Project is consistent with Applicant's commitment to

making clean, affordable energy available to markets around the world.

The Project will be a DWP under the Deepwater Port Act of 1974, as amended ("DWPA"),<sup>7</sup>

and in this regard, the Applicant is concurrently filing an application for a license to construct,

<sup>&</sup>lt;sup>6</sup> Applicant requests waiver of Section 590.202(a) of DOE's regulations, to the extent necessary to include each of the individuals listed here on the official service list in this proceeding. 10 C.F.R. § 590.202(a).

<sup>7</sup> 33 U.S.C. 1501 et seq. The DWPA "establishes a licensing system for ownership, construction, operation, and decommissioning of deepwater port structures located beyond the U.S. territorial sea for the import and export of oil and natural gas." MARAD, About the Deepwater Port Act, available at: https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/about-deepwater-port-act,

own, and operate the Project pursuant to the DWPA, and in accordance with the United States Coast Guard's ("USCG") and the Maritime Administration's ("MARAD") implementing regulations.<sup>8</sup>

The Project will involve the installation of two nominal 1.4 MTPA liquefaction systems (FLNG1 and FLNG2) installed in the West Delta Block 38 ("WD-38") in approximately 30 meters (98 feet) of water. The general Project location is shown on the Map provided in Appendix C.

Each system will contain three platforms consisting of natural gas processing, natural gas liquefaction, and utilities and accommodations. FLNG1 will utilize self-elevating platforms (aka jack-up platforms or rigs), and FLNG2, which will be located adjacent to FLNG1, will utilize fixed platform structures. An additional self-elevating platform will house feed gas compressors.

Applicant plans to export domestically produced natural gas which will be sourced from multiple supply hubs. The feed gas supply to the Project will be transported to the WD-38 site via the existing Kinetica Energy Express, LLC ("Kinetica") offshore natural gas pipeline system and two newly constructed, 24-inch pipeline laterals connecting the Kinetica pipeline system to the Project. Both FLNG1 and FLNG2 will be connected to a single Floating LNG Storage Unit ("FSU") via a flexible, partially submerged, 220-meter cryogenic hose transfer system. The FSU will be positioned approximately 100 meters (328 feet) from the FLNGs. Up to 40 LNG carriers will call on the Project per year.

Other than the potential for temporary construction staging areas, there will be no onshore facilities associated with the Project. If staging for construction becomes necessary, then the Project will utilize existing staging, laydown and warehouse space near Port Fourchon, Port Sulphur, or Venice, Louisiana.

<sup>&</sup>lt;sup>8</sup> 33 C.F.R. Part 148.

The Project is designed using a modular approach, allowing the Applicant to quickly supply the global market to help address the dire need for increased natural gas supplies. Each FLNG will be capable of producing 1.4 MTPA, for a total nominal capacity of 2.8 MTPA.

### IV. AUTHORIZATION REQUESTED

Applicant respectfully requests long-term, multi-contract authorization to export up to 2.8 MTPA (equivalent to approximately 145 Bcf per year of natural gas) of LNG to FTA Nations and to Non-FTA Nations, commencing on the date of first export following the commencement of commercial operation of the Project. Applicant requests that the term of the export authorizations extend up to and through December 31, 2050.

Applicant requests authorization to engage in exports to FTA and Non-FTA Nations, both on its own behalf and as agent for other parties who may hold title to the LNG at the time of export, pursuant to long-term agreements with Applicant. Applicant will comply with all DOE/FECM requirements for exporters and agents, including all registration requirements. When acting as agent, Applicant will register with DOE/FECM each LNG title holder for which Applicant seeks to export LNG as agent. Such registrations will include the registrant's agreement to comply with any order issued by DOE/FECM under which exports are made and all applicable requirements of DOE's regulations at 10 C.F.R. Part 590, including but not limited to destination restrictions.

### V. COMMERCIAL AGREEMENTS

Applicant has not entered into any natural gas supply or LNG export contracts specific to the authorization requested herein. NFE will own the Project through its wholly-owned subsidiary, and anticipates it will sell or consume the exported LNG within its portfolio of downstream assets.

Through its affiliates, NFE anticipates that it will purchase and transport natural gas, offload produced LNG into an FSU, and transload such LNG to LNG carriers for distribution to its downstream terminals or third-party customers. Consistent with DOE/FECM's prior practice, Applicant will file any transaction-specific long-term contracts with DOE/FECM as they are entered into.<sup>9</sup>

Upon entering into such contracts, Applicant will file, or cause to be filed, either unredacted contracts, or long-term contracts under seal, with either: (i) a copy of each long-term contract with commercially sensitive information redacted, or (ii) a summary of all major provisions of the contracts including, but not limited to, the parties to each contract, contract term, quantity, any take-or-pay or equivalent provisions/conditions, destinations, re-sale provisions, and other relevant provisions.<sup>10</sup>

### VI. APPLICABLE LEGAL STANDARD AND PUBLIC INTEREST ANALYSIS

#### A. Exports to FTA Nations

Under Section 3(c) of the NGA, Applicant's request for authorization to export natural gas to FTA Nations should be promptly granted, as such exports are statutorily held to be in the public interest. Section 3(c) of the NGA states "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

<sup>&</sup>lt;sup>9</sup> 10 C.F.R. § 590.202(b). See, e.g. Cheniere Marketing, LLC and Corpus Christi Liquefaction, LLC, Order No. 4799, Docket No. 19-124-LNG (March 16, 2022) (hereinafter "Order 4799").; Sabine Pass Liquefaction, LLC, Order No. 4800, Docket No. 19-125-LNG (March 16, 2022) (hereinafter "Order 4800").

<sup>&</sup>lt;sup>10</sup> *Id.* 

be deemed to be consistent with the public interest, and applications for such ... exportation shall be granted without modification or delay."<sup>11</sup>

Given this clear standard, Applicant's request for authorization to export LNG to FTA Nations should thus be deemed to be consistent with the public interest and granted without modification or delay.

#### **B.** Exports to Non-FTA Nations

Section 3(a) of the NGA governs applications for exports to Non-FTA Nations. Section 3(a) states that the Secretary of Energy "shall issue such [authorization] unless, after opportunity for hearing, it finds that the proposed exportation... will not be consistent with the public interest."<sup>12</sup> This statute creates a clear presumption in favor of finding LNG exports to be within the public interest unless there is a showing to the contrary, as noted by both DOE/FECM and the D.C. Circuit Court of Appeals.<sup>13</sup>

To evaluate the public interest, DOE developed policy guidelines in 1984 that were "designed to establish natural gas trade on a market-competitive basis and to provide immediate as well as long-term benefits to the American economy."<sup>14</sup> The goals of these guidelines were twofold: to "minimize federal control and involvement in energy markets, and [t]o promote a

<sup>&</sup>lt;sup>11</sup> 15 U.S.C. § 717b(c).

<sup>&</sup>lt;sup>12</sup> *Id.* § 717b(a).

<sup>&</sup>lt;sup>13</sup> See e.g., Order No. 4800 at 26, Sierra Club v. U.S. Dep't of Energy, 867 F.3d 189, 203 (D.C. Cir. 2017) ("We have construed [NGA section 3(a)] as containing a 'general presumption favoring [export] authorization."") (quoting W. Va. Pub. Servs. Comm'n v. U.S. Dep't of Energy, 681 F.2d 847, 856 (D.C. Cir. 1982)).

<sup>&</sup>lt;sup>14</sup> 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).

balanced and mixed energy resource system."<sup>15</sup> While the guidelines were developed with regard

to LNG imports, DOE subsequently held that they applied to exports as well.<sup>16</sup>

DOE has relied upon a number of significant considerations relevant to its public interest evaluation:

(i) the domestic need for the natural gas proposed to be exported, (ii) whether the proposed exports pose a threat to the security of domestic natural gas supplies, (iii) whether the arrangement is consistent with DOE's policy of promoting market competition, and (iv) any other factors bearing on the public interest as determined by DOE, such as international and environmental impacts.<sup>17</sup>

In this regard, and as described below, Applicant's contemplated LNG exports should not be found inconsistent with, but rather should be recognized as supportive of, the public interest, and accordingly, Applicant's request for authorization to export natural gas to Non-FTA Nations should be granted.

### 1. Domestic Impacts

Current and future projections for the supply and demand of domestically-produced natural gas show that the U.S. market can easily accommodate Applicant's proposed exports. Natural gas production in the U.S. is at its highest level ever, increasing over 50% in the last 10 years, and 2021 showed the highest amount of production ever recorded.<sup>18</sup> The U.S. Energy Information Administration's ("EIA") latest published Short-Term Energy Outlook ("STEO") forecasts that in 2022 and 2023 natural gas production "will increase to an average of 104.4 billion cubic feet per

<sup>&</sup>lt;sup>15</sup> *Id.* at 6,685.

<sup>&</sup>lt;sup>16</sup> Phillips Alaska Natural Gas Corp., et al., DOE/FE Order No. 1473, at 14, Docket No. 96-99-LNG, (Apr. 2, 1999).

<sup>&</sup>lt;sup>17</sup> Order 4800 at 28.

<sup>&</sup>lt;sup>18</sup> U.S. EIA, U.S. Natural Gas Marketed Production, <u>http://www.eia.gov/dnav/ng/hist/n9050us2A.htm</u> (Feb. 28, 2022).

day (Bcf/d) in 2022 and then further increase to a record-high 106.6 Bcf/d in 2023,"<sup>19</sup> in keeping with the upward trend of the last eight years.

Significantly, the EIA has projected this growth trend will continue. In its 2022 Annual Energy Outlook ("AEO 2022"), EIA forecasted that, by 2050, natural gas production would grow "approximately twice as fast as consumption" with around "25% more natural gas... produced *than consumed* in the United States."<sup>20</sup> The EIA further anticipates that the demand for U.S. natural gas will "exceed current and announced LNG export capacity," specifically highlighting the need and demand for additional LNG export facilities.<sup>21</sup> As DOE itself recently noted, "EIA's projections in AEO 2022 continue to show market conditions that will accommodate increased exports of natural gas."<sup>22</sup>

Similarly, DOE-commissioned studies support the finding that LNG exports are in the public interest. The 2018 DOE-commissioned study on the potential macroeconomic impacts of LNG exports made a number of key findings, including:

• "Even the most extreme scenarios of high LNG exports that are outside the more likely probability range...show higher overall economic performance in terms of GDP, household income, and consumer welfare than lower export levels associated with the same domestic supply scenarios."<sup>23</sup>

<sup>&</sup>lt;sup>19</sup> U.S. EIA, U.S. marketed natural gas production forecast to rise in 2022 and 2023 (Feb. 17, 2022), available at https://www.eia.gov/todayinenergy/detail.php?id=51319#:~:text=We%20forecast%20that%20U.S.%20natural, Term%20Energy%20Outlook%20(STEO).

<sup>&</sup>lt;sup>20</sup> U.S. EIA, Annual Energy Outlook 2022 with projections to 2050 – Narrative, p. 26, available at http://www.eia.gov/outlooks/aeo/pdf/AEO2022\_Narrative.pdf (Mar. 3, 2022).

<sup>&</sup>lt;sup>21</sup> U.S. EIA, Annual Energy Outlook 2022, at 28.

<sup>&</sup>lt;sup>22</sup> Order 4800 at 47.

<sup>&</sup>lt;sup>23</sup> NERA Econ. Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports, pg. 21 (June 7, 2018), available at <u>https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.p</u> <u>df</u>. ("2018 LNG Export Study").

- "Increasing U.S. LNG exports under any given set of assumptions about U.S. natural gas resources and their production leads to only small increases in U.S. natural gas prices."<sup>24</sup>
- "[N]atural gas intensive sectors [of industry] continue to grow robustly at higher levels of LNG exports....<sup>25</sup>
- "Increased exports of natural gas will improve the U.S. balance of trade and result in a wealth transfer into the U.S."<sup>26</sup>

The DOE has previously highlighted these conclusions<sup>27</sup> and determined them to be substantial support for authorizing exports to Non-FTA Nations, and likewise DOE/FECM has relied on these conclusions as indicative of LNG exports being in the public interest.<sup>28</sup> DOE has "advanced its commitment to promoting clean energy, job creation, and economic growth by approving additional exports of domestically produced natural gas" and such approval "furthers [a] commitment to promoting energy security and diversity worldwide."<sup>29</sup>

On a more local level, Project construction, as well as local expenditures by workers employed directly and indirectly by the Project, will generate local and state sales tax revenues, as will local Project-related expenditures on services, materials, equipment rentals, and other supplies. In addition, property purchased outside the state that is not taxed at the point of purchase is subject to use tax when it is brought into Louisiana. Louisiana levies an individual income tax,

<sup>&</sup>lt;sup>24</sup> *Id.*, pg. 55.

<sup>&</sup>lt;sup>25</sup> *Id.*, pg. 70.

<sup>&</sup>lt;sup>26</sup> *Id.*, pg. 64.

<sup>&</sup>lt;sup>27</sup> Study on Macroeconomic Outcomes of LNG Exports: Response to Comments Received on Study, 83 Fed. Reg. 67,260, 67,272-73 (Dec. 28, 2018).

<sup>&</sup>lt;sup>28</sup> Order 4800 at 46-47.

<sup>&</sup>lt;sup>29</sup> DOE, Department of Energy Authorizes Additional LNG Exports from Freeport LNG (May 29, 2019), available at <u>https://www.energy.gov/articles/department-energy-authorizes-additional-lng-exports-freeport-lng</u>.

which is based on federal tax laws and an individual's federal adjusted gross income. The Project will employ skilled workers earning relatively high incomes and will also generate state and federal income tax revenues.

Similarly, Project operation will generate state and local sales and use tax revenues through local expenditures by workers employed directly and indirectly by the Project, as well as local Project-related expenditures on spare parts and process materials, among other things. In addition, equipment or materials brought into Louisiana for use by the Project may be subject to use tax, and wages and salaries paid to operations workers will be subject to state and federal income tax.

#### 2. International Impacts

As DOE has made clear, "an efficient, transparent international market for natural gas with diverse sources of supply provides both economic and strategic benefits to the United States and our allies."<sup>30</sup> The ongoing international conflict in Ukraine has further highlighted the need for the U.S. to assist its European allies in reducing their dependence on Russian energy sources.<sup>31</sup> The exports proposed herein are consistent with that goal, as well as the energy regulatory agenda and international commitments made by the current administration. On March 25, 2022, President Biden announced a joint Task Force with the European Commission "to reduce Europe's dependence on Russian fossil fuels and strengthen European energy security."<sup>32</sup> In this regard, the United States has committed to "[d]iversifying liquefied natural gas (LNG) supplies" and to "strive

<sup>&</sup>lt;sup>30</sup> Order 4800 at 55.

<sup>&</sup>lt;sup>31</sup> CBS News, U.S. to boost natural gas deliveries to help wean Europe off Russian energy (March 25, 2022) available at: <u>https://www.cbsnews.com/news/biden-europe-us-ukraine-russia-liquified-natural-gas-lng-taskforce/</u>.

<sup>&</sup>lt;sup>32</sup> White House Briefing Room, FACT SHEET: United States and European Commission Announce Task Force to Reduce Europe's Dependence on Russian Fossil Fuels (March 25, 2022) available at www.whitehouse.gov/briefing-room/statements-releases/2022/03/25/fact-sheet-united-states-and-europeancommission-announce-task-force-to-reduce-europes-dependence-on-russian-fossil-fuels/.

to ensure additional LNG volumes for the EU market of at least 15 bcm in 2022, with expected increases going forward."<sup>33</sup>

The U.S. is already stepping up to assist in this regard. As the March 2022 STEO noted, "[m]any U.S. LNG cargoes were delivered to Europe last month, where inventories are lower than the five-year average and potential supply disruptions related to the conflict in Ukraine are a concern. Although Europe's inventories are low, the additional LNG imports, as well as a mild winter, are helping bring inventories closer to the five-year average than they were at the beginning of the winter."<sup>34</sup>

Consistent with the administration's commitment, DOE has recognized in recent orders that by authorizing exports to non-FTA countries, including to U.S. allies in Europe and elsewhere, the U.S. can "help mitigate the acute and immediate energy security concern" of our allies and trading partners.<sup>35</sup> Accordingly, DOE has found that authorizing requested exports advances the public interest for reasons that are "distinct from and additional to the economic benefits identified in the 2018 LNG Export Study and DOE's prior macroeconomic studies".<sup>36</sup>

Therefore, for the foregoing reasons, the Project is not inconsistent with, and clearly serves and advances, the public interest and should be approved at the earliest date possible.

<sup>&</sup>lt;sup>33</sup> *Id.* 

<sup>&</sup>lt;sup>34</sup> EIA, Short-Term Energy Outlook (March 8, 2022), pg. 3, available at: <u>www.eia.gov/outlooks/steo/pdf/steo\_full.pdf</u>.

<sup>&</sup>lt;sup>35</sup> Order 4799 at 54.

<sup>&</sup>lt;sup>36</sup> Id. at 55.

### VII. ENVIRONMENTAL IMPACT

Because the Project is located offshore, the construction, ownership and operation of the Project is subject to the jurisdiction of the USCG and MARAD. As part of its concurrent application to MARAD, Applicant is submitting an analysis that meets the requirements of the National Environmental Policy Act ("NEPA") and comprehensively evaluates the potential impacts of the Project on the environment.<sup>37</sup> As demonstrated therein, the Project "will be constructed, operated, and decommissioned using the best available technology to prevent or minimize adverse impacts on the marine environment."<sup>38</sup> MARAD and USCG will conduct an environmental evaluation that covers installation, operation, and decommissioning of the Project and assesses the effects of the Project on, among other things, local marine life, water and air, oceanographic currents and wave patterns, coastal zone management, and human health and welfare.<sup>39</sup>

The emissions from the Project will be subject to numerous regulatory requirements that will limit emissions. Marine vessel engines must meet MARPOL Annex VI. Many of the Project's stationary operating sources must meet emission standards established in applicable new source performance standards ("NSPS") and national emission standards for hazardous air pollutants ("NESHAP") subparts. The Project's stationary operating sources will also be subject to prevention of significant deterioration ("PSD") permitting. PSD permitting will require the installation of best available control technology ("BACT") emission controls for regulated

<sup>&</sup>lt;sup>37</sup> 33 C.F.R. § 148.105(z).

<sup>&</sup>lt;sup>38</sup> 33 C.F.R. § 148.710(a)(2).

<sup>&</sup>lt;sup>39</sup> 33 C.F.R. § 148.707(b).

pollutants. PSD permitting will require an air dispersion modeling analysis to demonstrate that the Project's emissions will not adversely impact the ambient air quality in Class I and Class II areas.

MARAD and USCG will review any potential environmental impacts of the Project in an Environmental Impact Statement. DOE/FE is anticipated to participate as a cooperating agency in the environmental review process for the Project. DOE/FE's regulations require that it "shall cooperate with the other agencies in developing environmental information..."<sup>40</sup> and DOE/FE may adopt the conclusions of another agency's environmental review if it satisfactorily addresses comments and suggestions raised by DOE/FE during the process.<sup>41</sup>

Applicant believes that DOE's participation as a cooperating agency and adoption of the environmental document prepared by MARAD and USCG will be sufficient to comply with all obligations under NEPA.<sup>42</sup> Moreover, Applicant notes in 2020 DOE revised its NEPA procedures to provide for a revised categorical exclusion for exports of natural gas and associated transportation by marine vessel.<sup>43</sup> Because Applicant proposes to transport LNG via ocean-going carrier to Non-FTA Nations, it hereby requests that DOE incorporate by reference the associated Marine Transport Technical Support Document prepared by DOE, pursuant to which DOE concluded that "the transport of natural gas by marine vessels … normally does not pose the potential for significant environmental impacts."<sup>44</sup>

Furthermore, as DOE recently noted, its commissioned study by the National Energy Technology Laboratory (the Life Cycle Greenhouse Gas Perspective on Exporting Liquefied

<sup>&</sup>lt;sup>40</sup> 10 C.F.R. § 1021.342; *see also* 40 C.F.R. §§ 1501.6, 1501.8.

<sup>&</sup>lt;sup>41</sup> See 40 C.F.R. § 1506.3.

<sup>&</sup>lt;sup>42</sup> 42 U.S.C. §§ 4321 et seq. (2012).

<sup>&</sup>lt;sup>43</sup> 10 C.F.R. Part 1021, Subpart D, App. B, Categorical Exclusion B5.7.

<sup>&</sup>lt;sup>44</sup> U.S. Dep't of Energy, National Environmental Policy Act Implementing Procedures, Final Rule; 85 Fed. Reg. 78,197, 78,200 (Dec. 4, 2020).

Natural Gas From the United States: 2019 Update ("2019" Update"))<sup>45</sup> "concluded that the use of U.S. LNG exports for power production in European and Asian markets will not increase global GHG emissions from a life cycle perspective, when compared to regional coal extraction and consumption for power production," and "[o]n this basis, DOE found that the 2019 Update supports the proposition that exports of LNG from the lower-48 states will not be inconsistent with the public interest."<sup>46</sup> The 2019 Update also "shows that, to the extent U.S. LNG exports are preferred over coal in LNG-importing nations, U.S. LNG exports are likely to reduce global GHG emissions on per unit of energy consumed basis for power production."<sup>47</sup>

Part of what drives the high global demand for natural gas is its lower carbon emissions<sup>48</sup> as compared to other fuel sources, which makes LNG a reliable source of clean and affordable energy, especially when it can displace the use of dirtier fuels such as coal.<sup>49</sup> This displacement can have immediate, significant emissions reduction benefits. Secretary of Energy Granholm has noted the benefits of clean burning natural gas over other types of fuel stating, "I believe U.S. LNG

<sup>&</sup>lt;sup>45</sup> Nat'l Energy Tech. Lab., Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update (DOE/NETL-2019/2041) (Sept. 12, 2019), available at: https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf.

<sup>&</sup>lt;sup>46</sup> Order 4800 at 21.

<sup>&</sup>lt;sup>47</sup> *Id.* at 59.

<sup>&</sup>lt;sup>48</sup> U.S. EIA, Annual Energy Outlook 2022, n.3 at 27.

<sup>49</sup> See, e.g., Forbes, Clemente, Jude, Our Climate Fight Begins With Exporting U.S. Natural Gas To Displace Coal (November 21, 2021) available at: https://www.forbes.com/sites/judeclemente/2021/11/21/the-climate-fightbegins-with-exporting-us-natural-gas-to-displace-coal/?sh=6db829fd5b17; Business Wire, U.S. LNG Would Reduce Net Life Cycle Emissions by 42%-55% if Exported to Asia to Replace Coal-Fired Generation, Western States and Tribal Nations Study Finds (June 8, 2021) available at: https://www.businesswire.com/news/home/20210608005233/en/U.S.-LNG-Would-Reduce-Net-Life-Cycle-Emissions-by-42-55-if-Exported-to-Asia-to-Replace-Coal-Fired-Generation-Western-States-and-Tribal-Nations-Study-Finds; Barron's, Bary, Andrew, EOT CEO Says Huge Boost in U.S. LNG Exports Needed to Combat Climate Change (March 11, 2022) available at: https://www.barrons.com/articles/gas-Ing-energy-coal-51647036744 ("Coal, which produces about double the greenhouse-gas emissions as gas, accounts for 48% of global carbon emissions.").

exports can have an important role to play in reducing international consumption of fuels that have greater contribution to greenhouse gas emissions."<sup>50</sup>

As the EIA has confirmed, "[b]urning natural gas for energy results in fewer emissions of nearly all types of air pollutants and carbon dioxide (CO2) than burning coal or petroleum products to produce an equal amount of energy. About 117 pounds of CO2 are produced per million British thermal units (MMBtu) equivalent of natural gas compared with more than 200 pounds of CO2 per MMBtu of coal and more than 160 pounds per MMBtu of distillate fuel oil."<sup>51</sup> Relatedly, President Biden recently stated that anticipated LNG infrastructure "build-out will occur in a way that is consistent with, not in conflict with, the net-zero climate goal that we're shooting for."<sup>52</sup>

Based on the forgoing, Applicant requests that the DOE determine that the exports proposed in the instant Application will not have a significant effect on the human environment.

### VIII. APPENDICES

Appendix A: Verification Appendix B: Opinion of Counsel Appendix C: Site Map

<sup>50</sup> U.S. Senate Committee on Energy and Natural Resources Hearing, The Nomination of the Honorable Jennifer M. Granholm to be Secretary of Energy, Responses to Questions for the Record submitted to the Honorable Jennifer M. Granholm, pg. 16 (January 27, 2021).

<sup>&</sup>lt;sup>51</sup> EIA, Natural gas explained: Natural gas and the environment (last updated, December 8, 2021) available at: <u>https://www.eia.gov/energyexplained/natural-gas/natural-gas-and-the-</u> environment.php#:~:text=Natural%20gas%20is%20a%20relatively,an%20equal%20amount%20of%20energy.

<sup>&</sup>lt;sup>52</sup> E&E News, Schonhardt, Sara and Waldman, Scott, Biden increases LNG exports as Europe faces energy crisis (March 25, 2022) available at: <u>https://www.eenews.net/articles/biden-increases-lng-exports-as-europe-facesenergy-crisis/</u>.

### IX. CONCLUSION

For the foregoing reasons, Applicant respectfully requests that DOE/FECM grant it longterm, multi-contract authorization to export domestically-produced LNG in a volume equivalent to approximately 145 Bcf per year of natural gas (equivalent to approximately 2.8 MTPA) from its Project to both FTA and Non-FTA Nations, for a term extending through December 31, 2050. Applicant respectfully requests that this authorization be granted, at the earliest date possible and by no later than December 30, 2022.

Respectfully submitted,

<u>/s/Lisa M. Tonery</u> Lisa M. Tonery Mariah T. Johnston Attorneys for New Fortress Energy Louisiana FLNG LLC

Dated: March 30, 2022

### APPENDIX A

VERIFICATION

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#### **VERIFICATION**

State of New York

)

County of New York )

BEFORE ME, the undersigned authority, on this day personally appeared Cameron MacDougall, who, having been by me first duly sworn on oath says that he is counsel for New Fortress Energy Louisiana FLNG LLC and is duly authorized to make this Verification; that he has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

Cameron MacDougall New Fortress Energy Louisiana FLNG LLC

SWORN TO AND SUBSCRIBED before me on the <u>30</u> day of <u>March</u>, 2022.

Michile M. Gerran

Name:

Title: Notary Public

My Commission expires:

MICHELE M FERRARA Notary Public - State of New York NO. 01FE6224955 Qualified in New York County My Commission Expires 🍠

# APPENDIX B

OPINION OF COUNSEL

March 30, 2022

Office of Fossil Energy and Carbon Management U.S. Department of Energy Forrestal Building 1000 Independence Avenue, SW Washington, D.C. 20585

### RE: New Fortress Energy Louisiana FLNG LLC Docket No. 22-\_\_\_-LNG Application for Long-Term Authorization to Export LNG to Free Trade Agreement and Non-Free Trade Agreement Nations

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations.<sup>1</sup> I have examined the Limited Liability Company Agreement of New Fortress Energy Louisiana FLNG LLC ("Applicant") and other authorities as necessary for this opinion, and have concluded that the proposed exportation of liquefied natural gas as described in the above-referenced application is within Applicant's corporate powers.

Respectfully submitted,

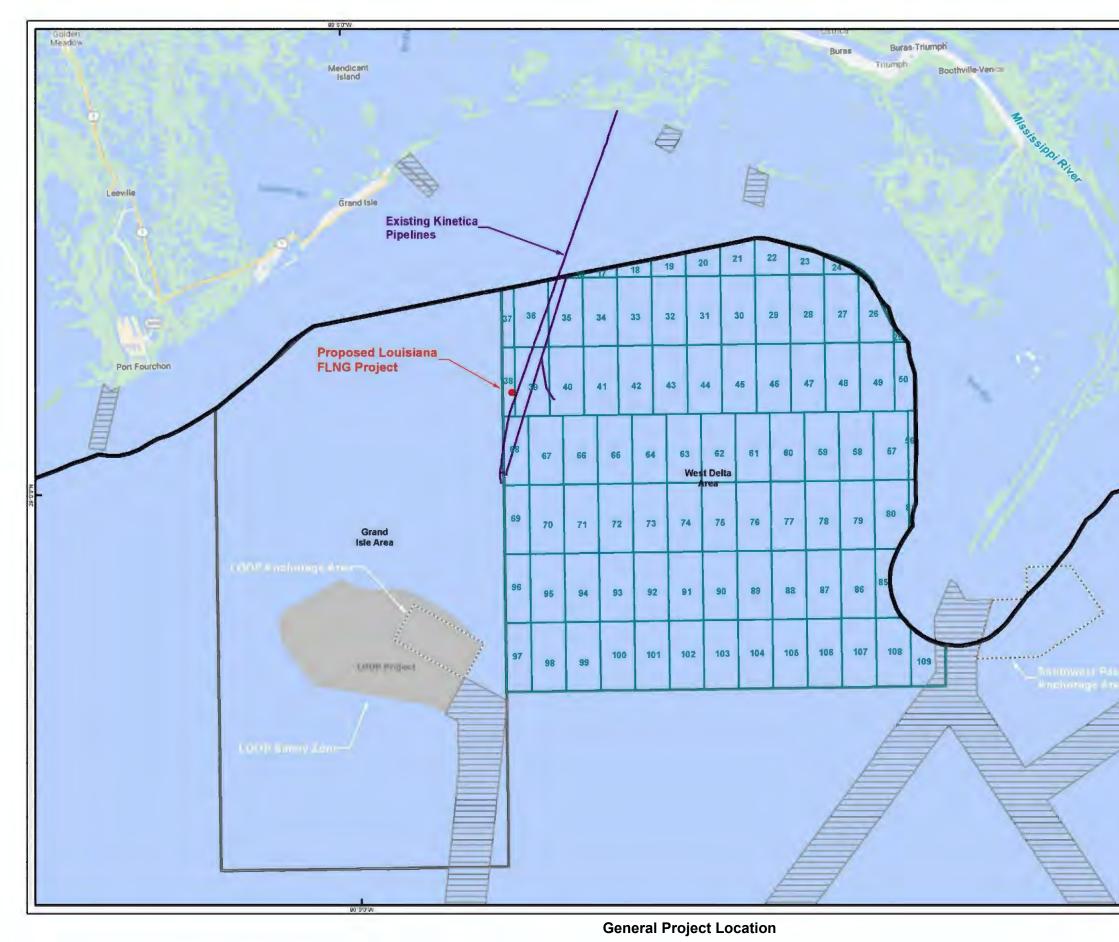
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Cameron MacDougall Counsel

<sup>&</sup>lt;sup>1</sup> 10 C.F.R. § 590.202(c) (2021).

# APPENDIX C

PROJECT MAP



NewFortress

