UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

VENTURE GLOBAL CALCASIEU PASS, LLC) DOCKET NO. 15-25-LNG

ORDER AMENDING LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT NATIONS

DOE/FECM ORDER NO. 3662-B

APRIL 22, 2022

I. <u>DESCRIPTION OF REQUEST</u>

On December 3, 2021, Venture Global Calcasieu Pass, LLC (Calcasieu Pass) filed an application (Application)¹ with the Office of Fossil Energy and Carbon Management (FECM)² of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA),³ as corrected on December 10, 2021.⁴ As explained below, Calcasieu Pass asks DOE for a limited amendment to two of its long-term export authorizations.

Calcasieu Pass is currently authorized to export domestically produced liquefied natural gas (LNG) by vessel from the Calcasieu Pass LNG Project (the Project), which is under construction in Cameron Parish, Louisiana, under the following orders:

(i) DOE/FE Order Nos. 3345,⁵ 3520,⁶ 3662,⁷ authorizing exports to any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries), in a total volume equivalent to 620 billion cubic feet per year (Bcf/yr) of natural gas, under NGA section 3(c);⁸ and

¹ Venture Global Calcasieu Pass, LLC, Application for Limited Amendment to Existing Long-Term, Multi-Contract Authorizations to Export LNG to Free Trade and Non-Free Trade Agreement Nations, Docket Nos. 13-69-LNG, 14-88-LNG, and 15-25-LNG (Dec. 3, 2021) [hereinafter App.]. For a description of Calcasieu Pass's ownership structure, *see id.* at 5-7.

² The Office of Fossil Energy changed its name to the Office of Fossil Energy and Carbon Management on July 4, 2021.

³ 15 U.S.C. § 717b. The authority to regulate the imports and exports of natural gas, including liquefied natural gas (LNG), under section 3 of the NGA has been delegated to the Assistant Secretary for FECM in Redelegation Order No. S4-DEL-FE1-2021, issued on March 25, 2021.

⁴ See Email from Carlos E. Clemente, Counsel for Venture Global Calcasieu Pass, Correction to App., Docket Nos. 13-69-LNG, 14-88-LNG, and 15-25-LNG (Dec. 10, 2021) (correcting footnote 7 of the Application).

⁵ Venture Global Calcasieu Pass, LLC, DOE/FE Order No. 3345, Docket No. 13-69-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations (Sept. 27, 2013), amended by DOE/FE Order No. 3345-A (Oct. 21, 2020) (extending export term).

⁶ Venture Global Calcasieu Pass, LLC, DOE/FE Order No. 3520, Docket No. 14-88-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations (Oct. 10, 2014), amended by DOE/FE Order No. 3520-A (Oct. 21, 2020) (extending export term).

⁷ Venture Global Calcasieu Pass, LLC, DOE/FE Order No. 3662, Docket No. 15-25-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global Calcasieu Pass LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations (June 17, 2015), amended by DOE/FE Order No. 3662-A (Oct. 21, 2020) (extending export term).

⁸ 15 U.S.C. § 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

(ii) DOE/FE Order No. 4346, ⁹ authorizing exports to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), in a volume equivalent to 620 Bcf/yr of natural gas, under NGA section 3(a). ¹⁰

These orders authorize exports to FTA and non-FTA countries on a non-additive basis in a total combined volume equivalent to 620 Bcf/yr, which Calcasieu Pass states is approximately 12 million metric tons per annum (mtpa) of LNG.¹¹ Under each order, as amended, Calcasieu Pass is authorized to export the respective volume of LNG for a term lasting through December 31, 2050.¹² We note that, on March 1, 2022, Calcasieu Pass exported its first cargo of LNG from the Project.¹³ In Calcasieu Pass's recent Semi-Annual Status Report, Calcasieu Pass states that it anticipates commencing full commercial operations of the Project by early 2023.¹⁴

In the Application, Calcasieu Pass states that its current volume of approved exports (equivalent to 12 mtpa of LNG) reflects the maximum liquefaction capacity of the Project approved by the Federal Energy Regulatory Commission (FERC) in 2019. According to Calcasieu Pass, this volume was based on an estimate of the Project's peak, potential liquefaction output made in 2015, just after Calcasieu Pass completed its pre-Front End Engineering and

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⁹ Venture Global Calcasieu Pass, LLC, DOE/FE Order No. 4346, Docket Nos. 13-69-LNG, 14-88-LNG, and 15-25-LNG (Consolidated), Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations (Mar. 5, 2019), amended by DOE/FE Order No. 4346-A (Oct. 21, 2020) (extending export term).

¹⁰ 15 U.S.C. § 717b(a).

¹¹ App. at 2 & n.4.

¹² See DOE/FE Order Nos. 3345-A, 3520-A, 3662-A, and 4346-A; see also U.S. Dep't of Energy, Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050; Notice of Final Policy Statement and Response to Comments, 85 Fed. Reg. 52,237 (Aug. 25, 2020) [hereinafter 2050 Policy Statement]. Additionally, DOE notes that, effective January 12, 2021, long-term export authorizations contain authority to export the same approved volume of LNG pursuant to transactions with terms of less than two years, including commissioning volumes, on a non-additive basis. See U.S. Dep't of Energy, Including Short-Term Export Authority in Long-Term Authorizations for the Export of Natural Gas on a Non-Additive Basis; Policy Statement, 86 Fed. Reg. 2243 (Jan. 12, 2021).

¹³ See Venture Global Calcasieu Pass, LLC, Notification re: First Export Cargo, Docket Nos. 13-69-LNG, 14-88-LNG, and 15-25-LNG (Mar. 22, 2022).

¹⁴ See Venture Global Calcasieu Pass, LLC, Semi-Annual Status Report, Docket Nos. 13-69-LNG, 14-88-LNG, and 15-25-LNG, at 3 (Apr. 1, 2022).

¹⁵ App. at 2-3 (citing *Venture Global Calcasieu Pass, LLC, et al.*, Order Granting Authorizations Under Sections 3 and 7 of the Natural Gas Act, 166 FERC ¶ 61,144 (2019)).

Design study. ¹⁶ Calcasieu Pass states that, since that time, it "has significantly advanced and refined the final design of the Project, and worked with its equipment suppliers and contractors to refine their efficiencies and outputs" ¹⁷ Based on that refined analysis, Calcasieu Pass states that it has filed an application with FERC to amend its NGA section 3 authorization to increase the Project's peak liquefaction capacity under optimal conditions from 12 mtpa to 12.4 mtpa of LNG, or from approximately 620 Bcf/yr to 640.666 Bcf/yr of natural gas. ¹⁸ Calcasieu Pass maintains that the proposed increase in peak liquefaction capacity "does *not* involve the construction of any new facilities nor any modification of the previously authorized facilities." ¹⁹

In light of its pending request at FERC, Calcasieu Pass asks DOE to increase its total authorized export volume to 640.666 Bcf/yr of natural gas to both FTA and non-FTA countries on a non-additive basis.²⁰ Specifically, Calcasieu Pass requests a "limited amendment" of DOE/FE Order Nos. 3662 and 4346 to increase the authorized export volume in each order by 20.666 Bcf/yr of natural gas as follows:

- (i) DOE/FE Order No. 3662, an increase in LNG exports to FTA countries from 132.8 Bcf/yr to 153.466 Bcf/yr; and
- (ii) DOE/FE Order No. 4346, an increase in LNG exports to non-FTA countries from 620 Bcf/yr to 640.666 Bcf/yr.²¹

Calcasieu Pass states that "all other rights and obligations, and terms and conditions, of the export authorizations [as amended] would remain the same without change."²²

¹⁶ See id.

¹⁷ *Id.* at 3; *see also id.* at n.6 ("Calcasieu Pass anticipates that it can achieve the new peak LNG production for the Project while remaining in full compliance with its air emissions permit and other regulatory requirements.").

¹⁸ *Id.* at 3, 8-9; *see also, e.g.*, Federal Energy Regulatory Comm'n, Venture Global Calcasieu Pass, LLC; Notice of Application to Amend and Establishing Intervention and Protest Deadline, 86 Fed. Reg. 72,952 (Dec. 23, 2021). ¹⁹ App. at 3 (emphasis in original).

²⁰ *Id.*; see also id. at 9.

²¹ See id. at 3-4; see also Correction to App., supra note 4; App. at 9.

²² App. at 9; *see also id.* at 4.

In this Order, DOE grants the portion of Calcasieu Pass's Application that seeks to increase the export volume approved in DOE/FE Order No. 3662, as amended, pursuant to NGA section 3(c), 15 U.S.C. § 717b(c). The non-FTA portion of the Application—seeking to increase the export volume in Calcasieu Pass's non-FTA order (DOE/FE Order No. 4346, as amended) will be reviewed pursuant to NGA section 3(a), 15 U.S.C. § 717b(a), and addressed in a separate order issued in Docket Nos. 13-69-LNG, 14-88-LNG, and 15-25-LNG.

II. **FINDINGS**

Section 3(c) of the NGA was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that applications requesting authority for (a) the import and export of natural gas, including LNG, from and to a nation with which there is in effect a FTA requiring national treatment for trade in natural gas, and/or (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay. The portion of Calcasieu Pass's Application requesting an amendment to DOE/FE Order No. 3662, as amended, falls within NGA section 3(c).²³ Therefore, DOE is charged with granting the requested amendment without modification or delay.²⁴

ORDER

Pursuant to section 3(c) of the NGA, it is ordered that:

A. Venture Global Calcasieu Pass, LLC's Application to amend DOE/FE Order No. 3662 (Docket No. 15-25-LNG), as amended by Order No. 3662-A, is granted as reflected in the following new Ordering Paragraph A:

²³ 15 U.S.C. § 717b(c).

²⁴ DOE further finds that the requirement for public notice of applications and other hearing-type procedures in 10 C.F.R. Part 590, are applicable only to applications seeking to export natural gas, including LNG, to non-FTA countries.

Calcasieu Pass is authorized to export domestically produced LNG

by vessel from the Calcasieu Pass LNG Project, to be located on the

Calcasieu Ship Channel in Cameron Parish, Louisiana. The volume

authorized in this Order is equivalent to 153.466 Bcf/yr of natural

gas for a term beginning on the earlier of the date of first export or

seven years from the date the authorization is issued (June 17, 2022),

and extending through December 31, 2050, and is additive to the

volumes authorized for export in DOE/FE Order No. 3345, as

amended by Order No. 3345-A (Docket No. 13-69-LNG) and

DOE/FE Order No. 3520, as amended by Order No. 3520-A (Docket

No. 14-88-LNG). Calcasieu Pass is authorized to export this LNG

on its own behalf and as agent for other entities that hold title to the

natural gas, pursuant to one or more contracts of any duration.²⁵

B. All other obligations, rights, and responsibilities established by DOE/FE Order No.

3662, as amended by Order No. 3662-A, remain in effect.

Issued in Washington, D.C., on April 22, 2022.

Amy R. Sweeney

Director, Office of Regulation, Analysis, and Engagement

Office of Resource Sustainability

²⁵ See U.S. Dep't of Energy, Including Short-Term Export Authority in Long-Term Authorizations for the Export of Natural Gas on a Non-Additive Basis, 86 Fed. Reg. 2243 (Jan. 12, 2021).

6