# UNITED STATES OF AMERICA

# DEPARTMENT OF ENERGY

# OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

CRYOPEAK LNG SOLUTIONS CORPORATION	)	DOCKET NO. 22-63-LNG DOCKET NO. 22-38-LNG
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ORDER GRANTING LONG-TERM AUTHORIZATION
TO IMPORT LIQUEFIED NATURAL GAS FROM CANADA AND MEXICO,
TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT NATIONS,
FOR SMALL-SCALE EXPORTS OF LIQUEFIED NATURAL GAS, AND
VACATING PRIOR AUTHORIZATION

DOE/FECM ORDER NOS. 4865 AND 4825-A

AUGUST 25, 2022

### I. INTRODUCTION

On June 28, 2022, Cryopeak LNG Solutions Corporation (Cryopeak) filed an Application<sup>1</sup> with the Department of Energy's (DOE) Office of Fossil Energy and Carbon Management (formerly the Office of Fossil Energy)<sup>2</sup> under Section 3 of the Natural Gas Act (NGA), requesting long-term and short-term, multi-contract authorization to import and export domestically produced liquefied natural gas (LNG).<sup>3</sup> Cryopeak requests authorization to import and export LNG as follows:

- (i) Under section 3(c) of the NGA, to or from any country with which the United States currently has, or may enter into, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries),<sup>4</sup> and
- (ii) Under section 3(a) of the NGA, to or from any country with which the United States does not have an FTA requiring national treatment for trade in natural gas with which trade is not prohibited by United States law or policy (non-FTA countries).<sup>5</sup>

As part of this authorization, Cryopeak also seeks to engage in short-term exports of LNG to both FTA and non-FTA countries on a non-additive basis.<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> Cryopeak LNG Solutions Corporation, Application of Cryopeak LNG Solutions Corporation for Long-Term and Short-Term Multi-Contract Authorizations to Export and Import Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Nations, Docket No. 22-63-LNG (June 28, 2022) [hereinafter App.]. The applicant submitted a cover letter as pages 1 and 2 of its application, with both the cover letter and the application in a single document. Page number citations to the application in this Order are to the pages as labeled in the document.

<sup>2</sup> The Office of Fossil Energy changed its name to the Office of Fossil Energy and Carbon Management on July 4,

<sup>&</sup>lt;sup>3</sup> The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FECM in Redelegation Order No. S4-DEL-FE1-2022, issued on June 13, 2022.

<sup>&</sup>lt;sup>4</sup> 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.

<sup>&</sup>lt;sup>5</sup> *Id.* § 717b(a); see App. at 3.

<sup>&</sup>lt;sup>6</sup> App. at 4 (citing 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)) (announcing that long-term authorizations now 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).

Cryopeak states that its proposed non-FTA exports qualify as "small-scale natural gas exports" under DOE's regulations at 10 C.F.R. §§ 590.102(p) and 590.208(a), and therefore should be deemed to be consistent with the public interest under NGA section 3(a).<sup>7</sup>

Cryopeak seeks to export and import this LNG in a total volume equivalent to 51.75 billion cubic feet (Bcf) per year (Bcf/yr), or 0.14 Bcf per day (Bcf/d), of natural gas on a cumulative basis. Cryopeak intends to "source LNG from small scale liquefaction and peak shaving facilities located in the United States for export . . .[and] in Canada and Mexico for import to the United States" and to "transport LNG by . . . [r]oad using approved Department of Transportation approved highway trailers . . . [and by vessel] using either [International Organization for Standardization (ISO)] tanks loaded onto ocean going vessels or barges [or] small volume LNG carriers or LNG barges." In Appendix C to the Application, Cryopeak identifies 30 facilities in the United States and two facilities in Canada from which it seeks to purchase LNG (collectively, the Facilities), as well as their associated ports of export, where applicable. <sup>10</sup>

Cryopeak requests that its long-term authorization commence on the date of an order granting such authorization and extend through December 31, 2050.<sup>11</sup> Additionally, Cryopeak requests authority to export the LNG on its own behalf and as agent for other entities that hold title to the LNG at the time of export.<sup>12</sup>

<sup>&</sup>lt;sup>7</sup> See App. at 3 and 10 C.F.R. §§ 590.102(p), 590.208(a); see also U.S. Dep't of Energy, Small-Scale Natural Gas Exports; Final Rule, 83 Fed. Reg. 35,106 (July 25, 2018) [hereinafter Small-Scale Rule].

<sup>&</sup>lt;sup>8</sup> App. at 3.

<sup>&</sup>lt;sup>9</sup> *Id.* at 4-5.

<sup>&</sup>lt;sup>10</sup> *Id.* at Appendix C; see also id. at 5.

<sup>&</sup>lt;sup>11</sup> *Id.* at 3.

<sup>&</sup>lt;sup>12</sup> *Id*. at 5.

As Cryopeak has requested a single consolidated authorization, it has also asked that its existing authorization in DOE/FECM Order No. 4825 be vacated and replaced concurrently with the consolidated authorization.<sup>13</sup>

In this consolidated Order, DOE grants Cryopeak's Application and authorizes the requested export volume of 51.75 Bcf/yr (0.14 Bcf/d) to both FTA and non-FTA countries on a non-additive basis. Specifically, DOE finds that the FTA portion of the Application, along with the requested import authorization, falls within NGA section 3(c), and we therefore grant the requested FTA and import authorization without modification or delay. DOE also finds that the proposed non-FTA exports qualify as "small-scale natural gas exports" under the criteria set forth in 10 C.F.R. § 590.102(p). Accordingly, we grant the small-scale portion of the Application under 10 C.F.R. § 590.208(a).

This Order, however, does not provide Cryopeak with an independent right to purchase or load LNG at any of the Facilities. DOE takes no position on the commercial arrangements that may be necessary for Cryopeak to effectuate the export of LNG approved in this Order.

### II. BACKGROUND

Applicant. Cryopeak is a Canada corporation with its principal place of business in Richmond, British Columbia, Canada. Cryopeak states that its major shareholder is BP Energy Partners L.L.C., a private equity firm based in Dallas, Texas. This firm holds a 93.3% ownership stake in Cryopeak; the remaining stakes are held by Calum McClure, Cryopeak's founder and

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<sup>&</sup>lt;sup>13</sup> See App. at 4. Cryopeak's stated request was for its authorization in DOE/FE Order No. 4668-A to be vacated and replaced. DOE already did so in DOE/FECM Order No. 4668-B, issued concurrently with DOE/FECM Order No. 4825 on May 25, 2022. Ordering Paragraph A of DOE/FECM Order No. 4825 authorizes Cryopeak "to import and export LNG from and to Canada and Mexico by truck, to export LNG to Canada and Mexico by vessel, and to import LNG from various international sources by vessel, in a combined total volume equivalent to 20 Bcf of natural gas, pursuant to transactions that have terms of not greater than two years." Because Cryopeak's Application requests consolidated authority, we interpret the request to vacate DOE/FECM Order No. 4825 and replace it with this consolidated Order.

<sup>&</sup>lt;sup>14</sup> 15 U.S.C. § 717b(c).

CEO (3.2%); 0943084 BC Ltd (2.3%); two unnamed former executives of the company (0.9% and 0.1%), and the spouse of one former executive (0.2%). <sup>15</sup> Calum McClure and spouse, Lorraine McClure, each own half of 0943084 BC Ltd. <sup>16</sup> All individuals named above are Canadian nationals and reside in British Columbia, Canada. <sup>17</sup>

Liquefaction Facilities and Transport. Cryopeak states that it intends to "source LNG from small scale liquefaction and peak shaving facilities located in the United States for export," and to "source LNG from small scale liquefaction and peak shaving facilities located in Canada and Mexico for import to the United States." In its Application, Cryopeak identifies 30 facilities in the United States for export purposes and two facilities in Canada for import purposes. The United States Facilities include those that are (i) subject to the jurisdiction of the Federal Energy Regulatory Commission (FERC), and have either received FERC approval or their application is pending before FERC; (ii) are not FERC-jurisdictional; or (iii) have been reviewed and approved by FERC but are not yet operational. 19

Cryopeak states that it intends to transport the LNG "by [r]oad using approved Department of Transportation approved highway trailers" and by "[v]essel using either ISO tanks loaded onto ocean going vessels or barges, or, small volume LNG carriers or LNG barges." Cryopeak notes that "[f]or the purpose of [its] request small scale vessels and barges are considered to have a gross volumetric capacity of up to 30,000 m³," which "reflects the maximum size of vessel Cryopeak would consider using for the markets considered in this request." Cryopeak indicates that it "plans to sell LNG to emerging markets identified . . . in

<sup>&</sup>lt;sup>15</sup> App. at 6-7.

<sup>&</sup>lt;sup>16</sup> *Id*. at 7.

<sup>&</sup>lt;sup>17</sup> *Id*.

<sup>&</sup>lt;sup>18</sup> *Id.* at 4.

<sup>&</sup>lt;sup>19</sup> See id. at Appendix C.

<sup>&</sup>lt;sup>20</sup> *Id.* at 4-5.

<sup>&</sup>lt;sup>21</sup> App. at 12.

the Small-Scale Export Rule," including countries in the Caribbean, Central America, and South America.<sup>22</sup>

<u>Source of Supply.</u> Cryopeak states that "[t]he feedstock natural gas supply for US
Liquefaction facilities used for export shall be secured from the US pipeline network," adding that "likely sources of natural gas feedstock" include the Marcellus, Permian, and Eagle Ford Basins in the United States, and the Montney Basin in Canada.<sup>23</sup>

**Business Model.** Cryopeak requests authorization to export LNG on its own behalf and as agent for other entities that hold title to the LNG at the time of export.<sup>24</sup> Cryopeak states that it will file, or cause to be filed, all long-term commercial agreements, once executed, in accordance with DOE's established policy, and will comply with all DOE requirements for exporters and agents, including registration requirements.<sup>25</sup>

### III. STANDARD OF REVIEW

### A. FTA Authorization

Section 3(c) of the NGA was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). In relevant part, applications to export natural gas, including LNG, to countries with which there is an FTA in effect requiring national treatment for trade in natural gas, along with applications to import LNG, "shall be deemed to be consistent with the public interest" and granted "without modification or delay."<sup>26</sup>

### **B.** Small-Scale Authorization

DOE defines a "small-scale natural gas export" as an export of natural gas, including LNG, to a non-FTA country that meets the following two criteria:

<sup>&</sup>lt;sup>22</sup> See id. at 10-11.

<sup>&</sup>lt;sup>23</sup> *Id.* at 5.

<sup>&</sup>lt;sup>24</sup> *Id*.

<sup>&</sup>lt;sup>25</sup> See id. at 14.

<sup>&</sup>lt;sup>26</sup> 15 U.S.C. § 717b(c).

- (1) The application proposes to export natural gas in a volume up to and including 51.75 billion cubic feet per year, and
- (2) DOE's approval of the application does not require an environmental impact statement (EIS) or an environmental assessment (EA) under the National Environmental Policy Act, 42 U.S.C. 4321 *et seq.*<sup>27</sup>

Small-scale natural gas exports are deemed to be consistent with the public interest under NGA section 3(a).<sup>28</sup> Therefore, DOE will issue an export authorization upon receipt of a complete application to conduct small-scale natural gas exports.<sup>29</sup>

### IV. DISCUSSION AND CONCLUSIONS

# A. FTA and Import Authorization

We find that the FTA and import components of Cryopeak's Application fall within NGA section 3(c), and therefore we grant the requested FTA and import authorization without modification or delay.<sup>30</sup>

### **B.** Small-Scale Authorization

We find that the non-FTA portion of the Application meets the criteria for small-scale natural gas exports, set forth in 10 C.F.R. § 590.102(p). First, Cryopeak requests authority to export LNG to non-FTA countries in a volume equivalent to 51.75 Bcf/yr of natural gas, which is consistent with the limit in the regulation. Second, DOE's NEPA procedures provide for a categorical exclusion if neither an EIS nor an EA is required—specifically, categorical exclusion B5.7 (10 C.F.R. Part 1021, Subpart D, Appendix B5), *Export of natural gas and associated* 

<sup>&</sup>lt;sup>27</sup> 10 C.F.R. § 590.102(p).

<sup>&</sup>lt;sup>28</sup> *Id.* § 590.208(a).

<sup>&</sup>lt;sup>29</sup> *Id.*; see also Small-Scale Rule, supra note 7, 83 Fed. Reg. at 35,107.

<sup>&</sup>lt;sup>30</sup> DOE further finds that the requirements 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 countries with which the United States does not have an FTA requiring national treatment for trade in natural gas.

transportation by marine vessel.<sup>31</sup> On August 24, 2022, DOE issued a categorical exclusion for the non-FTA portion of Cryopeak's Application under this provision. <sup>32</sup> Accordingly, pursuant to 10 C.F.R. § 590.208(a), the proposed small-scale exports are deemed to be consistent with the public interest under NGA section 3(a), and DOE grants the requested authorization.

#### V. **FINDINGS**

Based on the findings and conclusions herein, DOE grants the Application subject to the Terms and Conditions and Ordering Paragraphs set forth below.

#### VI. TERMS AND CONDITIONS

#### Α. **Term of the Authorization**

Consistent with DOE's practice, Cryopeak requests that its import, FTA, and small-scale non-FTA authorizations commence on the date of an order granting such authorizations and extend through December 31, 2050.<sup>33</sup> Accordingly, the term for these authorizations will commence on the date this Order is issued and extend through December 31, 2050.<sup>34</sup>

#### B. **Commencement of Operations**

Consistent with DOE's precedent, DOE will add as a condition of the FTA authorization that Cryopeak must commercial LNG export operations to FTA nations no later than five years from the date of issuance of this Order.

Additionally, DOE will add as a condition of the small-scale authorization that Cryopeak must commercial LNG export operations no later than two years from the date of

<sup>&</sup>lt;sup>31</sup> See 10 C.F.R. Part 1021, Subpt. D. App. B. Categorical Exclusion B5.7. This categorical exclusion amended the prior B5.7 categorical exclusion. See U.S. Dep't of Energy, National Environmental Policy Act Implementing Procedures; Final Rule, 85 Fed. Reg. 78,197 (Dec. 4, 2020).

<sup>&</sup>lt;sup>32</sup> U.S. Dep't of Energy, Categorical Exclusion Determination, Cryopeak LNG Solutions Corporation, Docket No. 22-63-LNG (Aug. 24, 2022).

<sup>&</sup>lt;sup>33</sup> App. at 3-4.

<sup>&</sup>lt;sup>34</sup> 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).

issuance of this Order. Because this Order allows for exports to begin from existing facilities, we find that Cryopeak should be able to commence small-scale exports of LNG immediately.

### C. FTA Countries for FTA Authorization

The United States currently has a FTA requiring national treatment for trade in natural gas with the following countries: Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore.

# D. Transfer, Assignment, or Change in Control

DOE's natural gas regulations prohibit authorization holders from transferring or assigning authorizations to import or export natural gas without specific authorization by the Assistant Secretary for Fossil Energy and Carbon Management.<sup>35</sup> DOE has found that this requirement applies to any change in control of the authorization holder. This condition was deemed necessary to ensure that DOE will be given an adequate opportunity to assess the public interest impacts of such a transfer or change.

DOE construes a change in control to mean a change, directly or indirectly, of the power to direct the management or policies of an entity, whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.<sup>36</sup> A rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.<sup>37</sup>

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<sup>&</sup>lt;sup>35</sup> 10 C.F.R. § 590.405.

<sup>&</sup>lt;sup>36</sup> See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541, 65,542 (Nov. 5, 2014).

<sup>37</sup> See id.

# E. Agency Rights

Cryopeak requests authorization to export LNG on its own behalf and as agent for other entities that hold title to the LNG at the time of export. DOE previously has determined that, in LNG export orders in which Agency Rights have been granted, DOE shall require registration materials filed for, or by, an LNG title-holder (Registrant) to include the same company identification information and long-term contract information of the Registrant as if the Registrant had filed an application to export LNG on its own behalf.<sup>38</sup>

To ensure that the public interest is served, this authorization shall be conditioned to require that where Cryopeak proposes to export LNG as agent for other entities that hold title to the LNG (Registrants), it must register with DOE those entities on whose behalf it will export LNG in accordance with the procedures and requirements described herein.

# F. Contract Provisions for the Sale or Transfer of LNG to be Exported

DOE will require that Cryopeak file or cause to be filed with DOE any relevant long-term commercial agreements associated with the export of LNG, including agreements pursuant to which Cryopeak intends to export LNG as agent for a Registrant. DOE finds that the submission of all such agreements or contracts within 30 days of their execution using the procedures described below will be consistent with the "to the extent practicable" requirement of section 590.202(b) of DOE's regulations.<sup>39</sup> By way of example and without limitation, a "relevant long-term commercial agreement" would include an agreement with a minimum term of two years.

<sup>&</sup>lt;sup>38</sup> See, e.g., Cameron LNG, LLC, DOE/FE Order No. 3846, FE Docket No. 15-90-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from Trains 4 and 5 of the Cameron LNG Terminal to Non-Free Trade Agreement Nations, at 128-29 (July 15, 2016); Freeport LNG Expansion, L.P., et al., DOE/FE Order No. 2913, FE Docket No. 10-160-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from the Freeport LNG Terminal to Free Trade Agreement Nations,

at 7-8 (Feb. 10, 2011).
<sup>39</sup> 10 C.F.R. § 590.202(b).

In addition, DOE finds that section 590.202(c) of DOE's regulations 40 requires that Cryopeak file, or cause to be filed, all long-term contracts associated with the long-term supply of natural gas to the Facilities, whether signed by Cryopeak or the Registrant, within 30 days of their execution.

DOE recognizes that some information in Cryopeak's or a Registrant's long-term commercial agreements associated with the export of LNG, and/or long-term contracts associated with the long-term supply of natural gas to the Facilities, may be commercially sensitive. DOE therefore will provide Cryopeak the option to file or cause to be filed either unredacted contracts, or in the alternative (A) Cryopeak may file, or cause to be filed, long-term contracts under seal, but it shall also then file either: (i) a copy of each long-term contract with commercially sensitive information redacted, or (ii) a summary of all major provisions of the contract(s) 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; and (B) the filing must demonstrate why the redacted information or nondisclosed information should be exempted from public disclosure.<sup>41</sup>

To ensure that DOE destination and reporting requirements included in this Order are conveyed to subsequent title holders, DOE will include as a condition of this authorization that future contracts for the sale or transfer of LNG exported pursuant to this Order shall include an acknowledgement of these requirements.

#### G. **Import and Export Quantity**

This Order grants Cryopeak's Application in the full volume of LNG requested, up to the equivalent of 51.75 Bcf/yr of natural gas for FTA and non-FTA countries.

<sup>&</sup>lt;sup>40</sup> *Id.* § 590.202(c).

<sup>&</sup>lt;sup>41</sup> Id. § 590.202(e) (allowing confidential treatment of information in accordance with 10 C.F.R. § 1004.11).

# **H.** Non-Additive Export Volumes

Consistent with DOE's small-scale export regulations, Cryopeak may not treat the FTA and small-scale non-FTA volumes in this Order as additive to one another.

### VII. ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Cryopeak LNG Solutions Corporation (Cryopeak) is authorized by DOE to export domestically produced LNG purchased from any of the 30 United States Facilities listed in Appendix C of the Application and to import LNG from Canada and Mexico. <sup>42</sup> Cryopeak is authorized to import and export LNG in approved ISO containers on vessels, and to import and export LNG using approved Department of Transportation approved highway trailers, in a total volume equivalent to 51.75 Bcf/yr of natural gas. The FTA and small-scale authorizations will commence on the date of this Order, and extend through December 31, 2050. Cryopeak 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. <sup>43</sup>

B. This Order does not give Cryopeak an independent right to purchase or load LNG from any of the identified Facilities. Cryopeak and each Facility may agree upon contractual terms for Cryopeak's export services, as they deem appropriate. Additionally, this Order does not restrict, through volume limitations or otherwise, any existing or future authorizations issued by DOE for any of the Facilities.<sup>44</sup>

<sup>&</sup>lt;sup>42</sup> If, in the future, Cryopeak wishes to purchase LNG for export from facilities other than the 30 United States Facilities listed in Appendix C, it will be required to file with DOE a request to amend this Order to add those facilities. DOE will evaluate that request under the same standards of review discussed above.

<sup>&</sup>lt;sup>43</sup> 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).

<sup>&</sup>lt;sup>44</sup> See BP Energy Co., DOE/FE Order No. 4302, FE Docket No. 18-69-LNG, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel to Free Trade Agreement and Non-Free Trade Agreement Nations, at 13-14, 19 (Nov. 19, 2018).

- C. For the FTA authorization, Cryopeak must commence export operations using the Facilities no later than five years from the date of issuance of this Order. For the authorization to non-FTA countries under the Small-Scale Rule, Cryopeak must commence export operations using the Facilities no later than two years from the date of issuance of this Order.
- D. Imports of LNG under this Order may be imported by truck from Canada and Mexico to any LNG receiving facility in the United States and its territories. Imports of LNG under this Order may be imported by vessel at any LNG receiving facility in the United States and its territories.
- E. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.
- F. Exports of LNG under this Order may be exported by vessel to any country with the capacity to import LNG, and with which trade is not prohibited by U.S. law or policy.
- G. Cryopeak shall ensure that all transactions authorized by this Order are permitted and lawful under U.S. laws and policies, including the rules, regulations, orders, policies, and other determinations of the Office of Foreign Assets Control of the U.S. Department of the Treasury, the Federal Energy Regulatory Commission, and the Pipeline and Hazardous Materials Safety Administration of the U.S. Department of Transportation, as applicable. Failure to comply with

these requirements could result in rescission of this authorization and/or other civil or criminal penalties.

- H. (i) Cryopeak shall file, or cause others to file, with the Office of Regulation,

  Analysis, and Engagement an unredacted copy of <u>all executed long-term contracts associated</u>

  <u>with the long-term export of LNG</u>. The unredacted copies must be filed within 30 days of their execution and may be filed under seal, as described above.
- (ii) Cryopeak shall file, or cause others to file, with the Office of Regulation, Analysis, and Engagement a non-redacted copy of <u>all executed long-term contracts associated with the long-term supply of natural gas</u> to the Facilities. The unredacted copies must be filed within 30 days of their execution and may be filed under seal, as described above.
- I. Cryopeak is permitted to use its authorization to export LNG as agent for Registrants, after registering those entities with DOE. Registration materials shall include an agreement by the Registrant to supply Cryopeak with all information necessary to permit Cryopeak to register that person or entity with DOE, including: (1) the Registrant's agreement to comply with this Order and all applicable requirements of DOE's regulations at 10 C.F.R. Part 590, including but not limited to destination restrictions; (2) the exact legal name of the Registrant, state/location of incorporation/registration, primary place of business, the Registrant's ownership structure, including the ultimate parent entity if the Registrant is a subsidiary or affiliate of another entity; (3) the name, title, mailing address, e-mail address, and telephone number of a corporate officer or employee of the Registrant to whom inquiries may be directed; and (4) within 30 days of execution, a copy of any long-term contracts not previously filed with DOE, described in Ordering Paragraph H of this Order.

Any change in the registration materials—including changes in company name, contact information, length of the long-term contract, termination of the long-term contract, or other relevant modifications—shall be filed with DOE within 30 days of such change(s).

J. Cryopeak, or Registrants, shall include the following provision in any agreement or other contract for the sale or transfer of LNG pursuant to this Order:

Customer or purchaser acknowledges and agrees that it will resell or transfer LNG, purchased hereunder for delivery only to countries identified in Ordering Paragraph F of DOE/FECM Order No. 4865, issued August 25, 2022, in Docket No. 22-63-LNG, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Cryopeak LNG Solutions Corporation that identifies the country (or countries) into which the LNG was actually delivered, and to include in any resale contract for such LNG the necessary conditions to ensure that Cryopeak LNG Solutions Corporation is made aware of all such actual destination countries.

K. Within two weeks after the first export authorized in Ordering Paragraph A occurs, Cryopeak shall provide DOE written notification of the date on which the first export occurred.

L. With respect to any change in control of the authorization holder, Cryopeak must comply with DOE's Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas.<sup>45</sup>

M. Monthly Reports: With respect to the imports and/or exports authorized by this Order, Cryopeak shall file with the Office of Regulation, Analysis, and Engagement, within 30 days following the last day of each calendar month, a report on Form FE-746R indicating whether imports and/or exports of LNG have been made. The first monthly report required by this Order is due not later than the 30<sup>th</sup> day of the month following the month of first import or export. In subsequent months, if imports and/or exports have not occurred, a report of "no activity" for that month must be filed. If imports and/or exports of LNG have occurred, the

<sup>&</sup>lt;sup>45</sup> See 79 Fed. Reg. at 65,541-42.

report must provide the information specified for each applicable activity and mode of transportation, as set forth in the Guidelines for Filing Monthly Reports. These Guidelines are available at: <a href="https://www.energy.gov/fecm/guidelines-filing-monthly-reports">https://www.energy.gov/fecm/guidelines-filing-monthly-reports</a>.

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294.)

N. All monthly report filings on Form FE-746R shall be made to the Office of Regulation, Analysis, and Engagement according to the methods of submission listed on the Form FE-746R reporting instructions available at: <a href="https://www.energy.gov/fecm/regulation">https://www.energy.gov/fecm/regulation</a>.

O. Cryopeak's authorization to import and export LNG from and to Canada and Mexico by truck, to export LNG to Canada and Mexico by vessel, and to import LNG from various international sources by vessel, granted in DOE/FECM Order No. 4825 on May 25, 2022, is hereby vacated, effective August 25, 2022.

Issued in Washington, D.C., on August 25, 2022.

Amy R. Sweeney
Director, Office of Regulation, Analysis, and Engagement
Office of Resource Sustainability