



Southern LNG
Company, L.L.C.
a Kinder Morgan company

December 16, 2022

Ms. Amy Sweeney
Office of Fossil Energy and Carbon Management
U.S. Department of Energy
FE-34
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

RE: Southern LNG, DOE/FECM Docket No. 22-166-LNG
Application for Blanket Authorization to Export Liquefied Natural Gas

Dear Ms. Sweeney:

Southern LNG Company, L.L.C. ("Southern LNG") hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy and Carbon Management ("DOE/FECM") an application for authorization to export previously imported liquefied natural gas (LNG) from its existing LNG import terminal in Chatham County, Georgia for a two-year period, commencing on April 1, 2023, which is the day following the date upon which its existing blanket re-export authorization is scheduled to expire¹ to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. Southern LNG 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/FECM in according with the established procedures.

Southern LNG 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.

Respectfully submitted,

Margaret G. Coffman
Assistant General Counsel

Enclosures

¹ On March 30, 2021, in DOE/FECM Order No. 4687 ("Order No. 4687"), DOE/FE authorized Southern LNG to engage in short-term exports in a volume equivalent to 182.5 Bcf, on a cumulative basis, of LNG that has been previously imported into the United States from foreign sources to any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, for a two-year period commencing on April 1, 2021 and extending through March 31, 2023. *Southern LNG Company, L.L.C.*, DOE/FECM Order No. 4687 (March 30, 2021).

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

Southern LNG Company, L.L.C.

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Docket No. 22-166-LNG

**APPLICATION OF SOUTHERN LNG COMPANY, L.L.C.
FOR BLANKET AUTHORIZATION
TO EXPORT PREVIOUSLY IMPORTED LIQUEFIED NATURAL GAS**

Communications with respect to this
Application should be addressed to:

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**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
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Southern LNG Company, L.L.C.

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Docket No. 22 -166-LNG

**APPLICATION OF SOUTHERN LNG COMPANY, L.L.C.
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 Southern LNG Company, L.L.C. (“Southern LNG”) hereby requests that DOE, Office of Fossil Energy and Carbon Management (“DOE/FECM”) issue an order granting blanket authorization for Southern LNG to engage in exports of Liquefied Natural Gas (“LNG”) up to 182.5 billion cubic feet (“Bcf”) on a cumulative basis, that has been previously imported into the U.S. from foreign sources, for a two-year period, commencing on April 1, 2023, which is the day following the date upon which its existing blanket re-export authorization is scheduled to expire.³ Southern LNG is seeking authorization to export previously imported LNG from the Elba Island terminal (“SLNG Terminal”) to both (1) any country with the capacity to import LNG via ocean-going carrier and with which the U.S. has, or in the future enters into, a Free Trade Agreement (“FTA”) with the United States requiring national treatment for natural gas or is otherwise deemed by the United States as being treated as a FTA nation, and (2) any country

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. Part 590 (2022).

³ On March 30, 2021, in DOE/FECM Order No. 4687 (“Order No. 46876”), DOE/FECM authorized Southern LNG to engage in short-term exports in a volume equivalent to 182.5 Bcf, on a cumulative basis, of LNG that has been previously imported into the United States from foreign sources to any country with the capacity to accept LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy, for a two-year period commencing on April 1, 2021 and extending through March 31, 2023. *Southern LNG Company, L.L.C.*, DOE/FECM Order No. 4687 (March 30, 2021).

with the capacity to import LNG via ocean-going carriers and with which the United States does not have such an FTA but with which trade is not prohibited by United States law or policy. In other words, Southern LNG seeks the blanket authorization for re-exports to both FTA and non-FTA countries. Southern LNG 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/FECM in according with the established procedures.

In support of this Application, Southern LNG states as follows:

I. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Southern LNG Company, L.L.C. Southern LNG is a limited liability company formed under the laws of Delaware with its principal place of business at 569 Brookwood Village, Suite 749, Birmingham, Alabama 35209. Southern LNG is a wholly-owned indirect subsidiary of Kinder Morgan, Inc.

II. COMMUNICATIONS

The persons to whom correspondence and communications concerning this Application should be directed and upon whom service is to be made are as follows:

Patricia S. Francis
Vice President & Managing Counsel
Southern LNG Company, L.L.C.
569 Brookwood Village, Suite 749
Birmingham, Alabama 35209
(205) 325-7696
patricia_francis@kindermorgan.com

Margaret G. Coffman
Asst. General Counsel
Southern LNG Company, L.L.C.
569 Brookwood Village, Suite 749
Birmingham, Alabama 35209
(205) 325-7424
meghan_coffman@kindermorgan.com

These persons are designated to receive service and should be placed on the official service list for this proceeding. Pursuant to Section 509.103(b) of DOE's regulations,⁴ Southern LNG hereby certifies that these persons listed above are duly authorized representatives of Southern LNG.

III. BACKGROUND AND EXISTING AUTHORIZATIONS

The Federal Energy Regulatory Commission authorized the siting, construction and operation of the Elba Liquefaction Project in 2016. *See Elba Liquefaction Company, L.L.C., et al.*, 155 FERC ¶ 61,219 (2016), *reh'g denied*, 157 FERC ¶ 61,195 (2016). The Elba Liquefaction Project includes ten Movable Modular Liquefaction System ("MMLS") units with a total liquefaction capacity of approximately 2.5 MTPA of LNG and other related facilities, as fully explained in the FERC Order. On September 30, 2019, SLNG and Elba Liquefaction Company, L.L.C. ("ELC") received authorization and placed the Balance of Plant, Terminal Upgrades, and MMLS Unit No. 1 in-service. Construction was completed on August 27, 2020 when the final MMLS Unit was placed in-service. The Terminal at Elba Island has the capability to both import and export LNG supplies.

Southern LNG currently holds the following DOE/FECM authorizations to export LNG from the Elba Liquefaction Project (collectively, the "DOE Export Orders"):

1. Order No. 3106⁵ granting long-term authorization to export 0.5 Bcf per day ("Bcf/d") (or 182.5 Bcf) per year of LNG to FTA nations, issued June 15, 2012;

⁴ 10 C.F.R. § 590.103(b).

⁵ *See Southern LNG Company, L.L.C.*, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Elba Island Terminal to Free Trade Agreement Nations, DOE/FECM Order No. 3106 (June 15, 2012) (hereinafter *Order No. 3106*) and *Southern LNG Company, L.L.C.*, Order Extending Export Term for Authorizations to Free Trade and Non-Free Trade Agreement Nations Through December 31, 2050, DOE/FECM Order No. 3106-A and DOE Order No. 3956-A (December 30, 2020) (extending the export term through December 31, 2050).

2. Order No. 3956⁶ granting long-term authorization to export 0.36 Bcf/d (130 Bcf/year) of LNG to Non-FTA nations, issued December 16, 2016; and
3. Order No. 4687 granting short-term authorization to export 182.5 Bcf/year of LNG to FTA and Non-FTA nations for a two-year period, issued March 31, 2021.

The volumes authorized in Order Nos. 3106, 3956 and 4687 are not additive. DOE/FECM authorized Southern LNG to export the LNG as agent for other entities that will hold title to the LNG pursuant to one or more contracts, after registering each such entity with DOE/FECM.

Southern LNG's customer, Shell NA LNG LLC, holds a DOE/FECM authorization issued in Order 4787 to import LNG from various international sources by vessel, in a volume equivalent to 1,200 Bcf/d, for a two-year term extending through March 1, 2024.⁷

IV. AUTHORIZATION REQUESTED

Southern LNG requests blanket authorization to export previously imported LNG up to 182.5 Bcf cumulatively over a two-year period commencing on April 1, 2023 to both FTA countries and non-FTA countries with which trade is not prohibited by United States law or policy. The volumes authorized herein are not intended to be additive of those authorized for export in Order Nos. 3106 and 3956. Currently, Southern LNG does not segregate its tanks to distinguish between imported LNG and LNG produced by Elba Liquefaction Company and delivered to Southern LNG. It maintains the storage quantities of its customers in inventory as one total volume. Previously imported LNG is combined in storage with LNG produced by the liquefaction process

⁶ See *Southern LNG Company, L.L.C.*, Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Elba Island Terminal in Chatham County, Georgia to Non-Free Trade Agreement Nations, DOE/FECM Order No. 3956 (December 16, 2016) (hereinafter *Order No. 3956*) and *Southern LNG Company, L.L.C.*, Order Extending Export Term for Authorizations to Free Trade and Non-Free Trade Agreement Nations Through December 31, 2050, DOE/FECM Order No. 3106-A and DOE Order No. 3956-A (December 30, 2020) (extending the export term through December 31, 2050).

⁷ See *Shell NA LNG LLC*, Order Granting Blanket Authorization to Import Liquefied Natural Gas From Various International Sources by Vessel, DOE/FECM Order No. 4787 (January 24, 2022) (hereinafter *Order No. 4787*).

at Elba and then re-exported as part of such blended mixture. In addition, in certain operational circumstances, co-mingled LNG may be cycled through the facility and then re-liquefied at the Terminal, and some of the resulting volumes could subsequently be exported. Given these possibilities, Southern LNG respectfully requests that the blanket authorization issued herein allow for exportation of gas that may have been previously imported as LNG from foreign sources. That LNG will either be re-exported or re-gasified to be consumed in the domestic natural gas market depending on the demand for gas, the shippers' nominations pursuant to SLNG's FERC Gas Tariff, the availability of pipeline capacity, and U.S. and global market conditions. Such flexibility proposed hereunder will allow for service to the U.S. where market conditions permit and service for export when market conditions permit without having to arbitrarily segregate LNG, thereby restricting its use by both markets. No physical modifications to the Elba Island Terminal are required to accommodate the authorization requested herein. There are no other proceedings related to this application currently pending before DOE or any other federal agency. Southern LNG is requesting authorization for two years⁸ for such exports that have previously been imported and requests confirmation that it may be permitted to extend such authorization so long as Southern LNG or its customer, Shell NA LNG LLC, have authorization to import LNG to the Elba Island Terminal.

Southern LNG requests such authorization to export such previously imported LNG on its own behalf or as agent for third parties who themselves may hold title to the LNG at the point of export. Southern LNG will comply with all DOE/FECM requirements for exporters and agents including as first established in Order No. 3106.⁹ In this regard, Southern LNG, when acting as

⁸ Southern LNG is requesting for such two year period to commence on April 1, 2023, which is the day following the date upon which its existing blanket re-export authorization is scheduled to expire.

⁹ *Order No. 2913*, supra note 4.

agent, will register with DOE/FECM each LNG title holder for whom it seeks to export as agent, and will provide DOE/FECM with a written statement by the title holder acknowledging and agreeing to: (1) comply with all requirements in Southern LNG's export authorization; and (2) include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

V. PUBLIC INTEREST

Pursuant to Section 3 of the NGA, DOE/FECM is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”¹⁰ Section 3 thus creates a statutory presumption in favor of approval of this application which opponents bear the burden of overcoming.¹¹ In evaluating an export application, DOE/FECM has consistently applied the principles described in DOE Delegation Order No. 0204-111 (which focuses primarily on domestic need for the gas to be exported) and the Secretary's natural gas policy guidelines.¹² Southern LNG's proposal to export LNG to those countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with NGA Section 3 and DOE/FECM guidelines.

In Order No. 4687, which granted Southern LNG blanket authorization to export up to 182.5 Bcf (cumulatively) or previously imported foreign-sourced LNG, DOE/FECM determined that the record showed sufficient supply of natural gas to satisfy domestic demand from multiple other sources at competitive prices without relying on the volumes of imported LNG that Southern LNG would seek to export.¹³ Specifically, therein, DOE/FECM took administrative notice that

¹⁰ 15 U.S.C. §717b.

¹¹ *See, e.g., Sierra Club v. U.S. Dep't of Energy*, 867 F.3d 189, 203 (D.C. Cir. 2017).

¹² *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).

¹³ Order No. 4687 at 7-8.

the Energy Information Administration’s (“EIA”) 2021 Annual Energy Outlook (“AEO2021”) projected annual lower-48 domestic dry natural gas production in 2022 of 32.45 trillion cubic feet (“Tcf”), with total natural gas consumption projected to be 29.13 Tcf in the same year.¹⁴ In this regard, DOE/FECM found that *AEO2021* supports the conclusion that volumes of foreign-sourced LNG are not needed to meet domestic demand.¹⁵ Similarly, the 2022 Annual Energy Outlook indicates that continuing record-high domestic energy production supports natural gas exports.¹⁶

Granting Southern LNG’s blanket authorization as requested herein would provide Southern LNG and its customer with the necessary flexibility it requires to respond to changes in domestic and global markets for natural gas and LNG. Natural gas derived from imported LNG would be available to supply local markets when market conditions support greater domestic use, and would thereby serve to moderate U.S. gas price volatility. Furthermore, the ability to re-export previously imported LNG helps to encourage continued imports, which in turn helps to ensure that the SLNG Terminal will more efficiently remain ready to serve both domestic and global markets. As such, the requested export authorization is consistent with the public interest.

For the foregoing reasons, the authorization requested herein is not inconsistent with, and clearly serves, the public interest.

VI. ENVIRONMENTAL IMPACT

As previously noted, FERC completed its environmental review of the Elba Liquefaction Project, satisfying the obligations of National Environmental Policy Act of 1969 (42 U.S.C. 4321, i.) (“NEPA”), in FERC Docket CP14-103, and DOE independently reviewed and adopted that

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ EIA, *Annual Energy Outlook 2022*

environmental analysis in DOE/FECM Order No. 3596. The FERC order included extensive environmental conditions related to the Elba Liquefaction Project.

No new construction or changes to the Elba Liquefaction Project facilities will be required for the comingled exports for which blanket authorization is requested herein. DOE regulations at 10 CFR Part 1021, Subpart D, Appendix B5, provide a list of categorical exclusions from the preparation of an environmental analysis or environmental impact statement under NEPA. Specifically, categorical exclusion B5.7 provides for an exclusion where approvals of authorizations to export natural gas under NGA section 3. Southern LNG's export of previously imported LNG falls within this categorical exclusion and no further environmental analysis is required.

Therefore, the proposal does not constitute a major federal action significantly affecting the quality of the human environment within the meaning of NEPA consistent with DOE/FECM regulations and precedent. The authorization requested herein is categorically excluded from review under the National Environmental Policy Act.¹⁷

VII. APPENDICES

The following appendices are included herewith:

Appendix A: Verification

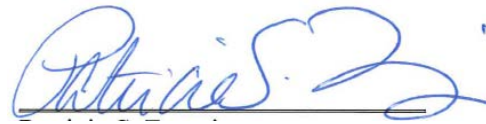
Appendix B: Opinion of Counsel

¹⁷ 42 U.S.C. §§4321, *et seq.*; *see, e.g., Sabine Pass Liquefaction, LLC*, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel to Free Trade Agreement and Non-Free Trade Agreement Nations, DOE/FECM Order No. 4838 at 10, Docket No. 22-19-LNG (June 3, 2022).

**IX.
CONCLUSION**

Based on the reasons discussed above, Southern LNG respectfully requests that the DOE/FECM determine that Southern LNG's request for blanket authorization as discussed herein, and grant such authorization as expeditiously as possible but no later than March 15, 2023.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Patricia S. Francis", written over a horizontal line.

Patricia S. Francis
Margaret G. Coffman
*Attorneys for
Southern LNG Company, L.L.C.*

Dated: December 16, 2022


Appendix A

VERIFICATION

State of Alabama)

County of Jefferson)

BEFORE ME, the undersigned authority, on this day personally appeared Carl Haga, who having been be me first duly sworn, on oath says that he is the Vice President for Southern LNG Company, L.L.C., 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.



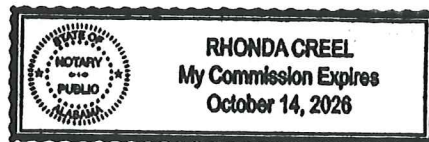
Carl Haga

SWORN TO AND SUBSCRIBED before me on the 16th day of December, 2022.



Name: Rhonda Creel

Title: Notary Public



Appendix B



**Southern LNG
Company, L.L.C.**
a Kinder Morgan company

December 16, 2022

Ms. Amy Sweeney
Office of Fossil Energy
U.S. Department of Energy
FE-34
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

**RE: Southern LNG
DOE/FE Docket No. 22-____-LNG
Application for Blanket Authorization to Export LNG**

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. § 590.202(c). I am the duly authorized representative for Southern LNG Company, L.L.C. (collectively, "Southern LNG"). I have reviewed the organizational and internal governance documents of Southern LNG and other documents and authorities as necessary for purposes of this opinion. On the basis of the foregoing, it is my opinion that the proposed short-term exports of liquefied natural gas by Southern LNG, as described in the above-referenced application, are within the partnership and company powers of Southern LNG.

Respectfully submitted,

Patricia S. Francis
Vice President & Managing Counsel