



Department of Energy
Washington, DC 20585

August 24, 2023

Via Email

Hilary Bawn
Irving Oil Limited
10 King Square South
Saint John, New Brunswick E2L-OG3
hilary.bawn@irvingoil.com

RE: Statement of Supplemental Information Regarding Exporting Renewable Natural Gas by Pipeline
Irving Oil Limited and Irving Oil Terminals Inc.
Docket No. 15-165-NG

Dear Ms. Bawn:

The Department of Energy (DOE), Office of Fossil Energy and Carbon Management (FECM),¹ has reviewed the Statement of Supplemental Information submitted by Irving Oil Terminals Inc. on August 10, 2023,² concerning Irving Oil Limited and Irving Oil Terminals Inc.'s (collectively, Irving Oil) authorization in DOE/FE Order No. 3765, as amended most recently in DOE/FECM Order No. 3765-E.³ This long-term authorization allows Irving Oil to import and export natural gas from and to Canada.

In the Statement, Irving Oil states that it is considering two options:

- (i) Purchasing renewable natural gas in the United States and exporting it to Canada, and

¹ The Office of Fossil Energy (FE) changed its name to the Office of Fossil Energy and Carbon Management (FECM) on July 4, 2021.

² Irving Oil Limited, Statement of Supplemental Information Regarding Exporting of Renewable Natural Gas by Pipeline, Docket No. 15-165-NG (Aug. 10, 2023), https://www.energy.gov/sites/default/files/2023-08/15-165-LNG_RNG%20Statement%20for%20DOE%2008.10.2023.pdf [hereinafter Statement].

³ *Irving Oil Limited and Irving Oil Terminals Inc.*, DOE/FE Order No. 3765, Docket No. 15-165-NG, Order Granting Long-Term Authorization to Import and Export Natural Gas from and to Canada (Dec. 31, 2015), *amended by* DOE/FE Order No. 3765-A (Oct. 27, 2017) (amending order to reflect corporate name change), *further amended by* DOE/FE Order No. 3765-B (Feb. 28, 2018) (increasing authorized volume and extending term), *further amended by* DOE/FE Order No. 3765-C (Mar. 11, 2019) (increasing authorized volume and extending term), *further amended by* DOE/FECM Order No. 3765-D (Aug. 25, 2022) (amending authorization holders to reflect corporate reorganization), *further amended by* DOE/FECM Order No. 3765-E (July 26, 2023) (amending authorization holders to reflect corporate reorganization).

- (ii) Purchasing renewable natural gas in Alberta, Canada, and transiting the natural gas through the United States back to Canada (*i.e.*, in-transit movement).⁴

Irving Oil states that the renewable natural gas would be “comingled in the pipe” with regular natural gas.⁵ We understand that Irving Oil is asking if the export of renewable natural gas is permissible under Order No. 3765, as amended. We also understand that no other material information in this authorization has changed.

Neither the Natural Gas Act⁶ nor DOE’s regulations⁷ speak to the origin of natural gas, *i.e.*, whether it is produced from the earth or from organic matter (as in biomethane). Therefore, DOE interprets the authorization to import and export natural gas under Order No. 3765, as amended, as including the authority to import or export renewable natural gas. Irving Oil may export renewable natural gas under the existing terms of Order No. 3765, as amended, and also report in-transit movements of renewable natural gas under that authorization.⁸

As mentioned in the Statement, when exports or in-transit movements of renewable natural gas occur, Irving Oil should provide data about the renewable natural gas transaction(s) in the “Comment” section of the referenced monthly submission of the FE-746R Form, *Monthly Report of Natural Gas Imports and Exports*. This information will help to provide transparency for DOE concerning exports and in-transit movements of renewable natural gas.⁹

Sincerely,

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

⁴ See Statement.

⁵ See *id.*

⁶ 15 U.S.C. § 717a(5) (“‘Natural gas’ means either natural gas unmixed, or any mixture of natural and artificial gas.”).

⁷ 10 C.F.R. § 590.102(i) (“*Natural gas* means natural gas and mixtures of natural gas and synthetic natural gas, regardless of physical form or phase, including liquefied natural gas and gels primarily composed of natural gas.”).

⁸ We note that in-transit movements of natural gas originating in Canada and returning to Canada, after temporarily passing through the United States, do not qualify as imports or exports under section 3 of the Natural Gas Act. See U.S. Dep’t of Energy, Notice of Revised Procedures Affecting Applications and Authorizations for the In-Transit Movement of Natural Gas, 81 Fed. Reg. 59,436 (Aug. 30, 2016). DOE, however, has established reporting requirements for in-transit shipments of natural gas and stated that “[c]ompanies that currently use import and export authorizations to report in-transit natural gas shipments may continue to report under their authorizations” *Id.* at 59,437.

⁹ DOE will continue to monitor the developing market for renewable natural gas and may issue more specific policy guidance in the future, if needed.