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

In the Matter of

COVE POINT LNG, LP

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Docket No. 24-____-LNG

**APPLICATION OF COVE POINT LNG, LP
FOR BLANKET AUTHORIZATION
TO EXPORT PREVIOUSLY IMPORTED LIQUEFIED NATURAL GAS
BY VESSEL FROM THE COVE POINT TERMINAL IN CALVERT COUNTY, MARYLAND**

George W. Flugrad
Senior Counsel
Eastern Gas Transmission and Storage, Inc.
6603 West Broad Street
Richmond, VA 23230
(804) 819-2277
George.Flugrad@bhegts.com

J. Patrick Nevins
Latham & Watkins LLP
555 11th Street, NW
Washington, D.C. 20004-1304
(202) 637-3363
patrick.nevins@lw.com

Counsel for
Cove Point LNG, LP

Filed: April 17, 2024

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Pursuant to Section 3 of the Natural Gas Act (“NGA”) 1/ and Part 590 of the Department of Energy’s (“DOE”) regulations, 2/ Cove Point LNG, LP (“Cove Point”) hereby files this application (“Application”) with the Office of Fossil Energy and Carbon Management of the DOE (“DOE/FECM”) for short-term, blanket authorization to export pursuant to transactions with terms of no longer than two years liquefied natural gas (“LNG”) that has been previously imported to the United States from foreign sources. Cove Point requests blanket authorization to export previously-imported LNG in volumes of up to the equivalent of 70 billion cubic feet (“Bcf”) of natural gas over a two-year period commencing upon issuance by vessel from its existing LNG import/export terminal in Calvert County, Maryland (the “Terminal”). Cove Point requests this new authorization to replace its existing, essentially identical, blanket authorization to export previously imported LNG issued in DOE/FECM Order No. 4849 3 that will expire on July 7, 2024. The requested authorization does not involve the construction of any new or additional facilities, nor any physical modification to the Terminal or its operations. Cove Point respectfully requests that DOE/FECM grant this application by July 7, 2024, so as to allow Cove Point to

1 15 U.S.C. § 717(b) (2018). The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA has been delegated to the Assistant Secretary for Fossil Energy and Carbon Management in Redelegation Order No. S4-DEL-FE1-2022, issued on June 13, 2022.

2 10 C.F.R. Part 590 (2024).

3 *Dominion Energy Cove Point LNG, LP*, DOE/FE Order No. 4849 (July 8, 2022) issued in Docket No. 22-22-LNG.

retain, without interruption, its authority to provide exports of previously imported LNG under short-term transactions, if and when operationally, contractually, and economically desirable.⁴

Cove Point requests the new blanket authorization (like its existing one) solely for LNG previously imported by vessel at the Terminal from foreign sources because its long-term authorizations (as amended) encompass short-term exports of domestically produced natural gas. Cove Point requests the new blanket authorization for short-term re-exports 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, whether or not the country has a Free Trade Agreement (FTA) with the United States requiring national treatment for trade in natural gas: in other words, for exports to both FTA and non-FTA countries. To be consistent with prior blanket authorizations, and in an effort to facilitate and expedite approval of this application, Cove Point commits that the volumes exported under the requested blanket authorization when added to volumes exported under Cove Point's existing long-term export authorizations will not exceed the quantities authorized by DOE/FECM in the long-term authorizations. Cove Point 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, Cove Point respectfully shows as follows:

⁴ DOE/FECM action on this request for a blanket authorization it is *not* affected by the recent initiation of a process for DOE to update its previous studies used to inform its determinations whether additional long-term export authorization requests to non-FTA nations are consistent with the public interest. *See* DOE/FECM posting "The Temporary Pause on Review of Pending Applications to Export Liquefied Natural Gas" at n. 1 (undated, but stating that it is "current as of February 2024), available at: https://www.energy.gov/sites/default/files/2024-02/The%20Temporary%20Pause%20on%20Review%20of%20Pending%20Applications%20to%20Export%20Liquefied%20Natural%20Gas_0.pdf. Regarding that "pause" in processing new and pending long-term export applications generally, *see* Press Release, DOE to Update Public Interest Analysis to Enhance National Security, Achieve Clean Energy Goals and Continue Support for Global Allies (Jan. 26, 2024), available at: <https://www.energy.gov/articles/doe-update-public-interest-analysis-enhance-national-security-achieve-clean-energy-goals>.

I. DESCRIPTION OF THE APPLICANT

Cove Point's exact legal name is Cove Point LNG, LP. Cove Point is a limited partnership organized and existing under the laws of the State of Delaware with its principal place of business at 2100 Cove Point Road, Lusby, Maryland 20657. Cove Point also has business offices located at 6603 West Broad Street, Richmond, Virginia 23230. Cove Point owns and operates the Cove Point Terminal, an LNG import and export terminal located in Calvert County, Maryland ("Terminal"), as well as associated interstate pipeline facilities that extend approximately 88 miles from the Terminal to interconnections with three other interstate pipelines. The Terminal has long been used to import LNG. Beginning in 2018, Cove Point began to export LNG from the Terminal, rendering it a bi-directional facility capable of both imports and exports of LNG depending on market conditions.

The general partner of Cove Point is BHE GT&S LLC ("BHE GT&S"), a wholly-owned subsidiary of Berkshire Hathaway Energy Company ("BHE"), that also owns seventy-five percent (75%) of CPL's limited partnership interest.⁵ The remaining twenty-five percent (25%) of Cove Point's limited partnership interest is owned by Bowie Acquisitions LLC, an affiliate of Brookfield Asset Management Inc., a global alternative asset manager.

BHE GT&S is a limited liability corporation organized and existing under the laws of the State of Delaware with its principal place of business at 6603 West Broad Street, Richmond, Virginia, 23230. BHE GT&S is an interstate natural transmission and storage company operating more than 5,500 miles of transmission lines and over 750 Bcf of natural gas storage in the eastern United States, as well as LNG, gathering, processing, and field services businesses.

⁵ Until last year, a subsidiary of Dominion Energy, Inc. ("Dominion") owned fifty percent (50%) of CPL's limited partnership interest. A subsidiary of BHE contracted to acquire Dominion's fifty percent (50%) limited partnership interest in CPL pursuant to a Purchase and Sale Agreement dated as of July 9, 2023, and the transaction closed on September 1, 2023. Cove Point notified DOE of this change in control in a submission dated July 11, 2023, which was updated on September 11, 2023; DOE responded to that notification in a letter dated Oct. 23, 2023.

II. COMMUNICATIONS AND CORRESPONDENCE

The names, titles and mailing addresses of the persons to whom correspondence and communications concerning this Application, including service of all pleadings and notices, are to be addressed are:

George W. Flugrad
Senior Counsel
Eastern Gas Transmission and Storage, Inc.
6603 West Broad Street
Richmond, VA 23230
(804) 819-2277
George.Flugrad@bhegts.com

J. Patrick Nevins
Latham & Watkins LLP
555 11th Street, NW
Washington, D.C. 20004-1304
(202) 637-3363
patrick.nevins@lw.com

These individuals are designated to receive service and should be placed on the official service list for this proceeding.

III. BACKGROUND AND EXISTING AUTHORIZATIONS

The Federal Energy Regulatory Commission (“FERC”) in 2014 authorized Cove Point, pursuant to NGA Section 3, to site, construct, and operate its Liquefaction Project at the Terminal.⁶ The Liquefaction Project includes one liquefaction train with capacity to produce up to 5.75 million metric tonnes per annum (“MTPA”) of LNG, as well as other related facilities, as fully explained in the FERC orders. Cove Point exported LNG from the Terminal for the first time on March 2, 2018, and placed its Liquefaction Project fully in service on April 9, 2018.

In DOE/FE Order No. 3019, issued on October 7, 2011 in FE Docket No. 11-115-LNG, DOE/FE issued long-term, multi-contract authorization for Cove Point to export domestically produced LNG by vessel from the Terminal to countries with which the United States has, or in the future enters into, a FTA requiring national treatment for trade in natural gas (“FTA countries”) in a volume up to the equivalent of 365 Bcf of natural gas per year for a period of 25 years. In DOE/FE Order No. 3331, issued on September 11, 2013 in FE Docket No. 11-128-LNG, DOE/FE conditionally granted Cove Point long-

⁶ *Dominion Cove Point LNG, LP*, 148 FERC ¶ 61,244 (2014), *reh’g denied*, 151 FERC ¶ 61,095 (2015), *petition for review denied sub nom. Earth Reports, Inc. v. FERC*, 828 F.3d 949 (D.C. Cir. 2016).

term, multi-contract authority to export domestically produced LNG by vessel from the Terminal to nations with which the United States has not entered into such an FTA (“non-FTA countries”), conditioned on the satisfactory completion of the environmental review process for the Liquefaction Project that was then on-going in the FERC proceedings. Order No. 3331 authorized export of LNG to non-FTA countries in volumes equivalent to 281 Bcf of natural gas per year or approximately 5.75 MTPA, equivalent to the liquefaction capacity of the Liquefaction Project for a period of 20 years. The volumes authorized in Order No. 3019 and No. 3331 are *not* additive. In both orders, DOE/FE authorized Cove Point to export the LNG solely as agent for other entities that will hold title to the LNG pursuant to one or more long-term (greater than two year) contracts, after registering each such entity with DOE/FE.

Following the FERC order authorizing the Liquefaction Project, with the environmental condition of Order No. 3331 having been satisfied, DOE/FE issued on May 7, 2015 its “Final Opinion and Order,” DE/FE Order No. 3331-A, authorizing Cove Point to export LNG to non-FTA countries. Order No. 3331-A authorizes Cove Point to export LNG up to the equivalent of 281 Bcf per year to non-FTA countries, while acting as an agent for others pursuant to long-term contracts, for a term of 20 years commencing on the earlier of the date of first commercial export or seven years from the date of order issuance. DOE/FE later denied a request for rehearing and affirmed its previous findings and conclusions in DOE/FE Order No. 3331-B, issued on April 16, 2016.

Following DOE/FE’s policy statement, “Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through The Year 2050,” Cove Point requested that its long-term authorizations be extended by amendment. DOE/FE accordingly extended the term of Cove Point’s FTA and non-FTA long-term authorizations through December 31, 2050, in DOE/FE Order No. 3019-B and 3331-D issued in Docket Nos. 11-115-LNG and 11-128-LNG on October 21, 2020.⁷

⁷ The missing orders in the sequence, DOE/FE Order Nos. 3019-A and 3331-C, were amendments solely to reflect an earlier corporate name change issued on August 4, 2017.

In addition to the long-term export authorizations, Cove Point has also been issued a series of three blanket export authorizations for transactions of no longer than two years. First, in DOE/FE Order No. 4046, issued on June 2, 2017 in FE Docket No. 16-205-LNG, Cove Point was authorized, on its own behalf or as an agent for others who hold title to the LNG, to export LNG equivalent to up to 250 Bcf of natural gas pursuant to transactions with terms of no longer than two years. That blanket authorization applied over the two-year period commencing with the first export of LNG from the Terminal, and authorized exports to both FTA and non-FTA nations and allowing for export of both domestically produced LNG and previously imported LNG. That blanket authorization expired on March 2, 2020, and was succeeded without interruption by an essentially identical blanket authorization – again for up to 250 Bcf over two years for both domestic and previously imported LNG – in DE/FE Order No. 4508 issued on February 28, 2020, in Docket No. 19-156-LNG, for the two-year term extending through March 1, 2022. In both orders, the volumes of LNG authorized for export under the blanket authorization pursuant to transactions of no longer than two years were *not* additive to the volumes authorized under Cove Point’s long-term export authorizations, meaning that they did not increase the total export volumes from the Terminal.

On December 18, 2020, DOE/FE issued a Policy Statement discontinuing its practice of issuing separate long-term and short-term authorizations for exports of natural gas from the same facility.⁸ Instead, long-term authorizations to export domestically produced natural gas now include additional authority to export the same approved volume pursuant to transactions with terms of less than two years on a non-additive basis. Concurrently with that Policy Statement, DOE/FE issued Order No. 4641, amending existing long-term authorizations, including those issued to Cove Point in Order Nos. 3019 and 3331 (as amended), to incorporate short-term exports.⁹ That order generally vacated, as no longer

8 “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. at 2,243 (Jan. 12, 2021), available at: https://www.energy.gov/sites/prod/files/2020/12/f82/ST%20Exports%20Policy%20Statement_0.pdf.

9 See <https://www.energy.gov/sites/prod/files/2020/12/f82/ord4641.pdf>. Order No. 4641 sets out the list of amended long-term FTA authorizations, including those of Cove Point, in its Appendix B for FTA authorizations

necessary, blanket authorizations issued to the holders of the long-term export authorizations; but vacated Cove Point's blanket authorization only in part, with the authorization remaining in effect with respect to the export of LNG previously imported from foreign sources.¹⁰

On March 22, 2022, Cove Point requested blanket authorization to export from its Terminal, pursuant to transactions with terms of no longer than two years, LNG that has been previously imported to the United States from foreign sources, in volumes up to the equivalent of 70 Bcf natural gas in total over the two-year period commencing upon issuance of the authorization.¹¹ DOE/FECM authorized those re-exports to both FTA and non-FTA nations as requested in Order No. 4849, which was issued on July 8, 2022, and provides authorizations for re-exports that will expire on July 7, 2024. ¹²

In addition to these export authorizations, Cove Point also has received blanket authorizations to import LNG from various international sources by vessel. Under its current import authorization, Cove Point is authorized to import up to a total volume equivalent to 36 Bcf of natural gas over the two-year period ending February 28, 2025.¹³ In addition, Cove Point's customers importing LNG at the Terminal may in some circumstances do so utilizing their own natural gas import authorizations.

IV. AUTHORIZATION REQUESTED

Cove Point respectfully requests continuing blanket authorization that will allow it to export from its Terminal, pursuant to transactions with terms of no longer than two years, LNG that has been

and Appendix B for non-FTA authorizations, while Appendix D lists Cove Point's then existing short-term authorization as partially vacated.

10 Order No. 4641, Ordering Paragraph C. Appendix C of the Order lists the short-term authorizations vacated in their entirety while Appendix D shows the short-term authorizations (including Cove Point's) that were partially vacated.

11 The requested volume for re-exports was less than the amount authorized in Cove Point's previous blanket export because those authorizations also encompassed short-term exports of domestically produced LNG, which became authorized instead by Cove Point's long-term export authorizations.

12 *Dominion Energy Cove Point LNG, LP*, DOE/FECM Order No. 4849 (July 8, 2022) issued in Docket No. 22-22-LNG.

13 *Cove Point LNG, LP*, DOE/FECM Order No. 4940, in Docket No. 22-155-LNG (December 15, 2022). The term of this import authorization began on March 1, 2023, because Cove Point's prior import authorization (issued in DOE/FECM Order No. 4642) extended through February 28, 2023.

previously imported to the United States from foreign sources. Just as in the existing blanket authorization, Cove Point requests blanket authorization to export previously-imported LNG in volumes up to the equivalent of 70 Bcf natural gas in total over the two-year period. Cove Point request that the term of the new authorization commence on the earlier of: (1) July 8, 2024 (allowing the re-export authorization to remain in place without interruption) or (2) the date of issuance of the new authorization.

Cove Point requests authorization to re-export this LNG to both (1) any country which has, or in the future develops, the capacity to import LNG via ocean-going carriers and with which the U.S. has, or in the future enters into, an FTA requiring the national treatment for trade in natural gas or is otherwise deemed by the United States as being treated as an FTA nation, and (2) any country 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, Cove Point seeks the blanket authorization for re-exports to both FTA countries and non-FTA countries.

While Cove Point expects that most LNG exported from the Terminal will be under long-term contracts and authorized under its long-term export authorizations,¹⁴ continuing authorization to allow other exports on a spot or short-term basis provides Cove Point increased flexibility to respond to market conditions and promote the maximum utilization of the Terminal. The long-term authorizations, as amended, now apply for short-term exports of domestically produced LNG, but not of previously imported LNG. For that purpose, the blanket authorization issued in Order No. 4849, and the new authorization requested here, is necessary to allow Cove Point's to provide exports of previously imported LNG under short-term transactions, if and when operationally, contractually, and economically desirable. Cove Point's long-term (20-year) LNG import contracts with its three "Rate Schedule LTD-1" customers (who had no contractual export rights) ended on August 18, 2023. The resulting turnback capacity may result in additional short-term or spot transactions by Cove Point, as well as create more potential for

¹⁴ Cove Point has entered into long-term Terminal Use Agreements with two customers: ST Cove Point LLC and GAIL Global (USA) LNG, LLC. Cove Point has submitted its contracts with those export customers, and registered them with DOE/FE, in accordance with the requirements of its long-term export authorizations.

contracting that allows for both LNG imports and exports (without exceeding the existing authorized level of exports).

Cove Point generally operates its Terminal as a “tolling facility,” providing services to other customers that own the LNG. Therefore, Cove Point anticipates that it generally will act under the requested blanket authorization as agent for others that will hold title to the LNG at the time of export. To promote maximum flexibility, however, Cove Point requests the blanket authorization to re-export LNG apply both on its own behalf and when acting as agent for entities with which it would contract that hold title to the LNG at the time of export – just as in Cove Point’s existing blanket authorization for re-exports.¹⁵ Cove Point will comply fully with all applicable DOE/FECM requirements when acting as an agent for others, as required in its existing export authorizations and further explained in the Freeport LNG Development, L.P. and Gulf Coast LNG Export LLC orders.¹⁶ Thus, when acting as an agent, Cove Point will register with DOE/FECM each LNG title holder for which it seeks to export LNG as agent, and will provide the DOE/FECM a written statement by the title holder that acknowledges and agrees to (1) comply with all requirements in Cove Point’s export authorization, and (2) include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

The authorized export volumes for re-exports *ought* not need to be limited by the level of authorized long-term exports. The volume limitation in the long-term export authorization is based on the production capacity of the Liquefaction Project at that Terminal, which is irrelevant to volumes that have been previously imported from foreign sources. Notably, exports of previously-imported LNG do not reduce the availability of domestically produced natural gas. While recognizing this point in Order No. 4849, DOE/FECM added that exporting previously imported LNG could affect the domestic market by reducing the volume of gas available for consumption in the United States.¹⁷ Cove Point respectfully

¹⁵ See DOE/FECM Order No. 4849, Finding No. 3.

¹⁶ *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, FE Order No. 2913 (Feb. 10, 2011) (establishing the criteria for exports for agents subsequently adopted in a number of orders); *Gulf Coast LNG Export LLC*, DOE/FE Order No. 3163 at 7-8 (Oct. 16, 2012) (reiterating and explaining agency policy).

¹⁷ DOE/FECM Order No. 4849 at 9-10.

submits that the issue is more complicated than that: re-export authority, at least for Cove Point, makes LNG imports more likely. Market participants may be interested in LNG imports seeing a potentially attractive opportunity to serve the U.S. market *but only if* they have the ability to later re-export at least some of that LNG in response to market forces and in light of the available pricing in different markets. Therefore, granting re-export authority here may actually increase the volume of gas available for domestic consumption. Furthermore, incremental exports of additional U.S. LNG are in the public interest, particularly within the short-term relevant to a blanket authorization, as explained in Section V below.

Notwithstanding these facts, Cove Point commits that (just as under its existing and prior blanket authorizations) the volumes re-exported under the requested blanket authorization will not be additive to the authorized long-term volumes. Thus, the volume of short-term re-exports when added to the volumes exported under Cove Point's long-term export authorizations will not exceed the authorized, total long-term authorized exports of 365 Bcf to FTA countries and 281 Bcf to non-FTA countries during any consecutive 12-month period. Cove Point proposes the application of this volume limitation to be consistent with its existing and prior blanket authorizations, and in an effort to facilitate and expedite the timely approval of this application. In particular, Cove Point respectfully requests that DOE/FECM grant this application by July 7, 2024, to avoid any period in which will not be authorized to export previously imported LNG.

V. CONSISTENCY WITH THE PUBLIC INTEREST

Section 3(c) of the NGA, as amended by § 201 of the Energy Policy Act of 1992, requires that applications to authorize exports of natural gas, including LNG, to a nation with which there is in effect a FTA requiring national treatment for trade of natural gas be “deemed to be consistent with the public interest” and “granted without modification or delay.” ¹⁸ In addition, DOE/FECM has held that the statutory requirement for granting FTA applications without delay or modification overrides otherwise

¹⁸ 15 U.S.C. § 717b(c).

applicable regulatory requirements for public notice and other procedures set forth in 10 C.F.R. Part 590. Under this statutory structure, the portion of this Application that requests blanket authorization to re-export LNG from the Cove Point Terminal to FTA countries should be granted without modification or delay, consistent with DOE/FECM's established practice.

With respect to exports to non-FTA countries, Section 3(a) of the NGA, sets forth the following statutory standard:

[N]o person shall export natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless after opportunity for hearing, [he] finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by [the Secretary's] order grant such application, in whole or in part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate. 19

This statutory language creates a presumption that the proposed export of natural gas is in the public interest. DOE has consistently held that it must grant export applications unless opponents of the application overcome this presumption by making an affirmative demonstration that the proposed export is inconsistent with the public interest. 20 This interpretation has been affirmed by the U.S. Court of Appeals for the D.C. Circuit. 21

19 15 U.S.C. 717b(a). The Secretary's authority was established by the DOE Organization Act of 1977, which transferred jurisdiction over gas import and export authorizations from the Federal Power Commission.

20 E.g., *Philips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 at 13 (April 2, 1999); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961 at 28 (May 20, 2011); *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331 at page 7 (Sept. 11, 2013); *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331-B at 11 (April 18, 2016); *Venture Global Plaquemines LNG, LLC*, DOE/FE Order No. 4446 at 18-19 (Oct. 16, 2019); *Cheniere Marketing LLC and Corpus Christie Liquefaction, LLC*, DOE/FE Order No. 4799 at 26 (March 16, 2022); *Sabine Pass Liquefaction, LLC*, Order No. 4800 at 27 (March 16, 2022); *Sierra Club, et al.*, Order Denying Petition for Rulemaking on Exports of Liquefied Natural Gas, at 10 (July 18, 2023).

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

The Policy Guidelines developed by DOE/FE to implement NGA Section 3 (which are applicable to exports as well as imports 22) promote the free and open trade of natural gas. 23 The Policy Guidelines 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 from this trade.” 24 Moreover, the Guidelines provide that:

The market, not government, should determine the price and other contract terms of imported [or exported] gas. U.S. buyers [sellers] should have full freedom – along with the responsibility – for negotiating the terms of trade arrangements with foreign sellers [buyers]....

* * *

The policy cornerstone of the public interest standard [of NGA Section 3] is competition. Competitive import [export] arrangements are an essential element of the public interest, and natural gas imported [exported] under arrangements that provide for the sale of gas in volumes and at prices responsive to market demands largely meets the public interest test....25

In authorizing long-term non-FTA exports for Cove Point (as well as in numerous other export authorizations), DOE/FE has explained that it “continues to subscribe to the principle set forth in our 1984 Policy Guidelines that, under most circumstances, the market is the most efficient means of allocating natural gas supplies.”26 Thus, DOE/FE has promoted the competitive, free-trade policies

22 E.g., *Philips Alaska*, DOE/FE Order No. 1473 at 14; *Yukon Pacific Corp.*, DOE/FE Order No. 350, 1 FE ¶ 70,259 at 71,128 (1989); *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331 at page 8 (Sept. 11, 2013); *Sierra Club, et al.*, Order Denying Petition for Rulemaking on Exports of Liquefied Natural Gas, at 10 (July 18, 2023).

23 *Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

24 *Id.* at 6,684.

25 *Id.* at 6685 and 6687. The parenthetical references to exports are added in the above quotation to reflect the applicability of the Policy Guidelines to exports. See note 22, *supra*.

26 *Dominion Cove Point LNG, LP*, Order No. 3331 at 141 (Sept. 11, 2013) and Order No. 3331-A at 97 (May 7, 2015). See also, e.g., *Freeport LNG Expansion, L.P.*, Order No. 3282 at 112 (May 17, 2013); *Cameron LNG, LLC*, Order No. 3391 at 132 (Feb. 11, 2014); *Cheniere Marketing, LLC*, Order No. 3638 at 205 (May 12, 2015); *Sabine Pass Liquefaction, LLC*, Order No. 3669 at 210 (June 26, 2015); *Pieridae Energy (USA), LTD.*, Order No. 3768 at 216 (Feb. 5, 2016); *Venture Global Calcasieu Pass, LLC*, Order No. 4346 at 69 (Jun. 17, 2015); *Venture Global Plaquemines LNG, LLC*, DOE/FE Order No. 4446 at 42 (July 21, 2016); *Cheniere Marketing, LLC*, Order No. 3638 at 205 (May 12, 2015); *Sabine Pass Liquefaction, LLC*, Order No. 3669 at 210 (June 26, 2015); *Sabine Pass Liquefaction, LLC*, Order No. 4800 at 27 (March 16, 2022).

embodied in the Policy Guidelines by consistently authorizing LNG exports to non-FTA nations.²⁷ DOE/FECM should continue to follow its longstanding practice with this Application.

Most importantly here, DOE/FECM engaged in a robust and thorough analysis of the public interest in LNG exports by Cove Point from the Terminal when authorizing long-term exports to non-FTA countries in Order Nos. 3331, 3331-A, and 3331-B. In its prior orders granting Cove Point blanket authorizations for short-term exports of both domestically produced gas and re-exports, DOE/FECM concluded that “no additional public interest review beyond that conducted in the earlier non-FTA export proceeding is warranted.”²⁸ DOE/FECM has similarly held that no additional analysis is needed to issue blanket export authorization for other LNG export facilities for which it had already issued long-term export authorization.²⁹ The conclusions that no further analysis was needed were based, at least in part, on the limiting requirement that the volumes authorized under the blanket authorization for export to non-FTA nations will not exceed the volumes already authorized in the long-term authorizations. Accordingly, as explained above, Cove Point proposes that this same volume limitation again apply with the new blanket authorization. As a result, no additional public interest review should be required for DOE/FE to conclude that the requested blanket authorization will not be inconsistent with the public interest.

In its order granting Cove Point existing re-export authorization, DOE/FECM explained that its numerous blanket authorizations to export previously imported LNG “were based, in part, on authoritative data indicating that United States consumers have access to substantial quantities of natural

²⁷ A list of all the non-FTA approvals with docket numbers, volumes, and links to the relevant DOE/FE orders is available at: <https://www.energy.gov/fecm/articles/summary-lng-export-applications-lower-48-states>.

²⁸ DOE/FE Order No. 4046 at 13; DOE/FE Order No. 4508 at 10.

²⁹ *Southern LNG Co., LLC*, DOE/FE Order No. 4687 (March 30, 2021). *See also, e.g., Sabine Pass Liquefaction, LLC*, Order No. 3767 at page 10 (Jan. 13, 2016); *Cameron LNG, LLC*, DOE/FE Order No. 3904 at 8-9 (Oct. 3, 2016); *Sabine Pass Liquefaction, LLC*, Order No. 4150 at 9 (Jan. 30, 2018). This practice, of course, informed DOE/FE’s 2021 Policy Statement to incorporate short-term export authority into long-term authorizations. *Supra.* note 8.

gas sufficient to meet domestic demand from other competitively-priced sources.”³⁰ To address that issue, DOE/FECM took administrative notice of the then most recent projections by the U.S. Energy Information Agency (“EIA”) in its *Annual Energy Outlook 2022* (“AEO 2022”), which projected annual domestic dry natural gas production in 2023 of 36.05 trillion cubic feet (Tcf), compared to total gas consumption for that same year of 30.54 Tcf.³¹ Utilizing that data, DOE/FECM concluded:

Because domestic natural gas production levels are projected to reach an amount that well exceeds the amount of natural gas proposed for short-term export in Cove Point’s Application, we find that United States consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the previously imported LNG that Cove Point seeks to export.³²

The same conclusion is bolstered by the more recent data in EIA’s *Annual Energy Outlook 2023* (“AEO 2023”). Looking back at 2023, EIA’s data shows production of 36.49 Tcf (so 0.44 Tcf more than the prior year’s forecast) and consumption 30.83 Tcf (a lesser 0.29 Tcf more than predicted). Looking forward, AEO 2023 projects total production to fall to 35.47 Tcf in 2024 before bouncing back slightly to 35.75 Tcf in 2025, whereas it shows falling consumption to 29.65 Tcf in 2024 and 29.37 Tcf in 2025.³³ Regardless of the precise details of those projections, the conclusion is very clear that, at a minimum in the short-term that is relevant for a blanket authorization, natural gas production will be more than sufficient to meet both the domestic consumption demand and any expected level of LNG exports, including those for which Cove Point requests authorization here.

Furthermore, as a result of the increasing production and abundant reserves, domestic natural gas prices have remained relatively low as U.S. natural gas exports have increased. From 2015 through 2020,

³⁰ DOE/FECM Order No. 4849 at 10.

³¹ *Id.* at 10 & nn. 47 & 48, citing the AEO 2022 is available at: https://www.eia.gov/outlooks/aeo/pdf/AEO2022_Narrative.pdf, as well as AEO 2022 Reference Case, Table 13: Natural Gas Supply, Disposition, and Prices, available at: <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2022&cases=ref2022&sourcekey=0>.

³² DOE/FECM Order No. 4849 at 10.

³³ EIA, AEO 2023, at Table 13 *Natural Gas Supply, Disposition, and Prices (Reference Case)*, available at: <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2023&cases=ref2023&sourcekey=0>

natural gas prices were historically low.³⁴ Domestic natural gas prices did increase some in 2021 and then more dramatically in 2022.³⁵ In 2023, however, natural gas prices returned to low levels, with the Henry Hub natural price averaging just \$2.57 per MMBtu,³⁶ notwithstanding record levels of LNG exports. Earlier this year, EIA forecasted that the Henry Hub price will remain below \$3.00 for 2024 and 2025 and observed that “upward price pressures will be limited by relatively flat consumption of natural gas in the electric power sector and persistently high inventories.”³⁷ In reality, actual natural gas prices have been even lower than projected, with the Henry Hub spot price in February 2024 averaging just \$1.72/MMBtu, a record low adjusted for inflation, and EIA most recently projected that prices will remain below \$2.00/MMBtu through the second quarter of 2024 and will average about \$2.30/MMBtu for all of 2024.³⁸ Therefore, at least in the short-term relevant to this application, there can be no concern about any claimed impact of LNG exports on domestic natural gas prices.

For all of these reasons, especially the thorough public interest analysis that DOE/FE has already conducted regarding LNG exports from the Cove Point Terminal to non-FTA countries as well as the analysis that DOE/FECM conducted in Order No. 4849 when issuing Cove Point’s existing blanket authorization to export previously imported natural gas, the authorization requested here should be granted as consistent with the public interest.

³⁴ See EIA, Today in Energy, “Natural gas prices in 2019 were the lowest in the past three years” (Jan. 9, 2020), available at: <https://www.eia.gov/todayinenergy/detail.php?id=42455>; EIA, Today in Energy, “In 2020, U.S. natural gas prices were the lowest in decades,” (Jan. 7, 2021), available at: <https://www.eia.gov/todayinenergy/detail.php?id=46376>.

³⁵ EIA reports annual Henry Hub spot prices over time at: <https://www.eia.gov/dnav/ng/hist/rngwhhdA.htm>. As shown there, the 2021 price was the highest since 2011, but was lower than every year in the decade of the 2000s (when the U.S. was a net importer of natural gas) except for 2003. Even the higher price in 2022 was lower than the annual price every year from 2005-2008.

³⁶ EIA, Today in Energy, “U.S. Henry Hub natural gas prices in 2023 were the lowest since mid-2020” (Jan. 4, 2024), available at: <https://www.eia.gov/todayinenergy/detail.php?id=61183#>.

³⁷ EIA, *Short Term Energy Outlook – January 2024* (Jan. 9, 2024) at p. 3, available at: <https://www.eia.gov/outlooks/steo/archives/jan24.pdf>.

³⁸ EIA, *Short Term Energy Outlook – March 2024* (Mar. 12, 2024) at pp. 2 and 8, available at: https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf.

VI. ENVIRONMENTAL IMPACT

The requested blanket authorization and the related LNG exports will not require the construction of any new or additional facilities, nor any modification of the Cove Point facilities previously authorized by the FERC. 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 import or export natural gas under NGA section 3 involve minor operational changes but no new construction. Cove Point's authorization requested here 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 the National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321, *et seq.*).

VII. APPENDICES

The following appendices are attached to this Application:

Appendix A: Verification

Appendix B: Opinion of Counsel

VIII. CONCLUSION

Based on the reasons set forth above, Cove Point respectfully requests that the DOE/FECM grant Cove Point short-term, blanket authorization to re-export LNG previously imported from foreign sources of up to the equivalent of 70 Bcf of natural gas from its existing LNG Terminal in Calvert County, Maryland, 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, whether or not the country has a Free Trade Agreement with the United States requiring national treatment for trade in natural gas. Cove Point requests that the authorization cover a term of two years commencing on the earlier of: (1) July 8, 2024 (allowing the re-export authorization to remain in place without interruption) or (2) the date of issuance of the new authorization.

Respectfully submitted,

/s/ J. Patrick Nevins

George W. Flugrad
Senior Counsel
Eastern Gas Transmission and Storage, Inc.
6603 West Broad Street
Richmond, VA 23230
(804) 819-2277
George.Flugrad@bhegts.com

J. Patrick Nevins
Latham & Watkins LLP
555 11th Street, NW
Washington, D.C. 20004-1304
(202) 637-3363
patrick.nevins@lw.com

Counsel for
Cove Point LNG, LP


Dated: April 17, 2024

Appendix A

Verification

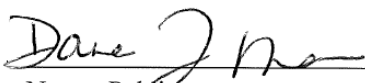
STATE OF VIRGINIA)
) SS:
CITY OF RICHMOND)

David Monger, being first duly sworn on his oath deposes and says: that he is the Director, Commercial Business for Cove Point LNG, LP.; that he is duly authorized to make this Verification; that he has read the foregoing submittal and is familiar with the contests thereof; that all the statements and matters contained therein are true and correct to the best of his information, knowledge and belief; and that he is authorized to execute and file the same with the U.S. Department of Energy.



David Monger
Director, Commercial Business
Cove Point LNG, LP

Sworn to and subscribed before me this 11th day of April, 2024

 #8067657

Notary Public
In and For said City
Glen Allen, VA

My Commission Expires: 2-28-2027

Appendix B

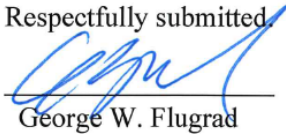
OPINION OF COUNSEL

Opinion of Counsel

This opinion is submitted pursuant to 10 C.F.R. Section 590.202(c) of the Department of Energy administrative procedures. The undersigned is counsel to Cove Point LNG, LP.

I have reviewed the corporate documents of Cove Point LNG, LP and it is my opinion that the proposed export of natural gas is within the company's corporate powers.

Respectfully submitted,



George W. Flugrad
Senior Counsel
Eastern Gas Transmission and Storage, Inc.
6603 West Broad Street
Richmond, VA 23230
(804) 819-2277
George.Flugrad@bhegts.com

Dated: April 11, 2024