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Via E-Filing to FERGAS@HQ.DOE.GOV

Office of Fuels Programs Fossil Energy Office of Fossil Energy and Carbon Management U.S. Department of Energy Docket Room 3F-056, FE-50 Forrestal Building 1000 Independence Avenue, SW Washington, DC 20585

> Re: Lake Charles Exports, LLC Docket No. 23-87-LNG Request for Action on Pending Application to Export LNG to non-FTA Nations in <u>Furtherance of the Unleashing American Energy Executive Order</u>

Dear Madam or Sir:

Lake Charles Exports, LLC ("LCE") was heartened to see the Department of Energy's ("DOE") February 14, 2025 order conditionally granting Commonwealth LNG, LLC long-term authorization to export LNG to non-FTA nations.¹ As explained by DOE, President Trump issued the *Unleashing American Energy* executive order directing the Secretary of Energy "to restart reviews of applications for approvals of [LNG] export projects as expeditiously as possible, consistent with applicable law" and "[i]n assessing the 'Public Interest' to be advanced by any particular application, the Secretary of Energy shall consider the economic and employment impacts to the United States and the impact to the security of allies and partners that would result from granting the application."² As DOE's jurisdiction is limited to regulating exports of LNG and not authorizing export projects, DOE interprets the Executive Order as directing DOE to review non-FTA export applications "as expeditiously as possible."³

LCE respectfully requests that DOE act on its pending August 18, 2023 application for authorization to export LNG from the Lake Charles Terminal to non-FTA nations as expeditiously as possible. The approval of LCE's application at this time would be beneficial to advancing LCE's export project as it would eliminate the uncertainty that LCE's committed and prospective customers, as well as

¹ Commonwealth LNG, LLC, DOE/FE Order No. 5238, Docket No. 19-134-LNG (issued Feb. 14, 2025).

² Id. at 6, citing Exec. Order, Unleashing American Energy, 86 Fed. Reg. 7037 (Jan. 20, 2025).

³ Commonwealth LNG, LLC, DOE/FE Order No. 5238 at n. 38.

potential financing sources, have been presented with during the Biden Administration. The elimination of this uncertainty also would benefit the United States' allies and trade partners⁴ and create new jobs benefitting the local economy. There will be nearly 3,000 estimated construction jobs during the peak period of the multi-year construction project and billions of dollars of overall construction expenditures. Once completed, the project will generate hundreds of high-paying jobs for the region related to LNG operations, tug operations and ancillary services. LCE's export project will provide a much-needed boost to Louisiana's local and regional economy through resource development, an enhanced tax base, direct and indirect job creation and economic activity.

The previous administration's "pause" on DOE's review of LCE's application caused considerable angst among companies that have previously entered into long-term LNG offtake contracts with LCE. These offtake customers have real world needs for these committed LNG volumes. In addition, LCE's discussions with other LNG customers and with potential equity participants in the export project have experienced setbacks due to the uncertainty of the timing and substance of DOE's review process related to the ill-advised "pause," which President Trump ended on his first day in office.⁵ LCE has confidence in its ability to complete the commercialization of its LNG export project as evidenced by its recent execution of two long-term commercial agreements with LNG offtake customers, in addition to its other long-term offtake agreements.⁶ Also, Lake Charles LNG executed an Engineering, Procurement and

⁴ "[O]ver the term of the authorization, the proposed exports will improve the United States' ties with its allies and trade partners and make a positive contribution to the United States' economy, including the trade balance." *Id.* at 45. DOE noted that Commonwealth LNG's export project "could reduce the trade deficit by up to approximately \$2.8 billion annually[.]" *Id.* LCE's export project capacity is almost double the size of Commonwealth LNG's export project capacity.

⁵ In July 2024, the Honorable James D. Cain, Jr., United States District Judge for the Western District of Louisiana enjoined DOE from halting and/or pausing the approval process for pending and future applications for LNG exports to non-FTA countries and ruled that President Biden's Export Ban contravened the express language of the Natural Gas Act requiring expeditious ruling on non-FTA applications. *State of Louisiana et al. v. Joseph R. Biden et al.*, Case No. 2:24-CV-00406 (order issued Jul. 1, 2024).

⁶ LNG Sale and Purchase Agreement, dated December 19, 2024, between Energy Transfer LNG Export, LLC and Chevron U.S.A. Inc., filed in Docket Nos. 11-59-LNG et al. on Jan. 10, 2025; LNG Sale and Purchase Agreement (free on board basis), dated October 3, 2024, between Energy Transfer LNG Export, LLC and Gunvor International B.V., Amsterdam, Geneva Branch, filed in Docket Nos. 11-59-LNG et al. on Oct. 22, 2024; *see also* LNG Sale and Purchase Agreement, dated August 23, 2022, between Energy Transfer LNG Export, LLC and Shell NA LNG LLC, filed in Docket Nos. 11-59-LNG et al. on Sep. 19, 2022; LNG Sale and Purchase Agreement, dated June 1, 2022, between Energy Transfer LNG Export, LLC and China Gas Hongda Energy Trading Co., Ltd., filed in Docket Nos. 11-59-LNG et al. on Jun. 30,

Construction (EPC) agreement in September 2024 with KTJV, a joint venture between KBR and Technip Energies. LCE needs DOE to expeditiously act on its pending application so that it can proceed to a final investment decision and release the EPC contractor to move to the next phase of the construction of the liquefaction facility.

Due to LCE's unique circumstances, its pending application for authorization to export up to 851 Bcf/year of LNG from the existing import Lake Charles Terminal is best suited for immediate action. LCE⁷ already is authorized to export this same amount of LNG from the Lake Charles Terminal pursuant to orders wherein DOE determined that the export of this same amount of LNG is not inconsistent with the public interest under NGA section 3 and that such exports "are likely to generate net economic benefits to the United States", including "reductions to the U.S. trade deficit and the generation of significant tax revenues for federal, state, and local governmental entities."⁸ LCE only filed the pending application in this docket because DOE denied LCE's request for an extension of the commencement of exports deadline set out in its original authorization.⁹ In its denial of the extension, DOE invited LCE to file for a new non-FTA authorization if LCE was unable to meet the December 16, 2025 commencement of exports deadline.¹⁰ LCE's continued need for a later deadline for the commencement of exports, in light of the delays in the commercialization of the project resulting from the denial of LCE's request for an extension, was the sole reason for filing the application in this proceeding. To reemphasize LCE's unique

^{2022;} LNG Sale and Purchase Agreement (Free on Board), dated April 29, 2022, between Energy Transfer LNG Export, LLC and SK Gas Trading LLC, filed in Docket Nos. 11-59-LNG et al. on May 19, 2022; LNG Sale and Purchase Agreement (Free on Board Basis), dated April 29, 2022, between Energy Transfer LNG Export, LLC and Gunvor Singapore Pte Ltd, filed in Docket Nos. 11-59-LNG et al. on May 19, 2022; LNG Sale and Purchase Agreement (Free on Board), dated March 28, 2022, between Energy Transfer LNG Export, LLC and ENN LNG (Singapore) Pte. Ltd., filed in Docket Nos. 11-59-LNG et al. on Apr. 25, 2022; LNG Sale and Purchase Agreement (Free on Board), dated March 28, 2022, between Energy Transfer LNG Export, LLC and ENN LNG (Singapore) Pte. Ltd., filed in Docket Nos. 11-59-LNG et al. on Apr. 25, 2022; LNG Sale and Purchase Agreement (Free on Board), dated March 28, 2022, between Energy Transfer LNG Export, LLC and ENN Global Trading Pte. Ltd., filed in Docket Nos. 11-59-LNG et al. on Apr. 25, 2022.

⁷ In addition to LCE, Lake Charles LNG Export Company, LLC already is authorized to export this same amount of LNG from the Lake Charles Terminal. *See Lake Charles LNG Export Co., LLC*, DOE/FE Order No. 3868 (issued Jul. 29, 2016); *Lake Charles LNG Export Co., LLC*, DOE/FE Order No. 4010 (issued Jun. 29, 2017).

⁸ Lake Charles Exports, LLC, DOE/FE Order No. 3324 (issued Aug. 7, 2013); Lake Charles Exports, LLC, DOE/FE Order No. 3324-A at 121-122 (issued Jul. 29, 2016); Lake Charles Exports, LLC, DOE/FE Order No. 4011 (issued Jun. 29, 2017).

⁹ Lake Charles Exports, LLC, DOE/FE Order Nos. 3324-C and 4011-B (issued Apr. 21, 2023), reh'g denied, DOE/FE Order Nos. 3324-D and 4011-C (issued Jun. 21, 2023).

¹⁰ Lake Charles Exports, LLC, DOE/FE Order No. 3324-D at 5.

circumstances, DOE's failure to grant an extension of this deadline in April 2023 and its failure to act on LCE's application for a new export authorization based on the "pause" has significantly affected the commercialization of the project for nearly two years.

LCE is not seeking to export any additional volumes of LNG from the Lake Charles Terminal. Nothing has changed with respect to DOE's original analysis approving exports from the Lake Charles Terminal and therefore LCE's pending application is not inconsistent with the public interest. The only change is the need for additional time for LCE to commence export operations, which was the sole reason for LCE filing for a new non-FTA authorization in this docket.¹¹

Unlike certain other pending non-FTA applications at DOE, LCE's export terminal has all required authorizations from the Federal Energy Regulatory Commission ("FERC"), which are final and non-appealable and remain in full force and effect.¹² Potential environmental impacts were fully studied by FERC as the lead agency for review under the National Environmental Policy Act ("NEPA") and set out in the final environmental impact statement ("EIS"). DOE (as a cooperating agency) reviewed, affirmed and adopted the final EIS in originally issuing the final non-FTA export authorization to LCE. DOE stated that "[a]fter an independent review, and having been a cooperating agency in the EIS preparation, DOE/FE adopted FERC's final EIS for the Lake Charles Liquefaction Project."¹³ This final EIS adopted by DOE is still valid and in full effect and can be fully relied upon here. In addition, DOE issued a categorical exclusion from the preparation of an environmental impact statement or environmental assessment under NEPA in connection with LCE's DOE/FE Order No. 4011 because no additional construction beyond that previously authorized by FERC was required.¹⁴

¹¹ See Commonwealth LNG, LLC, DOE/FE Order No. 5238 at 56 ("Consistent with DOE's final and conditional non-FTA authorizations to date, DOE adds as a condition of this authorization that Commonwealth must commence export operations of the Project no later than seven years from the date of issuance of this Order" to be reset in any final future order.).

¹² Lake Charles LNG Co., LLC et al., 153 FERC ¶ 61,300 (2015), reh'g denied, 155 FERC ¶ 61,328 (2016).

¹³ *LCE*, DOE/FE Order No. 3324-A at 10 ("After an independent review, and having been a cooperating agency in the EIS preparation, DOE/FE adopted FERC's final EIS for the Lake Charles Liquefaction Project (FERC/EIS0258F, adopted as DOE/EIS-0491), and EPA published a notice of the adoption on July 15, 2016.").

¹⁴ *LCE*, DOE/FE Order No. 4011 at 12 (issued Jun. 29, 2017) (DOE issued a categorical exclusion from the preparation of an environmental impact statement or environmental assessment under NEPA for LCE's application to increase its authorized import volumes by 121 Bcf/year because LCE did not propose any new construction); *see also* Categorical Exclusion Determination, *LCE*, Docket No. 16-110-LNG



LCE has confidence in its ability to complete the commercialization of its export project provided that DOE expeditiously acts on its pending application. Time is of the essence. Thank you.

Respectfully submitted,

<u>/s/ Thomas E. Knight</u> Thomas E. Knight *Counsel for Lake Charles Exports, LLC*

cc: Mrs. Amy Sweeney Service List in Docket No. 23-87-LNG

⁽issued Jun. 29, 2017) (DOE applied categorical exclusion B5.7 of 10 C.F.R. Part 1021, Subpart D, Appendix B5, which applies to natural gas import or export activities requiring minor operational changes to existing projects, but no new construction).

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

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Lake Charles Exports, LLC

Docket No. 23-87-LNG

VERIFICATION AND CERTIFIED STATEMENT OF AUTHORIZED REPRESENTATIVE

Washington, DC

BEFORE ME, the undersigned authority, on this day personally appeared Thomas E. Knight, who, having been by me first duly sworn, on oath says that he is an Attorney for Lake Charles Exports, LLC; that he is a duly authorized representative of Lake Charles Exports, LLC authorized to make this Verification and Certified Statement of Authorized Representative on behalf of Lake Charles Exports, LLC; that he is authorized to sign and file the foregoing instrument with the Department of Energy, Office of Fossil Energy and Carbon Management on behalf of Lake Charles Exports, LLC; and 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.

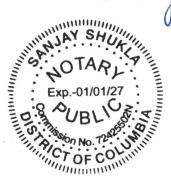
> /s/ Thomas E. Knight Thomas E. Knight

SWORN TO AND SUBSCRIBED before me on this 25th day of February, 2025.

SANJAY SHUKU

Notary Public

My Commission expires





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

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Lake Charles Exports, LLC

Docket No. 23-87-LNG

CERTIFICATE OF SERVICE

Pursuant to 10 C.F.R. §590.107, I hereby certify that I have this day served the foregoing

document upon each person designated on the official service list compiled by the Department of

Energy in this proceeding.

Dated at Washington, D.C. this 25th day of February, 2025.

<u>/s/Thomas E. Knight</u> Thomas E. Knight Vinson & Elkins, LLP 2200 Pennsylvania Avenue, NW, Suite 500 West Washington, DC 20037 (202) 639-6524 tknight@velaw.com