

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

Targray Industries Inc.

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DOE/FECM Docket No. 25- -LNG

APPLICATION OF TARGRAY INDUSTRIES INC. FOR LONG-TERM AND SHORT-TERM AUTHORIZATION TO MAKE SMALL SCALE EXPORTS OF RENEWABLE LIQUEFIED NATURAL GAS TO FREE TRADE AND NON-FREE TRADE AGREEMENT COUNTRIES

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. § 717b, and Part 590 of the regulations of the Department of Energy (“DOE”), 10 C.F.R. Pt. 590, Targray Industries Inc. (“Targray”) hereby submits this application requesting that DOE Office of Fossil Energy and Carbon Management (“DOE/FECM”) issue an order granting long-term and short-term multi-contract authorization for Targray to export up to 51.75 Bcf per year of renewable natural gas produced from domestic sources in the form of Renewable Liquefied Natural Gas (“Renewable LNG”) to (1) any country with which the United States currently has a free trade agreement requiring national treatment for trade in natural gas (“FTA countries”); and (2) any country with which the United States does not have a free trade agreement requiring national treatment for trade in natural gas, which currently has or in the future develops the capacity to import Renewable LNG and with which trade is not prohibited by United States law or policy (“Non-FTA countries”) for a term ending on December 31, 2050.

Targray is filing this application in conjunction with its plan to export small quantities of Renewable LNG in ISO containers to various countries, primarily in Europe. Targray intends to purchase Renewable LNG from one facility at this time, REV LNG, a producer of RLNG based in Towanda, Pennsylvania. REV LNG will liquefy the product on site through its liquefaction

plant. Once liquefied, the product will be loaded into ISO containers that meet the standards specified by the International Organization for Standardization (ISO containers) leased by Targray. The ISO containers will be transported by truck to standard commercial ports, where they will be loaded onto ocean-going cargo container ships and transported to foreign destinations. The growing number of smaller Renewable LNG production and peaking facilities in the U.S. provides an opportunity for Targray to acquire smaller quantities of Renewable LNG for export. Targray's primary markets are countries in Europe, where fuel prices remain high, in part due to the ongoing geopolitical tensions and supply constraints due to the Russia-Ukraine conflict. Additionally, Targray sees Japan as a strong market where Renewable LNG imports are relied upon due to limited energy resources. Targray has not yet executed any contract to purchase or sell Renewable LNG.

Targray's exports will provide significant benefits to the United States. Exports of Renewable LNG will benefit U.S. natural gas producers, giving them access to additional markets for readily available supplies. Targray's exports of Renewable LNG will help supply demand in the world market, particularly in areas where large-scale import and regasification facilities may be impractical for cost or timeline reasons, and contribute to the shift away from more carbon-intensive fuels such as diesel, heavy fuel oil, and coal. Further, Targray's exports can be delivered quickly to Europe to help meet existing demand, consistent with efforts to mitigate the sustained high fuel prices and ongoing energy costs challenges in that continent.

Targray requests that its long-term authorization commence on the date of first commercial export and end on December 31, 2050, consistent with DOE/FECM's Policy Statement extending natural gas export authorization for Non-FTA countries through to

December 31, 2050,¹ and that its long-term authorization include authority to export the same approved volume for transactions of less than two years on a non-additive basis. Such requests are consistent with DOE/FECM's Policy Statement that found it beneficial to consolidate both short-term and long-term authority in a single authorization to streamline its regulatory process and to reduce the administrative burdens associated with separate applications.²

As discussed herein, Targray's application to make small-scale exports to Non-FTA country is being filed under DOE/FECM's "small-scale natural gas exports" rule codified at 10 C.F.R. §§ 590.102(p) and 590.208(a), and should be deemed consistent with the public interest under Sections 3(a) and 3(c) of the NGA. Accordingly, Targray requests DOE/FECM to approve this application without modification or delay.

In support of this application, Targray respectfully submits the following:

I. COMMUNICATIONS

Communications regarding Targray's application should be directed to the following:

Christos Alexis Leader, Program Compliance Targray 18105 Autoroute Transcanadienne Kirkland, Quebec H9J 3Z4 Canada +1 (514) 695 8095 x119 calexis@targray.com	Janine Peter Chief Financial Officer Targray 31 Glenn St Massena, NY 13662 USA +1(917) 689-9882 jpeter@targray.com
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II. DESCRIPTION OF THE APPLICANT

¹ Policy Statement Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, 85 Fed. Reg. 52,237 (Aug. 25, 2020).

² Policy Statement on 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).

The exact legal name of the applicant is Targray Industries Inc, a corporation incorporated in the state of New York, with its principal place of business at 31 Glenn Street, Massena, New York, 13662. Targray was formed for the purpose of purchase, sale, importation, exportation, storage, distribution of various raw materials. Targray's upstream owner is Targray Technology International Inc. headquartered in Quebec, Canada, and belongs to Targray Group a global commodities trading group of companies.

III. AUTHORIZATION REQUESTED

Targray requests long-term and short-term multi-contract authorization to make small scale Renewable LNG exports (less than 51.75 Bcf total annually) to FTA countries and Non-FTA countries. Targray would export domestically-produced Renewable LNG purchased from REV LNG, operating out of Towanda, Pennsylvania. REV LNG produces renewable natural gas from an anaerobic digester system that is supplied by cattle facilities in the US. Targray would export these Renewable LNG volumes from various ports along the eastern seaboard. While Targray primarily expects to engage in short-term transactions, Targray is requesting for both long-term and short-term multi-contract authorizations to allow for the flexibility to enter into such arrangements and because DOE/FECM's policy now allows for short-term exports under long-term export authorization.³

Targray requests this authorization both on its own behalf and when acting on behalf of other entities who themselves hold title to the Renewable LNG at the time of export pursuant to long-term and short-term sale and purchase agreements with Targray, after registering each such entity with DOE/FECM in accordance with the established procedures. Targray will comply with

³ Ibid.

requirements imposed by DOE/FECM on Targray as an exporter and agent, including filing any relevant long-term commercial agreements once they have been executed.

Targray is not submitting any long-term commercial agreements with this application because at the time of this application, no long-term commercial arrangements have been executed. In accordance with the DOE/FECM's policy, Targray will file or cause to be filed with DOE/FECM long-term contracts associated with the export of Renewable LNG and all long-term contract associated with the supply of natural gas to liquefaction facilities for subsequent export within 30 days of execution, including where Targray will engage in exports as agent, under seal and 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, destination, re-sale provisions, and other relevant provisions.⁴

There are no other proceedings related to this application currently pending before DOE/FECM or any other federal agency.

IV. STANDARD OF REVIEW

At NGA Section 3(c), as amended, “the exportation of natural gas to a nation with which there is in effect a free trade agreement requirement national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.”⁵ Accordingly, under this statutory

⁴ The DOE/FE has previously held that the commitment to file contracts once they are executed complies with the requirement of 10 C.F.R. § 590.202(b) to supply transaction-specific information “to the extent practicable.” See e.g., Cheniere Marketing, LLC and Corpus Christi Liquefaction, LLC, DOE/FE Order No. 4519 at 9 (Apr. 14, 2020); Commonwealth LNG, LLC, DOE/FE Order No. 4521 at 8 (Apr. 17, 2020).

⁵ 15 U.S.C. § 717b(c) (2018).

presumption, Targray's application to export Renewable LNG to FTA countries shall be deemed to be consistent with the public interest and authorization should be granted by DOE/FECM without modification or delay.

Pursuant to NGA Section 3(a) and DOE/FECM regulations, small-scale exports to Non-FTA countries are deemed to be within the public interest.⁶ Small-scale natural gas exports are those which meet two criteria: "(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 or environmental assessment under the National Environmental Policy Act, 42 U.S.C. 4321 et seq."⁷ Targray's proposed exports meet both of the criteria to qualify as small-scale natural gas exports and should be deemed to be within the public interest and DOE/FECM will accordingly "issue an export authorization."⁸

Targray is proposing to export up to 51.75 Bcf per year of renewable natural gas, which is the threshold for small-scale exports. In addition, Targray's proposed exports do not require environmental review because Targray is not proposing to construct or modify any facilities, and the exports proposed in this application are subject to categorical exclusion B5.7 – Export of natural gas and associated transportation by marine vessel. DOE/ FECM previously issued a categorical exclusion for a similar export proposal.⁹

Since Targray's proposed exports require no further analysis because they qualify as small-scale exports, the proposal is in the public interest. In Order No. 3282, DOE/FECM restated its methodology for evaluating exports of renewable natural gas and set forth a range of

⁶ 10 C.F.R. § 590.208(a).

⁷ 10 C.F.R. § 590.102(p).

⁸ 10 C.F.R. § 590.208(a).

⁹ Nopetro LNG, LLC, Categorical Exclusion Determination, FE Docket No. 20-167-LNG (Mar. 22, 2021) (finding that proposed small-scale exports of LNG in ISO containers on cargo vessels was subject to a categorical exclusion).

factors it evaluates when reviewing applications for export authorization. Such factors include economic impacts, international impacts, security of natural gas supply, and environmental impacts. DOE/FECM's most recent study of LNG exports, performed in 2018,¹⁰ found that LNG exports led to "higher overall economic performance in terms of GDP, household income, and consumer welfare than lower export levels associated with the same domestic supply scenarios."¹¹ Consistent with the 2018 LNG Study, Targray's proposed exports will provide economic benefits to the U.S. economy. In addition to increased global demand for natural gas, the availability of a reliable supply of Renewable LNG to customers outside of the United States who are currently burning diesel or fuel oil for power generation will encourage conversion to Renewable LNG capable power generation equipment, benefiting U.S.-based suppliers.

LNG exports can have significant environmental benefits as natural gas burns cleaner than other fossil fuels, particularly diesel and heavy fuel oil. DOE/FECM has prepared two reports, the Life Cycle Analysis Greenhouse Gas ("GHG") Report ("2014 GHG Report") and an update, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update ("2019 GHGG Report Update").¹² The 2014 GHG Report noted that under most scenarios analyzed in the report, "generation of power from imported natural gas [into both Europe and Asia] has lower life cycle GHG emissions than power generation from regional coal."¹³ In fact, in most scenarios, power generation from imported natural gas reduces

¹⁰ NERA Economic Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (June 7, 2018) ("2018 LNG Study").

¹¹ 2018 LNG Study at 21.

¹² U.S. Department of Energy, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States (May 29, 2014), <https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf>; Nat'l Energy Tech. Lab., Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update (DOE/NETL 2019/2041) (Sept. 12, 2019).

¹³ 2014 GHG Report at 9.

life-cycle GHG emission almost 40 percent over a 100-year life cycle.¹⁴ Similarly, the 2019 GHG Report Update compared life-cycle GHG emissions of exports of domestically produced LNG to Europe and Asia to alternatives (such as regional coal and other imported natural gas) for electric power generation in the destination countries. The 2019 GHG Report Update similarly concluded that the use of U.S. LNG exports for power production in European and Asian markets will not increase global GHG emissions from a life cycle perspective when compared to regional cost extraction and consumption for power production.¹⁵ Accordingly, an increased supply of natural gas made possible through LNG exports can help countries break their dependence on less environmental friendly fuels.¹⁶ Targray's proposed exports will allow energy consumers to switch from using heavy fuel, diesel, and coal to natural gas. As discussed above, use of natural gas is preferable to coal from the GHG emissions perspective. For other air pollutants, combustion of natural gas is significantly superior to diesel and heavy fuel oil, which are often used as an energy source in various parts of the world.

V. APPENDICES

The following appendices are included with this Application:

Appendix A: Verification

Appendix B: Opinion of Counsel

Appendix C: Potential Sources of LNG

VI. CONCLUSION

¹⁴ Ibid.

¹⁵ 2019 GHG Report at 32.

¹⁶ Order No. 2961 at 37.

For the foregoing reasons, Targray respectfully requests DOE/FECM grant the requested long-term and short-term multi-contract authorization for Renewable LNG exports of up to 51.75 Bcf total annually, for a term ending on December 31, 2050, to any country with which the United States currently has, or in the future may enter into, a FTA requiring national treatment for trade in natural gas and to any country with which the United States does not have a FTA requiring national treatment for trade in natural gas, which currently has or in the future develops the capacity to import Renewable LNG and with which trade is not prohibited by the United States law or policy.

Respectfully submitted,

/s/ Aijing Liu

Aijing Liu

Director, Legal & Compliance

Targray

18105 Autoroute Transcanadienne

Kirkland, Quebec H9J 3Z4 Canada

+41 79 591 30 76

aliu@targray.com

April 14, 2025

APPENDIX A

**UNITED STATES OF AMERICA
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Targray Industries Inc.) **DOE/FECM Docket No. 25-____-LNG**

VERIFICATION

I, Andrew Richardson, declare that I am Chief Executive Officer of Targray Group and I am duly authorized to make this Verification on behalf of Targray Industries Inc.; that I have read the foregoing application and that the facts stated therein are true and correct to the best of my knowledge, information and belief.

Pursuant to 27 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Montreal, Quebec, Canada on April 14, 2025.

/s/ Andrew Richardson
Andrew Richardson
Chief Executive Officer
Targray
18105 Autoroute Transcanadienne
Kirkland, Quebec H9J 3Z4 Canada
+1 (514) 581 8095
arichardson@targray.com

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Dated: April 14, 2025

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LIQUEFACTION FACILITIES AND PORTS

The following facilities have been licensed by, or pending before, the Federal Energy Regulatory Commission (“FERC”). A description of the facilities may be found on the FERC e-library website at the docket number provided.

REV LNG, Towanda, Pennsylvania – REV LNG is a renewable liquefied natural gas (RLNG) provider specializing in converting biogas from agricultural and landfill sources into RLNG. The Towanda facility includes a liquefaction plant with a daily production capacity of 50,000 gallons, with on-site storage and distribution capabilities via cryogenic trailers. The facility provides certified renewable LNG that meets low-carbon intensity (CI) thresholds.

List of Ports (from which Targray would potentially export to the destination markets)

Port of New York & New Jersey

The Port of New York and New Jersey is the busiest container port in the U.S., with deep channels, modern berths, and a well-developed logistics network. The port's experience handling hazardous cargo means it could manage Renewable LNG ISO container shipments. Renewable LNG would need to be trucked or railed in from the production site. **Port of Philadelphia**

The Delaware River shipping channel has been upgraded to handle larger vessels. Its modernized container terminals and proximity to Pennsylvania's natural gas resources make it a strategic location for potential Renewable LNG ISO container handling.

Port of Wilmington, Delaware

Port Wilmington is undergoing a \$635 million expansion to boost container capacity, but it has no LNG infrastructure at present. Its location near proposed LNG projects on the Delaware River suggests potential for future development.

Port of Boston (Everett), Massachusetts

Everett LNG Terminal has operated for decades, mainly as an import facility.

Port of Providence, Rhode Island

Providence hosts National Grid's Fields Point LNG facility, which includes small-scale liquefaction for local gas supply. Its industrial infrastructure and waterfront location make it suitable for ISO container exports.

Port of New Haven, Connecticut

New Haven is a key petroleum and chemical port with deepwater berths with experience in hazardous cargo.

Port of Savannah, Georgia (Elba Island)

Savannah's Elba Island terminal is a fully operational LNG export facility that produces small-scale LNG shipments, while bulk LNG carriers are the main export method, ISO container loading Renewable LNG could be handled.

Port of Jacksonville (JAXPORT), Florida

Jacksonville is a leader in small-scale LNG exports.

Port of Houston, Texas

Port Houston benefits from proximity to major LNG production sites where companies have approvals to export LNG via ISO containers.

Port of New Orleans, Louisiana

Port NOLA is exploring LNG export potential, having signed agreements to develop bunkering and fuel supply infrastructure. No liquefaction exists yet.

Port of Tampa Bay, Florida

Tampa has the necessary infrastructure to handle ISO containers safely. Some LNG-powered ships are serviced here.

Port of Freeport, Texas

Freeport LNG is a major export facility handling bulk LNG carriers, but it has announced plans for small-scale LNG loading, which could include ISO container exports.

Port of Gulfport, Mississippi

Gulfport does not currently export LNG but has been involved in gas-related project proposals. The port is expanding and has the infrastructure to accommodate Renewable LNG exports.

Port of Mobile, Alabama

Mobile is preparing for LNG ISO container exports through a new liquefaction plant being built inland in McIntosh, AL. The port will serve as the shipment hub for LNG exports.