UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

SAPPHIRE GAS SOLUTIONS

DOCKET NO. 24-57-LNG

ORDER AMENDING LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT NATIONS AND FOR SMALL-SCALE EXPORTS OF LIQUEFIED NATURAL GAS

DOE/FECM ORDER NO. 5186-A

JUNE 9, 2025

I. DESCRIPTION OF REQUEST

On October 21, 2024, the Department of Energy's (DOE) Office of Fossil Energy and Carbon Management (FECM) issued DOE/FECM Order No. 5186 (Order)¹ to Sapphire Gas Solutions (Sapphire) under section 3 of the Natural Gas Act (NGA).² Under this consolidated Order, Sapphire is authorized to export domestically produced liquefied natural gas (LNG) in a volume equivalent to 51.75 billion cubic feet per year (Bcf/yr) of natural gas for a term extending through December 31, 2050, as follows:

- (i) Under section 3(c) of the NGA,³ to any country with which the United States has, or in the future may enter into, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries), and
- (ii) Under section 3(a) of the NGA,⁴ to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), as qualifying "small-scale natural gas exports" under DOE's regulations.⁵

Under Order No. 5186, the approved FTA and small-scale export volumes are not additive.⁶

Sapphire is authorized to export this LNG from the Port of Miami to the Bahamas and

other islands in the Caribbean via Department of Transportation-approved International

Organization for Standardization (ISO) containers transported by barge.⁷ Sapphire is further

authorized to obtain the LNG for export from any of the 16 existing facilities listed in Appendix

¹ Sapphire Gas Solutions, DOE/FECM Order No. 5186, Docket No. 24-57-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations, and Long-Term Authorization for Small-Scale Exports of Liquefied Natural Gas (Oct. 21, 2024), <u>https://www.energy.gov/sites/default/files/2024-10/ord5186.pdf</u>.

² 15 U.S.C. § 717b. 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 FECM in Redelegation Order No. S4-DEL-FE1-2023, issued on April 10, 2023.

³ 15 U.S.C. § 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

⁴ 15 U.S.C. § 717b(a).

⁵ See 10 C.F.R. §§ 590.102(p), 590.208(a); see also Sapphire Gas Solutions, DOE/FECM Order No. 5186, at 10 (Ordering Para. A).

⁶ See Sapphire Gas Solutions, DOE/FECM Order No. 5186, at 10 (Term & Condition H).

⁷ See id. at 2-3, 10 (Ordering Para. A).

C of its original application (collectively, the Facilities).⁸ DOE stated that, "[i]f in the future, Sapphire wishes to obtain LNG for export from facilities other than the 16 Facilities listed in Appendix C, it will be required to file with DOE a request to amend this Order to add those facilities."⁹

On March 28, 2025, Sapphire filed an application (Amendment Application)¹⁰ under NGA section 3 requesting to amend Order No. 5186 as follows:

- To update Appendix C of its original application to add facilities in the United States from which it seeks to source LNG for export—from a total of 16 facilities to 19 facilities identified in Appendix C to the Amendment Application (collectively, the Facilities);¹¹ and
- (ii) To add two ports of export to the currently authorized Port of Miami, Florida: the Port of Houston, Texas, and Port Everglades, Florida.¹²

In support of this requested amendment, Sapphire cites "potential new business and market

opportunities and the growing availability of LNG for purchase," as well as "greater flexibility"

for Sapphire to meet the needs of its customers.¹³ Sapphire notes that it "is not seeking any other

changes to Order No. 5186, including the quantity of LNG it is authorized to export."¹⁴

In this consolidated Order, DOE grants Sapphire's Amendment Application.

Specifically, DOE authorizes Sapphire to source LNG for export from the 19 facilities identified

in Appendix C to the Amendment Application, and to export this LNG from the Port of Houston,

⁸ See id. at 10 (Ordering Para. A).

⁹ *Id*. at 10 n.35.

¹⁰ Sapphire Gas Solutions, Application to Amend Long-Term and Short-Term Authorization to Make Small-Scale Exports of Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Countries, Docket No. 24-57-LNG (Mar. 28, 2024), <u>https://www.energy.gov/sites/default/files/2025-</u>

^{03/}Sapphire%20Amendment%20to%20LNG%20Export%20App%20%283.28.2025%29%2024-57-LNG.pdf. ¹¹ See id. at 1, 3-4, & Appendix C.

¹² See id. at 1, 4.

 $^{^{13}}$ *Id.* at 3-4.

 $^{^{14}}$ *Id*. at 4.

Texas, and Port Everglades, Florida, in addition to the Port of Miami, Florida, to FTA countries and to non-FTA countries (as small-scale natural gas exports), as set forth below.

Additionally, as established in Order No. 5186, this amendment does not provide Sapphire with an independent right to purchase or load LNG at any of the authorized facilities.¹⁵ DOE takes no position on the commercial arrangements that may be necessary for Sapphire to effectuate the export of LNG approved in Order No. 5186, as amended by this Order.

II. FINDINGS AND CONCLUSIONS

A. Amendment to FTA Authorization in Order No. 5186

Section 3(c) of the NGA was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that applications requesting authority for (a) the import and export of natural gas, including LNG, from and to a nation with which there is in effect a FTA requiring national treatment for trade in natural gas, and/or (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay. The portion of the Amendment Application requesting an amendment to the FTA authorization in DOE/FECM Order No. 5186 falls within NGA section 3(c). Therefore, DOE is charged with granting the requested amendment without modification or delay.

B. Amendment to Small-Scale Natural Gas Export Authorization in Order No. 5186

As noted, DOE previously determined in Order No. 5186 that Sapphire's exports to non-FTA countries qualify as small-scale natural gas exports under 10 C.F.R. §§ 590.102(p) and 590.208(a).¹⁶ In the Amendment Application, Sapphire is not seeking any changes to its requested small-scale export authorization (including to the 51.75 Bcf/yr volume limitation),¹⁷

¹⁵ Sapphire Gas Solutions, DOE/FECM Order No. 5186, at 10 (Ordering Para. B).

¹⁶ See id. at 3, 6.

¹⁷ 10 C.F.R. § 590.102(p).

except to expand the number of facilities from which it may source LNG and the number of ports from which it may export LNG. Additionally, DOE's National Environmental Policy Act procedures provide for a categorical exclusion if neither an environmental impact statement nor an environmental assessment is required—specifically, categorical exclusion B5.7 (10 C.F.R. Part 1021, Subpart D, Appendix B5), *Export of natural gas and associated transportation by marine vessel.*¹⁸ On June 6, 2025, DOE issued a categorical exclusion for the non-FTA portion of Sapphire's Amendment Application under this provision.¹⁹ Accordingly, pursuant to 10 C.F.R. § 590.208(a), Sapphire's requested amendment to its small-scale authorization in Order No. 5186 is deemed to be consistent with the public interest under NGA section 3(a), and DOE grants the requested amendment.

III. ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. The Amendment Application filed by Sapphire Gas Solutions (Sapphire) to amend both the list of approved facilities from which Sapphire is permitted to source LNG and the ports from which it is permitted to export LNG is granted.²⁰

B. In DOE/FECM Order No. 5186, Ordering Paragraph A is amended to state in full:

A. Sapphire Gas Solutions (Sapphire) is authorized by DOE to export domestically produced LNG obtained from any of the 19 Facilities listed in Appendix C of the Amendment Application.²¹

²¹ If, in the future, Sapphire wishes to obtain LNG for export from facilities other than the 19 Facilities listed in Appendix C to the Amendment Application or to add other ports of export, Sapphire will be required to file with DOE a request to amend this Order. DOE will evaluate that request under the same standards of review discussed above.

 ¹⁸ See 10 C.F.R. Part 1021, Subpt. D, App. B, Categorical Exclusion B5.7; see also U.S. Dep't of Energy, National Environmental Policy Act Implementing Procedures; Final Rule, 85 Fed. Reg. 78,197 (Dec. 4, 2020).
¹⁹ U.S. Dep't of Energy, Categorical Exclusion Determination, Sapphire Gas Solutions, Docket No. 24-57-LNG

⁽June 6, 2025).

²⁰ See supra at 3-4 (approved ports of export).

Sapphire is authorized to export this LNG in approved ISO containers transported by barge in a volume equivalent to 51.75 Bcf/yr of natural gas. The FTA and small-scale authorizations will commence on the date of first commercial export and extend through December 31, 2050. Sapphire is authorized to export this LNG on its own behalf and as agent for other entities that hold title to the LNG at the time of export, pursuant to one or more contracts of any duration.²²

C. All other obligations, rights, and responsibilities established by DOE/FECM Order
No. 5186 remain in effect.

Issued in Washington, D.C., on June 9, 2025.

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

²² See U.S. Dep't of Energy, 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).