

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

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PORT ARTHUR LNG PHASE II, LLC	)	DOCKET NO. 20-23-LNG
_____	)	

ORDER AMENDING LONG-TERM AUTHORIZATION  
TO EXPORT LIQUEFIED NATURAL GAS  
TO NON-FREE TRADE AGREEMENT NATIONS

DOE/FECM ORDER NO. 5292-A

JUNE 30, 2025

## I. DESCRIPTION OF AMENDMENT

### A. PALNG Phase II's Non-FTA Order

On May 29, 2025, the Department of Energy's (DOE) Office of Fossil Energy and Carbon Management (FECM)<sup>1</sup> issued DOE/FECM Order No. 5292 (Order)<sup>2</sup> to Port Arthur LNG Phase II, LLC (PALNG Phase II) under section 3 of the Natural Gas Act (NGA).<sup>3</sup> Under this Order, PALNG Phase II is authorized to export domestically produced liquefied natural gas (LNG) in a volume equivalent to 698 billion cubic feet per year (Bcf/yr) of natural gas from Trains 3 and 4 (the Expansion Project) of the proposed Port Arthur LNG terminal to be located in Jefferson County, Texas. PALNG Phase II is authorized to export this LNG to any country with which the United States does not have a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (non-FTA countries), under NGA section 3(a).<sup>4</sup>

As relevant here, PALNG Phase II had requested this long-term authorization for a term ending ““on the later of the date that is twenty years from the date of the commencement of the term or December 31, 2050.””<sup>5</sup> In the Order, and citing DOE's existing 2050 Policy Statement,<sup>6</sup>

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

<sup>2</sup> *Port Arthur LNG Phase II, LLC*, DOE/FECM Order No. 5292, Docket No. 20-23-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations (May 29, 2025), <https://www.energy.gov/sites/default/files/2025-05/ord5292.pdf>.

<sup>3</sup> 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.

<sup>4</sup> 15 U.S.C. § 717b(a); *see Port Arthur LNG Phase II, LLC*, DOE/FECM Order No. 5292, at 66 (Ordering Para. A). PALNG Phase II's authorization to FTA countries, DOE/FE Order No. 4562, is not subject to this Amendment Order.

<sup>5</sup> *Port Arthur LNG Phase II, LLC*, DOE/FECM Order No. 5292, at 2 (quoting *Port Arthur LNG Phase II, LLC*, Application for Long-Term, Multi-Contract Authorizations to Export Liquefied Natural Gas From the United States to Free Trade Agreement and Non-Free Trade Agreement Nations, Docket No. 20-23-LNG, at 4 (Feb. 28, 2020) [hereinafter Application]).

<sup>6</sup> U.S. Dep't of Energy, Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050; Notice of Final Policy Statement and Response to Comments, 85 Fed. Reg. 52,237 (Aug. 25, 2020) [hereinafter 2050 Policy Statement]. Under the 2050 Policy Statement, DOE issues long-term non-FTA

DOE stated:

Consistent with DOE’s current practice, DOE will grant PALNG Phase II’s authorization for a term to commence on the date of first export from the proposed Expansion Project and to extend through December 31, 2050.<sup>7</sup>

DOE explained that “the standard non-FTA export term ending on December 31, 2050, is appropriate because PALNG Phase II’s alternate request—20 years ‘from the date of the commencement of the term’—would end on a date after December 31, 2050, as the Expansion Project is not yet constructed and thus exports have not commenced.”<sup>8</sup>

On this basis, Ordering Paragraph A of the Order currently authorizes PALNG Phase II to export LNG in a volume “equivalent to 698 Bcf/yr of natural gas for a term to commence on the date of first export and to extend through December 31, 2050.”<sup>9</sup>

#### **B. Amendment of Order No. 5292 to Allow Make-Up Period**

Since issuing the Order to PALNG Phase II, DOE has reconsidered its response to PALNG Phase II’s request concerning its export term. In this Amendment Order, DOE is not changing the standard long-term non-FTA export term set forth in the 2050 Policy Statement, lasting through December 31, 2050.<sup>10</sup> However, DOE has determined that it is in the public interest under NGA section 3(a)—as well as consistent with Executive Order 14154, *Unleashing American Energy*,<sup>11</sup> and DOE’s past practice—to allow three additional years for PALNG Phase II to export the approved volume of LNG from the Expansion Project beyond December 31,

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authorizations with a standard export term lasting through December 31, 2050, unless a shorter term is requested by the applicant. *See id.* at 52,247.

<sup>7</sup> *Port Arthur LNG Phase II, LLC*, DOE/FECM Order No. 5292, at 62 (Term & Condition A).

<sup>8</sup> *Id.* at 62 n.341.

<sup>9</sup> *Id.* at 66 (Ordering Para. A). We note that PALNG Phase II’s Application was uncontested. *See id.* at 3.

<sup>10</sup> 2050 Policy Statement, 85 Fed. Reg. at 52,247.

<sup>11</sup> Exec. Order No. 14154 of January 20, 2025, *Unleashing American Energy*, 90 Fed. Reg. 8353, 8357 (Jan. 29, 2025).

2050. This three-year period, known as the Make-Up Period, will extend through December 31, 2053.

During this Make-Up Period, PALNG Phase II will be permitted to export any of the total approved volume of LNG that it is unable to export by December 31, 2050 (Make-Up Volume), provided that the volume exported per year of the Make-Up Period does not exceed PALNG Phase II's annual non-FTA export volume—698 Bcf of natural gas. DOE emphasizes that PALNG Phase II is not permitted to increase this annual non-FTA export volume over the three-year Make-Up Period absent appropriate authorization by DOE.

In support of this amendment, DOE notes that, beginning in 2014, DOE began including a three-year Make-Up Period in its long-term non-FTA authorizations.<sup>12</sup> That practice continued through August 2020, when the Make-Up Period was subsumed in the December 31, 2050 term extension adopted in the final 2050 Policy Statement.<sup>13</sup> Specifically, in implementing the term extension in the 2050 Policy Statement, DOE did not eliminate the Make-Up Period but rather established “an export term lasting through December 31, 2050, inclusive of any make-up period ...”<sup>14</sup>

At the time that DOE issued the 2050 Policy Statement, DOE considered an export term extending through December 31, 2050, to be sufficient to allow time for both construction of the associated LNG export facility and the completion of a standard 20-year term for a natural gas supply contract and/or a LNG export contract.<sup>15</sup> With the passage of time since the 2050 Policy

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<sup>12</sup> See *Freeport LNG Expansion, L.P., et al.*, DOE/FE Order Nos. 3282-B and 3357-A, Docket Nos. 10-161-LNG and 11-161-LNG, Order Amending DOE/FE Order Nos. 3282 and 3357, at 6-9 (June 6, 2014), [https://fossil.energy.gov/ng\\_regulation/sites/default/files/programs/gasregulation/authorizations/2014/orders/ord3282B\\_ord3357A.pdf](https://fossil.energy.gov/ng_regulation/sites/default/files/programs/gasregulation/authorizations/2014/orders/ord3282B_ord3357A.pdf) (amending Freeport's orders to allow a three-year Make-Up Period).

<sup>13</sup> See 2050 Policy Statement, 85 Fed. Reg. at 52,247.

<sup>14</sup> *Id.* (emphasis added).

<sup>15</sup> See *id.* at 52,240 (stating that an export term through 2050 “would provide authorization holders with greater security in financing their export facility and would maximize their ability to enter into natural gas supply and export contracts for a longer period of time”).

Statement was implemented, however, a standard 20-year contract now could extend beyond December 31, 2050. For example, if PALNG Phase II were to sign a new 20-year LNG export contract today that does not begin until the company commences exports from its proposed Expansion Project, the contract could end in 2052 (*i.e.*, a beginning point of 2025, plus the standard seven-year period to commence exports under the Order, plus a 20-year contract term). Thus, under the current terms of its Order, PALNG Phase II would not be able to fulfill a standard 20-year contract to export the volume of LNG to non-FTA countries that DOE has already approved—and that DOE found is “likely to yield economic benefits to the United States, diversify global LNG supplies, and improve energy security for U.S. allies and trading partners over the course of the export term.”<sup>16</sup> For these reasons, we believe it is reasonable to reinstate a three-year Make-Up Period, through December 31, 2053, as described above.

Below, DOE is providing the necessary amendments to effectuate this Make-Up Period for PALNG Phase II’s Order. Concurrently with the issuance of the Amendment Order, DOE is issuing a categorical exclusion under the National Environmental Policy Act of 1969 (NEPA)<sup>17</sup> for the amendments described herein—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*.<sup>18</sup>

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<sup>16</sup> *Port Arthur LNG Phase II, LLC*, DOE/FECM Order No. 5292, at 4; *see also id.* at 46-53 (discussing reasons that PALNG Phase II’s exports to non-FTA countries “will advance the public interest” under NGA section 3(a)).

<sup>17</sup> 42 U.S.C. § 4321 *et seq.*

<sup>18</sup> *See* 10 C.F.R. Part 1021, Subpt. D, App. B, Categorical Exclusion B5.7 (providing for a categorical exclusion for actions that normally do not require preparation of either an environmental impact statement or an environmental assessment); *see also* U.S. Dep’t of Energy, Categorical Exclusion Determination, Port Arthur LNG Phase II, LLC, Docket No. 20-23-LNG (June 30, 2025).

## II. ORDER

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

A. In DOE/FECM Order No. 5292, Term and Condition A (“Term of the Authorization”) is amended to state:

PALNG Phase II requests its export authorization for a term ‘commencing on the earlier of the date of first export or seven years from the date of issuance of the authorization[]’ and ‘terminating on the later of the date that is twenty years from the date of the commencement of the term or December 31, 2050.’<sup>19</sup> Consistent with DOE’s current practice, DOE will grant PALNG Phase II’s authorization for a term to commence on the date of first export from the proposed Expansion Project and to extend through December 31, 2050.<sup>20</sup> However, PALNG Phase II will be permitted to continue exporting the approved volume of LNG for a total of three years following the end of the export term on December 31, 2050, solely to export any approved volume of LNG that it is unable to export during the original export term (the Make-Up Volume). The three-year term during which the Make-Up Volume may be exported, known as the Make-Up Period, will extend through December 31, 2053.

This amended Term and Condition A replaces Term and Condition A in DOE/FECM Order No. 5292 in its entirety.

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<sup>19</sup> PALNG Phase II App. at 4.

<sup>20</sup> See 2050 Policy Statement, 85 Fed. Reg. at 52,247.

B. In DOE/FECM Order No. 5292, Ordering Paragraph A is amended to state in full:

Port Arthur LNG Phase II, LLC (PALNG Phase II) is authorized to export domestically produced LNG by vessel from Trains 3 and 4 (the Expansion Project), to be built at the proposed Port Arthur LNG terminal to be located in Jefferson County, Texas. The volume authorized in this Order is equivalent to 698 Bcf/yr of natural gas for a term to commence on the date of first export and to extend through December 31, 2050. PALNG Phase II may continue exporting any Make-Up Volume for a three-year Make-Up Period following this export term, *i.e.*, through December 31, 2053.<sup>21</sup> PALNG Phase II is authorized to export this LNG on its own behalf and as agent for other entities that hold title to the natural gas, pursuant to one or more contracts of any duration.<sup>22</sup>

This amended Ordering Paragraph A replaces Ordering Paragraph A in DOE/FECM Order No. 5292 in its entirety.

C. All other obligations, rights, and responsibilities established by DOE/FECM Order

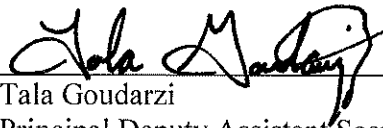
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<sup>21</sup> See Term & Condition A, *supra*. This three-year Make-Up Period does not affect or modify the export volume previously authorized in PALNG Phase II's FTA authorization or in this Order. Insofar as PALNG Phase II may seek to export additional volumes not previously authorized, it will be required to obtain appropriate authorization from DOE.

<sup>22</sup> 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).

No. 5292 remain in effect.

Issued in Washington, D.C., on June 30, 2025.

A handwritten signature in black ink, appearing to read 'Tala Goudarzi', is written over a horizontal line.

Tala Goudarzi  
Principal Deputy Assistant Secretary  
Office of Fossil Energy and Carbon Management