

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

Southern LNG Company, L.L.C.

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**Docket Nos. 12–54–LNG
12–100–LNG**

APPLICATION OF SOUTHERN LNG COMPANY, L.L.C. TO AMEND ITS LONG-TERM, MULTI-CONTRACT AUTHORIZATION TO EXPORT NATURAL GAS TO FREE TRADE AGREEMENT AND NON-FREE TRADE AGREEMENT NATIONS TO INCLUDE EXPORTS OF LNG BY SHIP-TO-SHIP TRANSFERS WITHIN THE TERRITORIAL SEAS AND PORTS OF FOREIGN COUNTRIES

Southern LNG Company, L.L.C. (“Southern LNG”) hereby requests, pursuant to Section 3 of the Natural Gas Act of 1938, as amended (“NGA”)¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² that DOE’s Office of Fossil Energy and Carbon Management (“DOE/FECM”) amend the authorizations granted in DOE/FECM Order Nos. 3106–A and 3956–A (the “Existing Authorizations”) as described herein.³ The Existing Authorizations grant Southern LNG long-term, multi-contract authorization to export up to 182.5 billion cubic feet (“Bcf”) of natural gas per year from domestic sources in the form of liquefied natural gas (“LNG”) to: (1) any country with which the United States has, or in the future may enter into, a free trade agreement requiring national treatment for trade in natural gas (“FTA nations”) 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 LNG and with which trade is not prohibited by United States law or policy (“non-FTA nations”), for a term ending on December 31, 2050. By this application (the “Amendment Application”), Southern

¹ 15 U.S.C. § 717b (2018).

² 10 C.F.R. Part 590 (2023).

³ *Southern LNG Company, L.L.C.* DOE/FE Order Nos. 3106 and 3106-A (June 15, 2012 and Dec. 30, 2020); *Southern LNG Company, L.L.C.*, DOE/FECM Order No. 3956 and 3956-A (Dec. 16, 2016 and Dec. 30, 2020).

LNG respectfully requests that DOE/FECM amend the Existing Authorizations to add transfers of U.S.-sourced LNG in bunkering operations conducted within the territorial seas of foreign countries (including ports of such foreign countries) to the categories of activities to which those authorizations apply.

I. BACKGROUND

Southern LNG has been exporting LNG in approved via ocean-going carrier, primarily to any FTA and Non-FTA countries since December 13, 2019.⁴ While such exports initially occurred pursuant to authorizations issued in 2012 and 2016,⁵ Southern LNG submitted an application on November 4, 2020, in DOE/FECM Docket Nos. 12–54–LNG and 12–100–LNG, requesting that DOE/FECM issue an authorization to replace its prior authorization, that the period of such authorization run until December 31, 2050. DOE/FECM granted those requests on December 30, 2020.⁶

In addition to its exports of LNG via ocean-going carriers, Southern LNG has developed the capability to supply LNG as marine fuel through transfers to marine fueling (“bunkering”) vessels at its Elba Island LNG Terminal in Chatham County, Georgia. The bunkering vessels that receive LNG through the Elba Island LNG Terminal are capable of delivering that LNG through ship-to-ship transfers (known as “bunkering events”) to oceangoing vessels, including cruise ships and container ships, that are equipped to receive, store and vaporize LNG for use as fuel for propulsion.

⁴ Southern LNG’s corporate information is unchanged from what was included in the September 25, 2023 application; that information is incorporated herein by reference.

⁵ *Southern LNG Company, L.L.C.* DOE/FE Order Nos. 3106 and 3106-A (June 15, 2012 and Dec. 30, 2020); *Southern LNG Company, L.L.C.*, DOE/FECM Order Nos. 3956 and 3956-A (Dec. 16, 2016 and Dec. 30, 2020).

⁶ See DOE/FE Order Nos. 3106–A and 3956–A (Dec. 30, 2020).

Southern LNG began bunkering in March 2023 to other countries. The bunkering events through which Southern LNG transfers that LNG to smaller vessels for bunkering marine fuel to container vessels typically takes place in Kingston Jamaica or the Bahamas, within the territorial sea of the Bahamas.

In an order issued to JAX LNG, LLC on February 25, 2025, DOE/FECM announced that, under Section 3 of the Natural Gas Act, as amended, “DOE has jurisdiction over LNG transferred to a receiving ship for use as marine fuel when the receiving ship is not only located in an international port, but more broadly when the receiving ship is located anywhere in a foreign country’s territorial sea (which is considered part of that country’s sovereign territory).”⁷ On the basis of this determination, DOE/FECM modified the export authorization granted to JAX LNG, LLC so that it applies to that company’s ship-to-ship transfers of U.S.-sourced LNG for use as marine fuel when the receiving ship is located in the territorial sea of a foreign country (including in foreign ports).⁸ DOE/FECM stated that

[t]he purpose of this modification is to clarify that DOE has jurisdiction over LNG transferred to a receiving ship for use as marine fuel when the receiving ship is not only located in an international port, but more broadly when the receiving ship is located anywhere in a foreign country’s territorial sea (which is considered part of that country’s sovereign territory). Through this exercise of jurisdiction under NGA section 3, DOE is maintaining jurisdiction over exports of natural gas and has visibility into bunkering activities occurring globally involving U.S. LNG, to the extent permitted by law.⁹

Because Southern LNG engages and expects to continue to engage in transfers of U.S.-sourced LNG in bunkering operations conducted within the territorial sea (and ports) of a foreign country, and DOE/FECM has asserted jurisdiction over such operations as “exports” subject to

⁷ *JAX LNG, LLC*, DOE/FECM Order No. 5233-A, Docket No. 24-73-LNG, Order Granting Request for Rehearing and Clarification and Modifying Order (Feb. 25, 2025).

⁸ *Id.*

⁹ *Id.*

Section 3 of the NGA, Southern LNG seeks by this Amendment Application to add such transfers to the categories of activities to which its Existing Authorizations apply.

II. AMENDMENT REQUESTED AND THE PUBLIC INTEREST SUPPORTING IT

Southern LNG hereby requests that DOE/FECM modify the Existing Authorizations so that Southern LNG may export LNG not only (i) via ocean-going carriers, but also (ii) in bulk, loaded into bunkering vessels for transfer as marine fuel to ships located within the territorial sea of a foreign country (including ships located in foreign ports).¹⁰ Now that DOE/FECM has found that “the ship-to-ship transfer of bunker fuel may constitute an ‘export’ of LNG in certain circumstances,”¹¹ Southern LNG asks that DOE/FECM grant it the same authorization to export LNG through deliveries in bunkering events taking place in the territorial seas of foreign countries (including foreign ports) that it has recently granted to JAX LNG, LLC. That is, Southern LNG respectfully requests that DOE/FECM modify the Existing Authorizations so that they apply to Southern LNG’s ship-to-ship transfer of U.S. LNG for use as marine fuel when the receiving ship (regardless of the flag or registration of the receiving ship) is located in the territorial sea of a foreign country (including in foreign ports), as determined by that country and recognized by the United States.¹² This will enable Southern LNG to continue to supply LNG as marine fuel in accordance with existing contractual commitments and to take advantage of new opportunities to supply LNG for use as bunkering fuel through transfers in the territorial seas of foreign countries and in foreign ports as those opportunities appear.

Southern LNG is not seeking any other changes to its Existing Authorizations in this Amendment Application and, in particular, is not seeking to increase the quantity of LNG it is

¹⁰ *Cf. id.* at 6, Ordering Paragraph B and C (granting *Southern LNG Company, L.L.C.* authorization to export LNG by vessel.

¹¹ *Id.* at 3.

¹² *Id.* at 1 (quoting 15 U.S.C. § 717b(c)).

authorized to export. DOE/FECM has previously found that Southern LNG's application with respect to exports to FTA nations should be "granted 'without modification or delay'" as required under NGA Section 3(c).¹³ With respect to exports to non-FTA nations, DOE/FECM has previously found that Southern LNG qualified under the "small-scale natural gas exports" rule codified at 10 C.F.R. § 590.208(a), that the application was entitled to a categorical exclusion from the requirements of the National Environmental Policy Act, and that the exports were "deemed to be consistent with the public interest under NGA section 3(a)."¹⁴ Having determined that no environmental review was necessary and that Southern LNG's requests for an FTA authorization and a non-FTA authorization were deemed to be consistent with the public interest, DOE/FECM issued the Existing Authorizations.

The modified authorization sought in this Amendment Application should be deemed to be consistent with the public interest, and a categorical exclusion determination should be issued, for the same reasons as DOE/FECM granted the Existing Authorizations and has authorized JAX LNG, LLC to engage in exports of LNG through bunkering operations in the territorial waters of foreign countries. A categorical exclusion is appropriate here because no construction is needed in order for Southern LNG to continue to supply LNG for export through bunkering operations occurring in the territorial waters (including ports) of foreign countries. An amendment to the FTA portion of the Existing Authorization is appropriate because NGA Section 3(c) directs that FTA authorizations are to be "deemed to be consistent with the public interest" and should be issued "without modification or delay."¹⁵

¹³ *Id.* at 1 (quoting 15 U.S.C. § 717b(c)).

¹⁴ *Id.* at 2-3.

¹⁵ 15 U.S.C. § 717b(c).

Because Southern LNG is not proposing to increase the quantity of natural gas it is authorized to export, this Amendment Application should be deemed consistent with the public interest under the small-scale natural gas exports policy, as was the case for the Existing Authorizations. Accordingly, Southern LNG respectfully requests that DOE/FECM promptly issue an amendment to the Existing Authorizations to authorize Southern LNG to export LNG (i) in approved via ocean-going vessels, and also (ii) through deliveries by means of bunkering events taking place in the territorial seas of foreign countries (including such countries' ports).

III. REPORTING OBLIGATIONS

Southern LNG acknowledges that under the terms of its Existing Authorizations, it is required each month to file with DOE/FECM's Office of Regulation, Analysis and Engagement, a report on Form FE-746R providing information relating to exports during the preceding month as specified in DOE/FECM's Guidelines for Filing Monthly Reports. Southern LNG understands that going forward, it will have to report as exports all ship-to-ship transfers of LNG which it has supplied for use as marine fuel that will ultimately occur within the territorial sea of a foreign country, including transfers that take place in foreign ports.¹⁶ Southern LNG further understands that for reporting purposes, it should report as the date of the export the date on which LNG sourced by Southern LNG was actually transferred from the bunkering vessel to the vessel taking on the LNG as fuel. This reporting convention will enable Southern LNG to avoid the problem that could occur if it were required to report the date of export as the date the bunkering vessel is loaded with LNG at Elba Island, Georgia, at which time Southern LNG may not know where the bunkering activities may actually occur.

¹⁶ *Southern LNG Company, L.L.C.* DOE/FE Order No. 3106 Paragraph J (June 15, 2012); *Southern LNG Company, L.L.C.*, DOE/FECM Order No. 3956 Paragraph Q (Dec. 16, 2016).

Southern LNG respectfully requests that DOE/FECM confirm its agreement with the reporting convention described above. It further requests that DOE/FECM identify any other information relating to exports affected through bunkering operations conducted in the territorial sea of a foreign country (including that country's ports) which DOE/FECM expects to be included in monthly reports describing such exports.

IV. COMMUNICATIONS

All correspondence and communications regarding this Amendment Application should be directed to:

Patricia S. Francis
Vice President – Managing Counsel
Southern LNG Company, L.L.C.
569 Brookwood Village, Suite 600
Birmingham, Alabama 35209
(205) 325-7696
patricia_francis@kindermorgan.com

V. APPENDICES

The following appendices are included herewith:

Appendix A: Verification

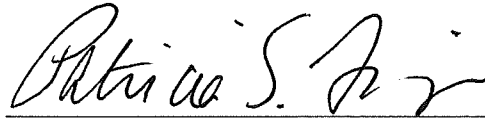
Appendix B: Certificate of Service

VII. CONCLUSION

For the reasons set forth above, Southern LNG respectfully requests that DOE/FECM issue an order amending Southern LNG's Existing Authorizations so as to permit Southern LNG to export natural gas in the form of LNG to FTA and non-FTA nations (i) in approved ISO containers loaded in such containers onto vessels, and (ii) in bulk, loaded into bunkering vessels for transfer as marine fuel to ships located within the territorial sea of a foreign country (including ships located in foreign ports), for a term ending December 31, 2050, in an amount of up to 182.5 Bcf/year. Southern LNG further requests that DOE/FECM (i) confirm that Southern LNG's proposed

approach to the reporting of exports affected through bunkering operations conducted in the territorial sea of a foreign country (including that country's ports) described under heading III above is acceptable, and (ii) identify any other information it expects to be included in monthly reports describing such exports.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Patricia S. Francis", written over a horizontal line.

Patricia S. Francis

Attorney for

Southern LNG Company, L.L.C.

Dated: July 31, 2025

Appendix A

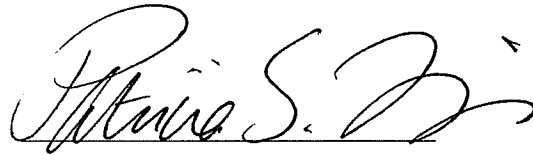
Verification

VERIFICATION

State of Alabama)

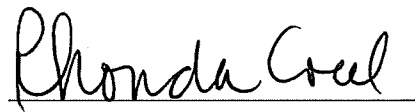
County of Jefferson)

BEFORE ME, the undersigned authority on this day personally appeared Patricia S. Francis , who, having first by me been duly sworn, says she is the Vice President – Managing Counsel for Southern LNG Company, L.L.C. and is duly authorized to make this Verification; that she has read the forgoing instrument and that the facts therein stated are true and correct to the best of her knowledge, information, and belief.



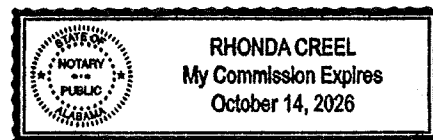
Patricia S. Francis
Southern LNG Company, L.L.C.

SWORN TO and SUBSCRIBED on this 31st day of July, 2025.



NAME: Rhonda Creel
TITLE: Notary Pubic

Commission Expires: October 14, 2026



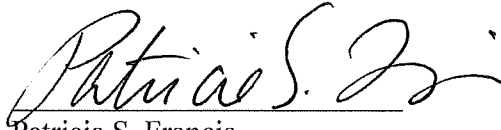
Appendix B

Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that I have served the foregoing document upon the intervenors for FECM
Docket Nos. 12-54-LNG and 12-100-LNG in accordance with 10 CFR § 590.107(b).

Dated in Birmingham, AL this 31st day of July, 2025.

A handwritten signature in black ink, reading "Patricia S. Francis". The signature is written in a cursive style with a horizontal line underneath the name.

Patricia S. Francis
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