UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

AIR FLOW NORTH AMERICA CORP.	)))	FE DOCKET NO. 14-53-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO
EXPORT LIQUEFIED NATURAL GAS
IN ISO CONTAINERS TRANSPORTED BY VESSEL
TO FREE TRADE AGREEMENT NATIONS LOCATED WITHIN
CENTRAL AMERICA, SOUTH AMERICA, THE CARIBBEAN, OR AFRICA

DOE/FE ORDER NO. 3483

AUGUST 29, 2014

I. DESCRIPTION OF REQUEST

On March 25, 2014, Air Flow North America Corp. (Air Flow) filed an application with the Office of Fossil Energy (FE) of the Department of Energy under section 3 of the Natural Gas Act (NGA)[1] for short-term blanket authorization to export domestically produced liquefied natural gas (LNG) in approved ISO IMO7/TVAC-ASME LNG containers (ISO containers) transported by ocean-going carriers in a volume equivalent to 0.53 billion standard cubic feet (Bcf) of natural gas per year. Air Flow requests authorization to export the LNG to any country located within Central America, South America, the Caribbean, or Africa which has, or in the future develops, the capacity to import LNG in approved ISO containers transported on ocean-going carriers, and with which the United States currently has, or in the future will have, a free trade agreement (FTA) providing for national treatment for trade in natural gas (FTA countries).[2] Air Flow requests the authorization be granted for a two-year term beginning on the date this Order is issued.

Air Flow is a Delaware corporation with its principal place of business in The Woodlands, Texas. Stock in Air Flow is held by two French corporations: Airflow SAS (90%) and SIL (10%). In describing its business model, Air Flow states that it proposes to export LNG from the Pickens Plant owned by Clean Energy and located in Willis, Texas (Clean Energy facility). According to Air Flow, LNG produced at the Clean Energy facility will be loaded into Air Flow's ISO containers. Air Flow proposes to load the ISO containers and export the LNG from one or more ports in the Southeastern United States (including but not limited to

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[1] The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-002.04F issued on July 11, 2013.

[2] 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.

Jacksonville, Florida; Houston, Texas; and Norfolk, Virginia) by cargo vessels capable of carrying ISO containers. Citing DOE/FE precedent, Air Flow states that it will file all short-term contracts with DOE under seal, as well as provide public versions of any contracts for posting, following their execution.[3]

II. FINDING

The application has been evaluated to determine if the proposed import and/or export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), 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 the import of LNG from other international sources are deemed to be consistent with the public interest, and applications for such imports or exports must be granted without modification or delay. The authorization sought by Air Flow to export LNG to any FTA country located within Central America, South America, the Caribbean, or Africa meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Air Flow is authorized to export LNG in ISO containers transported by ocean-going vessel, in a volume equivalent to 0.53 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on August 29, 2014, and extending through August 28, 2016.

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[3] Air Flow notes that, although it will serve as the offtaker, exporter, and transporter of LNG sourced from Clean Energy, Air Flow has had discussions with other U.S. suppliers that may desire to export LNG under Air Flow's requested authorization. Air Flow states that it will supplement this Application as any additional volumes of LNG are committed for export.

B. This LNG may be exported in approved ISO containers loaded at the Clean Energy Pickens Plant, in Willis, Texas. This LNG may be exported via ocean-going vessel from any export port or terminal in the United States and its territories capable of exporting LNG in ISO containers by vessel.

C. This LNG may be exported to any FTA country located within Central America, South America, the Caribbean, and Africa.

D. **Monthly Reports:** With respect to the exports of LNG authorized by this Order, Air Flow shall file with the Office of Oil and Gas Global Security and Supply, within 30 days following the last day of each calendar month, a report indicating whether exports of LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If exports have not occurred, a report of "no activity" for that month must be filed.

If exports of LNG in ISO containers by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. export port or terminal; (2) the name of the vessel; (3) the date of departure from the U.S. export port or terminal; (4) the country (or countries) of destination into which the exported LNG was actually delivered; (5) the name of the supplier/seller; (6) the delivered volume in Mcf; (7) the price at the point of export in U.S. dollars per million British thermal units (MMBtu); (8) the name and location (city, state) of the facility where the ISO container is loaded with LNG; (9) the mode(s) of transport used to move the loaded ISO container from the loading facility to the export port or terminal; (10) the duration of the supply agreement (indicate spot sales); and (11) the name(s) of the purchaser(s). (Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

E. The first monthly report required by this Order is due not later than September 30, 2014, and should cover the reporting period from August 29, 2014, through August 31, 2014.

F. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Oil and Gas Global Security and Supply, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Natural Gas Reports. Alternatively, reports may be e-mailed to ngreports@hq.doe.gov, or may be faxed to Natural Gas Reports at (202) 586-6050.

Issued in Washington, D.C., on August 29, 2014.

John A. Anderson
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Office of Oil and Gas Global Security and Supply
Office of Oil and Natural Gas