UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CLEANCOR ENERGY SOLUTIONS LLC	)))	FE DOCKET NO. 14-79-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO CANADA AND MEXICO BY TRUCK, AND TO EXPORT LNG IN ISO CONTAINERS TRANSPORTED BY VESSEL TO FREE TRADE AGREEMENT NATIONS

DOE/FE ORDER NO. 3516

OCTOBER 9, 2014

I. DESCRIPTION OF REQUEST

On June 3, 2014, CLEANCOR Energy Solutions LLC (CLEANCOR) 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 blanket authorization to export domestically produced liquefied natural gas (LNG).[2] CLEANCOR requests authorization to export LNG to Canada and Mexico by truck and to export LNG in approved ISO IMO7/TVAC-ASME LNG containers (ISO containers) transported on ocean-going vessel to any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) that requires national treatment for trade in natural gas (FTA countries),[3] up to a combined total of the equivalent of 4.95 billion cubic feet (Bcf) of natural gas. The applicant requests the authorization be granted for a two-year term beginning on September 1, 2014. CLEANCOR, a subsidiary of SEACOR Holdings and Balfour Investors, LLC, is a Delaware limited liability company with its principal place of business in New York, New York.

CLEANCOR states that it plans to contract with existing liquefaction facilities that have existing loading racks, so that it may transport LNG via truck to end users in Mexico and Canada. CLEANCOR also plans to transport LNG by truck in ISO containers to terminals in the United States, where the ISO containers will be loaded onto ocean-going vessels and delivered to end users in FTA countries. CLEANCOR proposes to export the LNG in ISO containers from existing terminals in, but not limited to, the Port of Jacksonville and Port Everglades, Florida.

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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] On August 1, 2014, CLEANCOR submitted a supplement to its Application, in which it provided additional detail on the requested export volume, the method of transportation, and the LNG loading facilities.

[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.

CLEANCOR notes that it is working with Pivotal LNG, Inc. (Pivotal) (a wholly owned subsidiary of AGL Resources, Inc.), to establish a long-term LNG sale and purchase agreement from Pivotal's existing liquefaction production facility in Trussville, Alabama (Trussville Facility).[4] CLEANCOR proposes to export domestically produced LNG from the Trussville Facility as the main source of LNG for its export activities, but states that it also plans to contract with other approved liquefaction production facilities during the term of the requested authorization. According to CLEANCOR, the Trussville Facility has the capability of loading LNG into both trucks and ISO containers, and thus will require no additional infrastructure.

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 CLEANCOR to export LNG to both Canada and Mexico by truck and to FTA countries in ISO containers transported by ocean-going vessel 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.

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[4] As a supplement to its Application, CLEANCOR submitted a letter to DOE/FE dated September 24, 2014, from Tim Delay, Vice President, Fuels, of Pivotal LNG, Inc., to Jeffrey R. Woods, Chief Executive Officer of CLEANCOR, describing this planned LNG sale and purchase agreement.

ORDER

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

A. CLEANCOR is authorized to export LNG by truck and to export LNG in ISO containers transported by ocean-going vessel, up to a combined total of the equivalent of 4.95 Bcf, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on October 9, 2014, and extending through October 8, 2016.

B. This LNG may be exported by truck at any point on the border between the United States and Canada and between the United States and Mexico. This LNG may be exported in ISO containers 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 Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore, and to any nation with which the United States subsequently enters into a FTA requiring national treatment for trade in natural gas, provided that the destination nation has the capacity to import LNG via ocean-going vessels. FTA countries are currently identified by DOE/FE at: http://www.fossil.energy.gov/programs/gasregulation/index.html.

D. **Monthly Reports:** With respect to the exports of LNG authorized by this Order, CLEANCOR 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 by truck have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. departure facility; (2) the country of destination; (3) the point(s) of exit; (4) the name(s) of the supplier(s)/seller(s); (5) the name(s) of the LNG transporter(s); (6) the volume in Mcf; (7) the price per MMBtu at the point of exit; and (8) the duration of the supply agreement.

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 November 30, 2014, and should cover the reporting period from October 9, 2014, through October 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 October 9, 2014.

John A. Anderson
Director, Division of Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Oil and Natural Gas