

From: [REDACTED]
To: FERGAS
Subject: FE Docket No. 14-179-LNG
Date: Monday, February 09, 2015 2:00:37 PM

Re: PF 14-179-LNG

Pieridae Energy (USA)'s application for Long-Term Authorization To Export Domestically Produced Natural Gas Through Canada to Non-Free Trade Agreement Countries After Liquefaction to Liquefied Natural Gas for a 20-Year Period should be denied because its request for categorical exclusion is invalid. Furthermore the Department of Energy should suspend granting export authorizations until it can specifically demonstrate that the cumulative impact of currently approved natural gas exports do not undermine the public interest of the USA over the course of the approval periods.

As a starting point, Pieridae's argument that it does not need to comply with the DOE/FE New Procedures because it does not directly include new pipeline capacity is specious. Surely if Pieridae's project were approved absent additional pipeline capacity in the Northeast, there would be undue hardship on Northeast ratepayers. In that case, the Pieridae proposal would fail because it would indeed undermine the public interest. Pieridae itself reinforces that case in its statement that "the present capacity of these [pipeline] facilities is not sufficient to accommodate the full volume of exports for which Pieridae is seeking authorization." (p.17)

Therefore, Pieridae clearly depends on proposed enhancements to pipeline systems in the Northeast. It states its intent to utilize this capacity on Page 21. If Pieridae's application is approved Pieridae will most likely enter into precedent agreements for proposed new capacity, thus creating a perceived "need" for this capacity, even though Pieridae will not have demonstrated that its proposal does not undermine the public interest. This is a different test than the pipeline developers face. Pieridae cannot seek a categorical exclusion from an EIS if it indeed depends on proposed enhancements that clearly have extensive environmental impacts. The fact that the Pieridae proposal does not specifically include pipeline construction is immaterial because it would fail the test of not undermining the public interest without new construction.

It is furthermore unwise and dangerous for the DOE to grant export authorizations on a case by case basis without considering the full short and long term impact on the US economy. A U.S. EIA Study published in October 2014 "The Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets" clearly shows that under most reasonably expected scenarios, an increase in natural gas export creates a price spike that enriches exporting companies at the expense of American industry and consumers. Pieridae's application is particularly worrisome because it seeks unlimited authority to export to non FTA countries. This puts American manufacturing jobs at risk at the very moment that the industry is adding jobs and improving the economy. As the trade group American Energy Advantage states, "*Giving the green light to export LNG to non-FTA trading partners undermines the efforts of U.S. trade negotiators to open closed markets to all American goods and services....DOE has now approved 11.55 bcf/d to non-free trade countries and total approvals are well beyond the "high export" scenario. Continuing down this path puts our manufacturing renaissance at risk and will eliminate American jobs and harm the economy.*"

Finally, it is particularly pernicious that Pieridae is seeking expedited approval by March 15 because, as it states on Page 15, it is contractually committed to make a final investment decision by the end of March. The DOE and the American people cannot be forced into policy decisions based on the convenience of any private entity, let alone one that is controlled outside our borders.

The DOE should refuse the Pieridae application as it has been currently submitted because it fails on its own merits. In addition, the DOE should put a moratorium on granting export applications until it develops a comprehensive natural gas export policy. Granting incremental approvals on a case by case basis puts our public interest and national security at risk.

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