

[6450-01-P]

DEPARTMENT OF ENERGY

[FE Docket No. 15-33-LNG]

Bear Head LNG Corporation and Bear Head LNG (USA), LLC; Application for Long-Term, Multi-Contract Authorization to Export Domestically Produced Natural Gas Through Canada to Non-Free Trade Agreement Countries after Liquefaction for a 25-Year Term

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of application.

SUMMARY: The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application (Application), filed on February 25, 2015, by Bear Head LNG Corporation and Bear Head LNG (USA), LLC (collectively, Bear Head),¹ requesting long-term, multi-contract authorization to export domestically produced natural gas as follows: (i) to export the natural gas by pipeline to Canada at the United States-Canada border (at a point near Calais, Maine, and St. Stephen, New Brunswick, respectively) on the Maritimes & Northeast (M&N) Pipeline in a volume of 440 billion cubic feet per year (Bcf/yr), or approximately 1.2 Bcf per day (Bcf/d)²; (ii) to use approximately 42.4 Bcf/yr of the U.S.-sourced natural gas as feedstock in a Canadian natural gas liquefaction and export facility currently being developed by Bear Head within the Point Tupper/Bear Head Industrial Park near the town of Port Hawksbury, on the

¹ Bear Head states that Bear Head Corp. is a Canadian company incorporated pursuant to the laws of Nova Scotia, and that Bear Head (USA) is a Delaware limited liability company. Both have their principal place of business in Houston, Texas, and both are wholly-owned indirect subsidiaries of Liquefied Natural Gas Limited, a publicly listed Australian company based in Perth, Australia.

² Bear Head refers to this requested authorization as the "NG Authorization." Bear Head states that the M&N Pipeline is operated by Maritimes & Northeast Pipeline, L.L.C. in the United States and by its Canadian pipeline affiliate, Maritimes & Northeast Pipeline Limited Partnership, in Canada.

Straight of Canso, in Richmond County, Cape Breton, Nova Scotia, Canada (Project)³; and (iii) to export a portion of the U.S.-sourced natural gas in the form of LNG in a volume equivalent to approximately 397.6 Bcf/yr of natural gas (1.1 Bcf/d) by vessel from Nova Scotia, Canada, to one or more countries 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).⁴ Only Bear Head's proposed export of LNG produced from U.S.-sourced natural gas to non-FTA countries is subject to this Notice. Bear Head states that its proposed Project and LNG exports will not involve the construction of any facilities in the United States giving rise to cognizable effects under the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321, *et seq.*, but may require modification and expansion of the M&N Pipeline system, which Bear Head expects will interconnect with the Project's proposed pipeline header near Goldboro, Nova Scotia, for the delivery of natural gas feedstock to the Project.⁵ Bear Head requests the authorization for a 25-year term to commence on the earlier of the date of first export or 10 years from the date the authorization is granted. Bear Head seeks to export this LNG on its own behalf and as agent for other entities who hold title to the LNG at the time of export. The Application was filed under section 3 of the Natural Gas Act (NGA). Additional details can be found in Bear Head's Application, posted on the DOE/FE website at:

https://cms.doe.gov/sites/prod/files/2015/04/f21/15_33_lng_fta_nfta.pdf

³ See Application at 1 n.3 ("approximately 42.4 Bcf/y of the natural gas volume proposed to be exported will be consumed in Canada and not exported as LNG [liquefied natural gas]"); *id.* at 12 (description of project).

⁴ In the Application, Bear Head also requests authorization to export U.S.-sourced LNG to any nation that currently has, or in the future may enter into, a FTA requiring national treatment for trade in natural gas (FTA countries). DOE/FE will review Bear Head's request for a FTA export authorization separately pursuant to NGA § 3(c), 15 U.S.C. § 717b(c). Additionally, on January 23, 2015, Bear Head filed a separate application with DOE/FE requesting authorization to access certain Canadian natural gas supplies, in a volume up to 250 Bcf/yr, that it states must flow through the United States due to the configuration of existing North American pipeline infrastructure. Application at 2-3 n.7. Bear Head refers to this requested authorization as the "Canadian NG authorization." *Id.* That application is pending before DOE/FE in FE Docket No. 15-14-NG, and is the subject of a notice being published in the *Federal Register* concurrently with this Notice.

⁵ See Application at 4-5 & n.18.

Protests, motions to intervene, notices of intervention, and written comments are invited.

DATES: Protests, motions to intervene or notices of intervention, as applicable, requests for additional procedures, and written comments are to be filed using procedures detailed in the **Public Comment Procedures** section no later than 4:30 p.m., Eastern time, **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES:

Electronic Filing of Comments Using Online Form:

<http://www.energy.gov/node/1044731/>

Electronic Filing of Protests, Motions to Intervene, and Notices of Intervention:

fergas@hq.doe.gov

Regular Mail

U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
P.O. Box 44375
Washington, DC 20026-4375

Hand Delivery or Private Delivery Services (e.g., FedEx, UPS, etc.)

U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, SW.,
Washington, DC 20585

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

DOE/FE Evaluation

The Application will be reviewed pursuant to section 3(a) of the NGA, 15 U.S.C. § 717b(a), and DOE will consider any issues required by law or policy. To the extent determined to be relevant, these issues will include the domestic need for the natural gas proposed to be exported, the adequacy of domestic natural gas supply, U.S. energy security, and the cumulative impact of the requested authorization and any other LNG export application(s) previously approved on domestic natural gas supply and demand fundamentals. DOE may also consider other factors bearing on the public interest, including the impact of the proposed exports on the U.S. economy (including GDP, consumers, and industry), job creation, the U.S. balance of trade and international considerations; and whether the authorization is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements.

Additionally, DOE will consider the following environmental documents:

- *Addendum to Environmental Review Documents Concerning Exports of Natural Gas From the United States*, 79 FR 48132 (Aug. 15, 2014);⁶ and
- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States*, 79 FR 32260 (June 4, 2014).⁷

⁶ The Addendum and related documents are available at: <http://energy.gov/fe/draft-addendum-environmental-review-documents-concerning-exports-natural-gas-united-states>.

Parties that may oppose this Application should address these issues in their comments and/or protests, as well as other issues deemed relevant to the Application.

NEPA requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. No final decision will be issued in this proceeding until DOE has met its environmental responsibilities.

Public Comment Procedures

In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Due to the complexity of the issues raised by the Applicant, interested parties will be provided 60 days from the date of publication of this Notice in which to submit their comments, protests, motions to intervene, or notices of intervention.

Any person wishing to become a party to the proceeding must file a motion to intervene or notice of intervention. The filing of comments or a protest with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 CFR Part 590, as supplemented below.

Comments may be submitted using one of the following supplemental methods: (1) submitting the comments using the online form at <http://www.energy.gov/node/1044731/>; (2) mailing an original and three paper copies of the comments to the Office of Oil and Gas Global Security and Supply at the address listed in **ADDRESSES**; or (3) hand delivering an original and

⁷ The Life Cycle Greenhouse Gas Report is available at: <http://energy.gov/fe/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states>.

three paper copies of the comments to the Office of Oil and Gas Global Security and Supply at the address listed in **ADDRESSES**. For administrative efficiency, DOE/FE prefers comments to be filed electronically using the online form (method 1). However, for those commenters lacking access to the Internet, comments may be filed in hard copy using one of the other two methods identified above. All filings must include a reference to FE Docket No. 15-33-LNG.

Protests, motions to intervene, and notices of intervention (including those consolidated with comments) may be submitted using one of the following supplemental methods:

(1) e-mailing the filing to fergas@hq.doe.gov, with FE Docket No. 15-33-LNG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Oil and Gas Global Security and Supply at the address listed in **ADDRESSES**; or (3) hand delivering an original and three paper copies of the filing to the Office of Oil and Gas Global Supply at the address listed in **ADDRESSES**. All filings must include a reference to FE Docket No. 15-33-LNG. PLEASE NOTE: If submitting a filing via email, please include all related documents and attachments (e.g., exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are filed in a timely manner. Any hardcopy filing submitted greater than 50 pages in length must also include, at the time of the filing, a digital copy on disk of the entire submission.

A decisional record on the Application will be developed through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Opinion and Order may be issued based on the official record,

including the Application and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316.

The Application is available for inspection and copying in the Division of Natural Gas Regulatory Activities docket room, Room 3E-042, 1000 Independence Avenue, SW., Washington, DC 20585. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. The Application and any filed protests, motions to intervene or notice of interventions, and comments will also be available electronically by going to the following DOE/FE Web address:

<http://www.fe.doe.gov/programs/gasregulation/index.html>.

Issued in Washington, D.C., on April 10, 2015.

John A. Anderson

Director, Office of Oil and Gas Global Security and Supply
Office of Oil and Natural Gas