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January 27, 2016

VIA ELECTRONIC FILING (FERGAS@HQ.DOE.GOV);COURTESY COPY SUBMITTED VIA U.S. MAIL

Ms. Larine A. Moore
Docket Room Manager
Office of Fossil Energy (FE-34)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: ***Eagle LNG Partners Jacksonville LLC,*** **Docket No. 16-15-LNG**
Application for Long-Term Authorization to Export Liquefied Natural Gas to Both FTA and Non-FTA Countries

Dear Ms. Moore:

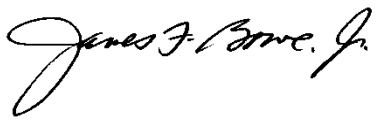
Enclosed for filing on behalf of Eagle LNG Partners Jacksonville LLC ("Eagle LNG") is an application for long-term, multi-contract authorization under Section 3 of the Natural Gas Act to engage in exports of natural gas in the form of liquefied natural gas ("LNG").

Eagle LNG seeks authorization to export for a twenty (20) year period from the date of first export, on its own behalf and as agent for others, a quantity of natural gas in the form of LNG of up to 136.4 MMcf/d (or 0.14 Bcf/d or 136,400 MMbtu/d), or approximately 49.8 Bcf/year (equivalent to 1.0 million tonnes per annum or 49,800,000 MMbtu/year), to (1) any country with which the United States current has, or in the future may enter into, a free trade agreement requiring national treatment for trade in natural gas; and (2) any country with which the United States does not have a free trade agreement requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy.

I am today transmitting electronically a file containing a pdf version of the enclosed Application and accompanying materials to fergas@hq.doe.gov. The version being delivered by hand will be accompanied by an original and three copies, and a check in the amount of $50.00 for the filing fee required by 10 C.F.R. § 590.207. A photocopy of this check is included with the electronic submission.

Please acknowledge receipt of this Application by email to speters@kslaw.com. If you have any questions regarding this application, please feel free to contact me at (202) 626-9601. Thank you for your assistance with this matter.

Sincerely,



James F. Bowe, Jr.

Counsel for ***Eagle LNG Partners Jacksonville LLC***

Enclosures

cc: Office of the Secretary, Federal Energy Regulatory Commission
(Docket No. PF15-7-000)

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Eagle LNG Partners Jacksonville LLC) Docket No. 16-15-LNG

APPLICATION OF EAGLE LNG PARTNERS JACKSONVILLE LLC FOR LONG-TERM, MULTI-CONTRACT AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT AND NON-FREE TRADE AGREEMENT NATIONS

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UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

Eagle LNG Partners Jacksonville LLC) Docket No. 16-15-LNG

APPLICATION OF EAGLE LNG PARTNERS JACKSONVILLE LLC FOR LONG-TERM, MULTI-CONTRACT AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT AND NON-FREE TRADE AGREEMENT NATIONS

Pursuant to Section 3 of the Natural Gas Act of 1938, as amended ("NGA")[1] and Part 590 of the Department of Energy's regulations,[2] Eagle LNG Partners Jacksonville LLC ("Eagle LNG") hereby requests that the DOE Office of Fossil Energy ("DOE/FE") grant Eagle LNG long-term, multi-contract authorization to export domestically produced liquefied natural gas ("LNG"), on its own behalf and as agent for others, to both free trade agreement ("FTA") and non-free trade agreement ("non-FTA") nations, in an amount up to 136.4 MMcf/d (0.14 Bcf/d or 136,400 MMbtu/d), or approximately 49.8 Bcf/year (1.0 million tonnes per annum ("MTPA") or 49,800,000 MMbtu/year), for a period of twenty (20) years, commencing on the earlier of the date of the first export or five years from the date of the final order granting export authorization.

This Application requests authorization to export LNG from Eagle LNG's planned production, storage, and export facility to be constructed at a site on the St. Johns River in Jacksonville, Florida (the "Facility"). At the Facility, Eagle LNG will receive domestically produced natural gas via a local utility, process the natural gas into LNG, temporarily store the produced LNG, periodically load LNG onto ocean-going LNG carrier vessels for export from the

[1] 15 U.S.C. § 717b (2012).

[2] 10 C.F.R. Part 590 (2014).

United States, and into trucks, containers and marine vessels for use in domestic vehicular applications and the marine bunkering trade. The Jacksonville Project will be modest in scale, but it will address significant demands for LNG in export markets in the Caribbean Basin and other non-domestic markets, as well as in local and regional markets for vehicular and marine fuels.

I. APPLICANT DESCRIPTION

The exact legal name of the applicant is Eagle LNG Partners Jacksonville LLC. Eagle LNG is a limited liability company organized under the laws of Delaware. It is a wholly-owned subsidiary of Eagle LNG Partners LLC, which also is a Delaware limited liability company. The current member of Eagle LNG Partners LLC is Ferus Natural Gas Fuels, L.P. Ferus Natural Gas Fuels, L.P. is a Delaware partnership, and its headquarters is located at 20445 Highway 249, Suite 250, Houston, TX 77070. Eagle LNG's headquarters also is located at 20445 Highway 249, Suite 250, Houston, TX 77070, and its telephone number is 1-844-253-2453.

II. PROJECT DESCRIPTION

Eagle LNG has been developing the Jacksonville Project since mid-2013. At full build-out, the Jacksonville Project will include three LNG trains having the capacity to produce approximately 45.5 MMcf/d of natural gas per train, or a total of 136.4 MMcf/d (0.14 Bcf/d or 136,400 MMbtu/d) from the three trains. This is equivalent to approximately 49.8 Bcf/year (or 1.0 MTPA or 49,800,000 MMbtu/year). Current plans include construction of one LNG storage tank with a capacity of 12 million gallons, a marine load-out facility, and a dock that could accommodate small to mid-size LNG vessels (for export to nearby markets) and bunkering barges (for domestic ship fueling at the Port of Jacksonville), as well as a truck load-out facility.

The Jacksonville Project will occupy a small footprint (approximately 54 acres based on the current project design) within an approximately 194 acre parcel to be owned wholly by Eagle LNG. Eagle LNG has an executed contract to purchase the property site. The site is zoned for industrial use and is adjacent to sites which currently host other bulk fuel terminals. The Facility will receive natural gas transported by a local gas distribution company through existing pipeline facilities located adjacent to the Jacksonville Project site, with the location of the planned interconnect to be along Zoo Parkway between the 1500 and 1800 blocks. LNG will be loaded for export into small to medium-sized self-propelled LNG carrier vessels ("LNGCs") for export to nearby markets. The LNGCs will have capacities of between 5,000 and 30,000 cubic meters (m^3). Depending on the LNGC capacities, Eagle LNG anticipates 40-100 loading events per year. It is anticipated that vessels calling upon the Jacksonville Project either will deliver entire LNG cargoes to a single destination or will off-load portions of their cargo to multiple destination ports during a single transit.

As an onshore facility that will be used to liquefy, store and load natural gas for export to a foreign country, the Facility will be a "LNG terminal" within the meaning of Section 1(11) of the NGA,[3] and therefore is subject to the siting and construction approval jurisdiction of FERC under Section 3 of that Act.[4] On December 3, 2014, FERC granted Eagle LNG's request to begin FERC's Pre-Filing Environmental Review Process in respect of the Jacksonville Project and assigned the proceeding FERC Docket Number PF15-7-000. Eagle LNG submitted to FERC its draft Environmental Resource Reports 1-12 in May 2015. FERC will complete an Environmental Impact Statement for the Project under the National Environmental Policy Act ("NEPA"), 42 U.S.C. §§ 4321, *et seq.*, in connection with its consideration of Eagle LNG's

[3] 15 U.S.C. § 717(a)(11)(2012).

[4] *Id.* § 717c.

application under Section 3(c) of the Natural Gas Act for authorization to site, construct and operate the Project. Eagle LNG currently anticipates filing this application with FERC in the third quarter of 2016.

III. AUTHORIZATION REQUEST

Eagle LNG seeks authorization to export natural gas in the form of LNG for a twenty (20) year period, on its own behalf and as agent for others, in an amount of up to 136.4 MMcf/d (or 0.14 Bcf/d or 136,400 MMbtu/d), or approximately 49.8 Bcf/year (or 1.0 MTPA or 49,800,000 MMbtu/year), to (1) any country with which the United States current has, or in the future may enter into, a free trade agreement requiring national treatment for trade in natural gas; and (2) any country with which the United States does not have a free trade agreement requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy. Eagle LNG requests that this authorization commence on the earlier of the date of the first export or five years from the date of the final order granting export authorization.

Currently, Eagle LNG expects that the first export will occur in the fourth quarter of 2018. Eagle LNG expects that all three of the Facility's LNG production trains will be operational by the fourth quarter of 2020. Eagle LNG now seeks long-term authorization to export LNG to both FTA and non-FTA nations because its sponsors and prospective customers require evidence that Eagle LNG is proceeding to obtain all regulatory authorizations required for the siting, construction and operation of the Facility. Obtaining both FTA and non-FTA export authorizations in due course is essential to Eagle LNG's continued development of the Jacksonville Project and its efforts to finalize and execute contracts with prospective customers.

Eagle LNG requests authorization to export LNG on its own behalf and as an agent for others. To ensure that all LNG exports through the Facility are permitted and lawful under U.S.

law and policies, Eagle LNG will comply with all DOE requirements for an exporter or agent. Eagle LNG will register with DOE/FE each LNG titleholder for whom Eagle LNG seeks to export LNG, consistent with DOE/FE Order No. 2913.[5] Eagle LNG will set forth the terms and conditions relevant to use of Eagle LNG's export authorization in agreements with its customers, and Eagle LNG will provide the DOE/FE with a written statement by the titleholder acknowledging and agreeing (i) to comply with the requirements of Eagle LNG's long-term export authorization and (ii) to include those requirements in any subsequent purchase or sale agreement entered into by the titleholder.[6] Eagle LNG anticipates that these agreements will be for terms of up to twenty (20) years, running concurrently with Eagle LNG's export authorization.

Eagle LNG has not yet finalized and executed any long-term gas supply or long-term export contracts in connection with the LNG export authorization requested here, in part because long-term export authorization is necessary in order for Eagle LNG to finalize such agreements with prospective customers. Eagle LNG currently is engaged in commercial discussions with various interested counterparties, with potential export destinations in both FTA and non-FTA countries. Eagle LNG anticipates commercial agreements in the form of LNG Sales and Purchase Agreements ("SPAs"), whereby Eagle will procure the input natural gas for the proposed liquefaction facility, hold title to the natural gas, and transfer title to the resultant LNG to customers upon loading of the LNG onto LNGCs. Customers will receive LNG in exchange for a liquefaction fee, in addition to applicable pipeline transportation charges and charges for natural gas indexed to an appropriate North American pricing point.

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[5] *Freeport LNG Expansion, L.P.*, DOE/FE Order No. 2913 (Feb. 10, 2011).

[6] *See id.*; *see also Southern LNG Co., LLC.*, DOE/FE Order No. 3106 (Jun. 15, 2012); *Excelerate Liquefaction Solutions I, LLC*, DOE/FE Order No. 3128 (Aug. 9, 2012).

Eagle LNG will file any long-term gas supply or long-term export contracts under seal with the DOE/FE once they are executed, as required by DOE regulations. In the DOE/FE's recent orders granting long-term authorization to export LNG to non-FTA countries, DOE/FE has found that applicants need not submit all transaction-specific information with the initial application to satisfy Section 590.202(b) of the DOE regulations, particularly if such information is not available because contracts have not yet been executed.[7] Instead, the DOE/FE has permitted applicants to submit such information when contracts are executed, finding that this conforms with the regulatory requirement that such information be submitted "when practicable."[8] Eagle LNG asks the DOE/FE to treat this Application in a comparable manner.

IV. EXPORT SOURCES

Natural gas will be delivered to the Jacksonville Project by the local gas distribution utility, Peoples Gas, a TECO Energy Company. Supply for the Project (approximately 136.4 MMcf/d at full build-out) will be provided through the Peoples Gas distribution pipeline system located adjacent to the Facility site, with an interconnect located directly in front of the site, along Zoo Parkway between the 1500 and 1800 blocks. Natural gas will be received from Peoples Gas at Eagle LNG's Facility site, liquefied, and the resulting LNG stored onsite in an LNG tank.

Two interstate natural gas pipelines currently deliver natural gas to Jacksonville and the Peoples Gas system serving the area. These pipelines are owned by Florida Gas Transmission Company, LLC ("FGT") and Southern Natural Gas Company, LLC ("SNG"). The natural gas to be received at Eagle LNG's Facility will be produced from natural gas supply sources that feed

[7] *See* 10 C.F.R. § 590.202(b).

[8] *See, e.g.*, *Jordan Cove Energy Project, L.P.*, DOE/FE Order No. 3413 (Mar. 24, 2014); *Cameron LNG, LLC*, DOE/FE Order No. 3391 (Feb. 11, 2014); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833 (Sept. 7, 2010).

into either of these systems, both of which traverse the Gulf Coast producing states of Texas, Louisiana, Mississippi, and Alabama. These major pipeline systems are shown on Figure 1.

Figure 1:
Major Gas Pipelines Serving Jacksonville, Florida

Source: Kinder Morgan, *at:* http://www.kindermorgan.com/content/docs/KM_Natural_Gas_System_Map.pdf (last accessed Jul. 30, 2015).

Through the FGT and SNG systems, Eagle LNG will have direct access to major sources of natural gas supply, including supplies produced in the Gulf Coast region, both onshore and offshore, from multiple fields. Through pipelines interconnecting with the FGT and SNG systems, Eagle LNG will have indirect access to additional sources of gas supply, including sources located in the mid-continent region and in the Appalachian region such as the prolific Marcellus and Utica shales. Thus, Eagle LNG will have the ability to draw from some of the most productive sources of natural gas supplies available in North America. Those sources will be more than adequate to support Project exports for the term of the authorization Eagle LNG is requesting here.

V. PUBLIC INTEREST ANALYSIS

The export authorizations Eagle LNG requests will not be inconsistent with the public interest. They accordingly should be granted under the individual provisions of the NGA which apply to exporting natural gas to FTA and non-FTA countries, respectively.

a. FTA Nations – Standard of Review

Section 3(c) of the NGA, as it was amended by Section 201 of the Energy Policy Act of 1992 (Pub. L. No. 102- 486), provides that:

> [T]he exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.[9]

Under this statutory provision, the portion of Eagle LNG's Application seeking authorization to export LNG to nations with which the United States currently has, or in the future may enter into, an FTA requiring national treatment for trade in natural gas, is deemed to be consistent with the public interest. Accordingly, Eagle LNG requests that the DOE/FE grant this aspect of the Application without modification or delay, as it routinely does for other projects seeking authorization for export to FTA nations, consistent with the statute.[10]

b. Non-FTA Nations – Standard of Review

Section 3(a) of the NGA sets forth the general standard for review of export applications:

> [N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon

[9] 15 U.S.C. § 717b(c).

[10] *See, e.g.*, *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833; *Freeport LNG Expansion, L.P.*, DOE/FE Order No. 2913; *Magnolia LNG, LLC*, DOE/FE Order No. 3245 (Feb. 26, 2013); *American LNG Marketing LLC*, DOE/FE Order No. 3601 (Mar. 18, 2015).

> application, unless, after opportunity for hearing, [the Secretary] finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by [the Secretary's] order grant such application, in whole or in part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate.[11]

The DOE/FE consistently has found that Section 3(a) of the NGA creates a rebuttable presumption that proposed exports of natural gas are in the public interest, and DOE must grant such an application unless those who oppose the application overcome that presumption.[12] To overcome this presumption, an opponent must affirmatively demonstrate that the proposal is inconsistent with the public interest.[13] The DOE/FE reviews the evidence developed in the record of each application proceeding to make its determination.[14]

While NGA section 3(a) establishes a broad public interest standard and a presumption favoring export authorizations, it does not define "public interest" or identify the criteria that must be considered. The DOE/FE has explained that in evaluating the extent to which an export application is consistent with the public interest, it focuses on (i) the domestic need for the natural gas proposed to be exported, (ii) whether the proposed exports pose a threat to the security of domestic natural gas supplies, (iii) whether the arrangement is consistent with DOE/FE's policy of promoting market competition, and (iv) any other factors bearing on the

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[11] 15 U.S.C. § 717b(a) (emphasis added). This authority has been delegated to the Assistant Secretary for Fossil Energy, pursuant to Redelegation Order No. 00-002.04D (Nov. 6, 2007).

[12] *See, e.g.*, *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, DOE/FE Order No. 3282 at 5-6 (May 17, 2013); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961 at 28 (May 20, 2011); *Cameron LNG, LLC*, DOE/FE Order No. 3391 (Feb. 11, 2014).

[13] *See Freeport LNG*, DOE/FE Order No. 3282 at 6; *see also Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 at 13, n. 42 (Apr. 2, 1999) ("Section 3 creates a statutory presumption in favor of approval of an export application and the Department must grant the requested export [application] unless it determines the presumption is overcome by evidence in the record of the proceeding that the proposed export will not be consistent with the public interest.").

[14] *Freeport LNG*, Order No. 3282 at 7.

public interest.[15] The DOE/FE has identified several "other factors" bearing on the public interest relevant to an export authorization including, for example, whether exports are beneficial for regional economies, the extent to which exports will mitigate trade imbalances, various international impacts, security of the domestic natural gas supply, and other economic and environmental impacts.[16]

Consistent with its Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, the DOE/FE examines whether evidence of domestic supply shortages overcomes the statutory presumption that a proposed export is not inconsistent with the public interest.[17] Although the Policy Guidelines deal specifically with imports, the DOE/FE has held that their principles also are applicable to exports.[18] The Policy Guidelines are intended to "minimize federal control and involvement in energy markets and to promote a balanced and mixed energy resources system."[19] According to the DOE/FE:

> The market, not government, should determine the price and other contract terms of imported [or exported] gas. . . . The federal government's primary responsibility in authorizing imports [or exports] should be to evaluate the need for the gas and whether the import [or export] arrangement will provide the gas on a

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[15] *See, e.g.*, *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961 (May 20, 2011), *Cameron LNG, LLC*, DOE/FE Order No. 3391-A at 8 (Sep. 10, 2014); *Freeport LNG*, Order No. 3282 at 7; *Lake Charles Exports*, Order No. 3324 at 8; *Dominion Cove Point LNG*, Order No. 3331 at 8-9 (Sept. 11, 2013); *Freeport LNG Expansion, LP*, Order No. 3357 at 9 (Nov. 15, 2013); *Jordan Cove*, Order No. 3413 at 8; *Oregon LNG*, Order No. 3465 at 8 (Jul. 31, 2014); *American LNG Marketing LLC*, DOE/FE Order No. 3690 at 10 (Aug. 7, 2015).

[16] *See, e.g.*, *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961 at 34-38 (May 20, 2011); *Freeport LNG*, Order No. 3282 at 6; *Lake Charles Exports*, Order No. 3324 at 7; *Dominion Cove Point LNG*, Order No. 3331 at 7; *Freeport LNG*, Order No. 3357 at 8; *Cameron LNG*, Order No. 3391-A at 8; *Jordan Cove*, Order No. 3413 at 6-7; *Oregon LNG*, Order No. 3465 at 7.

[17] *See, e.g.*, *Freeport LNG*, Order No. 3282; *Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6684 (Feb. 22, 1984) ("*Policy Guidelines*").

[18] *Freeport LNG*, Order No. 3282 at 7; *see also Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 at 14 (Apr. 2, 1999); *Sabine Pass Liquefaction*, Order No. 2961 at 28.

[19] *Freeport LNG*, Order No. 3282 at 6.

> competitively priced basis for the duration of the contract while minimizing regulatory impediments to a freely operating market.[20]

As demonstrated below, the export of domestically produced LNG as proposed in Eagle LNG's Application is not inconsistent with the public interest and should be allowed to proceed.

c. Domestic Need for Natural Gas to be Exported

Eagle LNG is seeking to export small volumes of LNG, particularly as compared with those proposed in other recent applications approved by or pending before the DOE/FE. The total amount of LNG Eagle LNG seeks to export – up to 49.8 Bcf/year (1.0 MTPA) – is over 16 times less than the non-FTA export authority conditionally granted to Sabine Pass Liquefaction, LLC ("Sabine Pass") in a DOE/FE order issued on May 20, 2011,[21] and over 10 times less than the authorization conditionally granted to Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC ("Freeport LNG") on May 17, 2013.[22] Given this, the impact of granting the export authorization sought by Eagle LNG on the domestic availability of natural gas will be far smaller than the impacts identified in other recent applications which the DOE/FE found to be consistent with the public interest. Eagle LNG's proposed exports of small volumes of LNG will not have a significant impact on domestic supply of natural gas, but they will fulfill an important need for natural gas in several Caribbean and Central American markets, which lack the customer demand, waterway infrastructure, and transmission infrastructure necessary to handle large quantities of natural gas and large LNG carriers.

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[20] *Policy Guidelines* at 6685.

[21] *Sabine Pass*, DOE/FE Order No. 2961 (May 20, 2011) at 42 (authorizing Sabine Pass to export domestically produced LNG up to the equivalent of 803 Bcf/year to non-FTA countries).

[22] *Freeport LNG*, Order No. 3282 (authorizing Freeport LNG to export domestically produced LNG up to the equivalent of 511 Bcf/year to non-FTA countries).

In determining whether there is a domestic need for the gas to be exported, the DOE/FE traditionally has compared the total volume of gas reserves and recoverable resources available to be produced during the proposed export period to the total gas demand during the same period.[23] According to data compiled by the U.S. Energy Information Administration ("EIA"), recoverable reserves of natural gas in the U.S. are plentiful, economical, and more than adequate to meet domestic demand for many years to come.[24] The relatively small volumes of natural gas that Eagle LNG seeks long-term authorization to export will not cause any significant change in domestic supply, demand, or prices for natural gas. However, such exports will promote both domestic employment opportunities and global environmental benefits as emerging markets in Caribbean and Central American countries transition to natural gas from other fossil fuels that emit greater amounts of greenhouse gases ("GHGs"). Overall, Eagle LNG's requested export authorization will have positive impacts on the U.S. economy and positive global environmental effects, without detrimentally impacting the market for domestic natural gas, consistent with the public interest.

i. Domestic Natural Gas Supply and Demand

Improvements in natural gas drilling and extraction technologies have increased drilling productivity domestically, leading to rapid growth in available natural gas supplies and to a transition from conventional gas supplies toward the unconventional shale gas-bearing formations in the United States. Natural gas reserves in the United States are sufficient to meet

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[23] *See, e.g.*, *Conoco Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 2500 at 43 (Jun. 3, 2008); *Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 at 29, 40, 46 (Apr. 2, 1999).

[24] EIA, *Annual Energy Outlook 2015*, at 21 and Appendix E (Apr. 2015) ("EIA AEO 2015") (noting in all reference cases, "the United States becomes a net exporter of natural gas in 2017, driven by LNG exports …," which is one year earlier than EIA projected in AEO 2014).

domestic demand for decades.[25] According to the EIA, natural gas proved reserves increased by 65 Tcf (24%) between 2009 and 2013 and estimates of technically recoverable natural gas resources increased by 519 Tcf (30%) between 2007 and 2012.[26] Given these substantial additional resources and the relatively minor increases in domestic natural gas demand during the same time period, there are more than sufficient natural gas resources to accommodate both domestic demand and LNG exports, including the small volume of exports proposed in this Application, through the proposed export authorization period.

Domestic natural gas production has grown considerably over the past several years, led by unconventional production. In its Annual Energy Outlook 2015, the EIA noted that U.S. production of dry natural gas increased by 35% from 2005 to 2013, with production growth attributable primarily to the development of shale gas resources in the lower 48 states.[27] The EIA estimated that U.S. dry gas production increased by 11% from 2.05 Tcf in May 2013 to 2.28 Tcf in May 2015.[28] Increased drilling productivity in certain prolific shale gas formations has enabled domestic production to continue expanding, despite the reduced number of wells drilled in recent months.[29] This growth trend is expected to continue over the next 25 years. The EIA

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[25] EIA AEO 2015.

[26] EIA, *Natural Gas Reserves Summary as of Dec. 31, 2013* (released Dec. 4, 2014), *available at:* http://www.eia.gov/dnav/ng/ng_enr_sum_a_EPG0_R11_BCF_a.htm; *compare* EIA, *Assumptions to the Annual Energy Outlook 2014*, Table 9.2 (data as of Jan. 1, 2012), *available at:* http://www.eia.gov/forecasts/aeo/assumptions/pdf/oilgas.pdf, *with* EIA, *Assumptions to the Annual Energy Outlook 2009*, Table 9.2 (data as of Jan. 1, 2007), *available at:* http://www.eia.gov/forecasts/archive/aeo09/assumption/pdf/0554(2009).pdf.

[27] EIA AEO 2015 at 20.

[28] EIA, *Natural Gas Gross Withdrawals and Production, available at:* http://www.eia.gov/dnav/ng/ng_prod_sum_dcu_NUS_m.htm.

[29] EIA, *Drilling Productivity Report for Key Tight Oil and Shale Gas Regions* (Jul. 2015), *available at:* http://www.eia.gov/petroleum/drilling/.

predicts that total U.S. dry gas production will grow to 35.5 Tcf by 2040, with a 1.4% annual growth rate between 2012 and 2040.[30]

Much of the anticipated growth in natural gas production is expected to come from unconventional shale resources, from which natural gas extraction has been made economic by horizontal drilling and multi-stage hydraulic fracturing. EIA found that shale gas production in the lower 48 states will increase by 73%, from 11.3 Tcf in 2013 to 19.6 Tcf in 2040, and will make up approximately 54% of total domestic production in 2040.[31] Since publishing similar projections only a year ago in its Annual Energy Outlook 2014, EIA has significantly increased its long-term projections of shale gas production. For example, EIA revised its projection of shale gas production in 2030 from 16.92 Tcf to 17.85 Tcf and in 2035 from 18.50 Tcf to 18.85 Tcf.[32]

Although domestic demand for natural gas is anticipated to grow, demand will continue to be outpaced by available supply. For example, although demand for natural gas has increased since 2009, production of natural gas has increased faster due to the shale gas revolution.[33] According to EIA's data, natural gas demand was only 15% higher in 2014 than in 2000.[34] EIA estimates that long-term annual U.S. demand will grow by only 0.5%, with demand expected to

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[30] EIA AEO 2015 at 20, Table A1, Table A13.

[31] *Id.* at Table A14.

[32] *Compare id., with* EIA AEO 2014 at Table A14, *available at:* http://www.eia.gov/forecasts/AEO/pdf/0383%282014%29.pdf.

[33] The Brattle Group, *Understanding Natural Gas Markets*, at 3 (Sept. 2014), *available at*: http://www.api.org/~/media/files/oil-and-natural-gas/natural-gas-primer/understanding-natural-gas-markets-primerhigh.pdf.

[34] EIA, *Natural Gas Consumption by End Use, available at:* http://www.eia.gov/dnav/ng/ng_cons_sum_dcu_nus_a.htm.

reach 29.70 Tcf in 2040, as compared to 25.53 Tcf in 2012.[35] By contrast, total U.S. dry gas production during the same time period is projected to almost double, with a projected annual growth rate of 1.4%.[36] The Eagle LNG Project is being developed to receive a comparatively small amount of this abundant, domestically produced natural gas in order to convert it to LNG for export to foreign markets and/or distribution to specialized domestic markets (marine, vehicular, and other transportation fuel), markets which are currently underserved and present significant opportunities for environmental benefits through reduced GHG emissions.

ii. Impact on Domestic Prices of Natural Gas and Net Economic Impacts

U.S. shale gas production, which increased by over 50% during the 2007-2013 period, has contributed to the decline in natural gas prices from a high of $11/million cubic feet in 2008 to the current wellhead price of about $2.00-$3.00/MMBtu. The annual average Henry Hub spot price for natural gas fell from $8.86 per MMBtu in 2008 to $3.73 per MMBtu in 2013.[37] Most recently, in 2015, the decline in prices accelerated, to a monthly average of $2.63 per MMBtu.[38] In its 2015 reference case, EIA estimates that the Henry Hub spot price for natural gas, stated in 2013 dollars, will remain well under $5.00 per MMBtu through at least 2020.[39]

Several analyses have concluded that LNG exports in the range 6 to 12 Bcf/d would not have any significant impact on domestic prices. For example, the Peterson Institute for

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[35] EIA AEO 2015 at Table A13.

[36] *Id.*

[37] EIA, *Natural Gas Spot and Futures Prices, available at:* http://www.eia.gov/dnav/ng/ng_pri_fut_s1_a.htm (last accessed Sept. 8, 2015, at which time the most recent available annual average Henry Hub spot price data was for 2013).

[38] EIA, *Henry Hub Natural Gas Spot Price, available at:* http://www.eia.gov/dnav/ng/hist/rngwhhdm.htm (last accessed Jan. 24, 2016).

[39] *See* EIA AEO 2015 at Table A13.

International Economics report, *Liquefied Natural Gas Exports: An opportunity for America*, analyzed recent economic analyses which predicted LNG exports will raise domestic natural gas prices in the range of 3.5 to 16.0%.[40] According to ICF, LNG exports are projected to have moderate impacts on domestic U.S. natural gas prices ranging from approximately $0.32 to $1.02 per MMBtu, on average, between 2016 and 2035. ICF projects the 2016-2035 average Henry Hub natural gas prices to be between $5.03 and $5.73/MMBtu, depending on LNG export case.[41]

Even assuming, however, that LNG exports were to have some modest impacts on domestic natural gas prices, analyses performed and commissioned by DOE/FE demonstrate that LNG exports from the United States will not result in any adverse economic impacts to U.S. consumers. In 2012, DOE/FE released a two part study evaluating the impacts of LNG exports on the U.S. economy ("LNG Export Study"). Part 1 of the LNG Export Study was conducted by the EIA for DOE/FE.[42] It evaluated potential micro-economic impacts of LNG exports on domestic energy consumption, production, and prices. As a result of this study, the EIA projected that natural gas prices would rise over time, even without additional LNG exports.[43] In 2014, the EIA released an updated study, also commissioned by DOE/FE, which evaluated the effects of increased LNG exports, ranging from 12 Bcf/d to 20 Bcf/d, on the U.S. energy

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[40] Peterson Institute for International Economics, *Liquefied Natural Gas Exports: An opportunity for America*, No. PB 13-6 (Feb. 2013), at 13 (attributing differences to differing assumptions about the price elasticity of domestic demand and the elasticity of supply and recoverable resources of domestic natural gas).

[41] ICF International, *U.S. LNG Exports: Impacts on Energy Markets and the Economy* (May 15, 2013).

[42] EIA, *Effect of Increased Natural Gas Exports on Domestic Energy Markets, as Requested by the Office of Fossil Energy* (Jan. 2012).

[43] *Id.* at 6-7.

markets.[44] EIA's updated study found that even if LNG exports are greater than forecasted, "[i]ncreased energy production spurs investment, which more than offsets the adverse impact of somewhat higher energy prices when the export scenarios are applied."[45]

Part 2 of the DOE LNG Export Study was conducted by NERA Economic Consulting ("NERA Study").[46] It assessed macroeconomic impacts, including impacts on domestic natural gas prices under several supply and demand scenarios, including scenarios with unlimited LNG exports. In each scenario, NERA found that the U.S. would experience net economic benefits from increased LNG exports.[47] NERA also projected that "price changes attributable to LNG exports remain in a relatively narrow range across the entire range of scenarios."[48]

Even in export scenarios involving the greatest theoretical price increases projected by the EIA, NERA found net benefits to U.S. consumers:

> Across the scenarios, U.S. economic welfare consistently increases as the volume of natural gas exports increased. This includes scenarios in which there are unlimited exports. The reason for this is that even though domestic natural gas prices are pulled up by LNG exports, the value of those exports also rises so that there is a net gain for the U.S. economy measured by a broad metric of economic welfare or by more common measures such as real household income or real GDP. Although there are costs to consumers of higher energy prices and lower consumption and producers incur higher costs to supply the additional natural gas for export, these costs are more than offset by increases in export revenues along with a wealth transfer from overseas received the

[44] EIA, *Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets* (Oct. 29, 2014).

[45] *Id.* at 12.

[46] NERA Economic Consulting, *Macroeconomic Impacts of LNG Exports from the United States* (Dec. 3, 2012).

[47] *Id.* at 6.

[48] *Id.* at 2.

> form of payments for liquefaction services. The net result is an increase in U.S. households' real income and welfare.[49]

NERA further found that these net economic benefits became greater with higher levels of exports, even assuming unlimited exports and the highest prices estimated by EIA.[50]

NERA updated its 2012 study in 2014. Sabine Pass Liquefaction filed the updated NERA study with the DOE/FE in support of its applications for various export authorizations.[51] Using more recent data, NERA analyzed scenarios in which no limits were placed on the level of U.S. LNG exports. In all scenarios studied, the updated NERA study found that (i) the U.S. would experience net economic benefits from increased LNG exports and (ii) as the volume of natural gas exports increases, U.S. economic welfare also increases consistently, with the greatest U.S. economic welfare under scenarios in which unconstrained exports occur.[52] The DOE/FE repeatedly has found that the NERA Study is sound and supports the proposition that the United States will experience net economic benefits from LNG exports and the conclusion that proposed LNG exports are not inconsistent with the public interest.[53]

Several other publicly-available studies similarly find that the U.S. will benefit from exporting domestically produced LNG. These studies include, for example:

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[49] *Id.* at 6.

[50] *Id.* at 6, 12; *see also Cameron LNG, LLC*, DOE/FE Order No. 3391 (Feb. 11, 2014).

[51] NERA Economic Consulting, *Updated Macroeconomic Impacts of LNG Exports from the United States* (prepared for Cheniere Energy, Inc.) (Feb. 20, 2014). This study was submitted to the DOE/FE on February 28, 2014 by Sabine Pass Liquefaction, LLC in support of its long-term LNG export authorization application, in Docket Nos. 13-30-LNG, 13-42-LNG and 13-121-LNG. The study is publicly available as part of that submission, *at:* http://www.fossil.energy.gov/programs/gasregulation/authorizations/2013_applications/Supplement_to_application02_28_14.pdf (last accessed Jul. 29, 2015).

[52] *Id.*

[53] *See, e.g.*, *Freeport LNG*, DOE/FE Order No. 3282 at 110; *Lake Charles Exports*, DOE/FE Order No. 3324 at 123; *Dominion Cove Point LNG*, DOE/FE Order No. 3331 at 140; *Freeport LNG*, DOE/FE Order No. 3357 at 153; *Cameron LNG*, DOE/FE Order No. 3391 at 130-31; *Jordan Cove*, DOE/FE Order No. 3413 at 141; *Oregon LNG*, DOE/FE Order No. 3465 at 139; *American LNG*, DOE/FE Order No. 3690 at 129-32.

- Charles Ebinger, *et al.*, *Liquid Markets: Assessing the Case for U.S. Exports of Liquefied Natural Gas*, Brookings Institution (May 2012);

- Michael Levi, *A Strategy for U.S. Natural Gas Exports*, The Hamilton Project, Brookings Institution (Jun. 2012);

- Kenneth B. Medlock II, Ph.D., *U.S. LNG Exports: Truth and Consequence*, Energy Forum at the James A. Baker Institute for Public Policy, Rice University (Aug. 2012);

- Deloitte, *Exporting the American Renaissance: Global Impacts of LNG Exports from the United States* (2013); and

- ICF International, *U.S. LNG Exports: Impacts on Energy Markets and the Economy* (May 15, 2013).

The following chart from the ICF Study provides a good illustration of the positive impacts of LNG exports on employment, GDP, and natural gas prices over a twenty-year period, in three different export scenarios:[54]

Table 1
Economic Impacts of LNG Exports

Impact (2016-2035 Averages)*	LNG Export Case (Change from Zero Exports Case)		
	ICF Base Case (up to ~4 Bcfd)	Middle Exports Case (up to ~8 Bcfd)	High Exports Case (up to ~16 Bcfd)
Employment Change (No.)	73,100-145,100	112,800-230,200	220,100-452,300
GDP Change (2010$ Billion)	$15.6-$22.8	$25.4-$37.2	$50.3-$73.6
Henry Hub Price (2010$/MMBtu)	$5.03	$5.30	$5.73
Henry Hub Price Change (2010$/MMBtu)	$0.32	$0.59	$1.02

*Source: ICF estimates. Note: * Includes direct, indirect, and induced impacts*

Eagle LNG hereby incorporates all of the publicly available studies cited above into this Application, and asks that DOE/FE deem these studies to be in the record in this proceeding. Eagle LNG offers these studies as further support for the proposition that the long-term export authorization requested here is not inconsistent with the public interest.

Given Eagle LNG's very modest proposal for authorization to export only approximately 0.14 Bcf/d, there will be a very minor – likely unmeasurable – impact on overall U.S. natural gas

[54] *Id.* at Exhibit 1-2.

supply and pricing. Yet, as demonstrated by the several DOE-commissioned studies and other studies referenced above, such exports, regardless of the amount exported, will offer economic benefits to U.S. consumers, in terms of net gains in real household income and real GDP.

d. Other Public Interest Factors

With an estimated capital cost of more than $300 million to be expended over the construction period, the Jacksonville Project will result in the following *additional* economic and environmental benefits, all of which are consistent with the public interest:

- Providing economic stimulus for the State of Florida and the North Florida region, and indirectly the U.S. economy, through the creation of jobs, increased economic activity, increased tax revenue, and exports;
- Promoting the domestic production of natural gas and reducing U.S. reliance on foreign sources of crude oil and natural gas, while providing attractive market opportunities for the beneficial use of growing domestic natural gas supplies for environmentally beneficial applications, including marine bunkering and vehicle fueling; and
- Promoting the export of LNG to markets in the Atlantic and Caribbean basins, thereby increasing economic trade and ties with foreign nations, particularly in the Caribbean (in accordance with the U.S. Caribbean Basin Initiative), while displacing diesel and other high carbon fuels in those countries.

i. Economic Benefits

At peak construction, Eagle LNG's Jacksonville Project will require an estimated 465 workers per month. During operation, anticipated to extend at least 25 years, the Jacksonville Project is expected to employ about 20 personnel. Therefore, the Jacksonville Project will generate jobs, economic activity, and increased tax revenues, both in the short term, during construction and start-up, and in the long term, over the life of the Project. This job creation is consistent with the National Export Initiative signed by President Obama in 2010.[55] As the President stated, "[a] critical component of stimulating economic growth in the United States is

[55] 29 Exec. Order No. 13534, 75 Fed. Reg. 12433 (Mar. 11, 2010).

ensuring that U.S. businesses can actively participate in international markets by increasing their export of goods …. Improved export performance will, in turn, create good, high-paying jobs."[56]

Construction of the Eagle LNG Facility is slated to begin in July 2017, and Phase I is to be completed in late November of 2018. Taking the total on-site payroll and assuming annual average employee compensation (salary and fringe) of $75,000 per worker (monthly cost of $6,250 per worker), construction would require an average of 309 workers over the 18-month period, with a peak on-site workforce of 465 workers during months 6 through 10 (November 2017 – March 2018).[57] In addition, Eagle LNG will contribute to the local economy through the annual operating costs of the facility for an operating life of at least 25 years, as well as through purchases and payments within the United States related to materials, energy, dredging maintenance, property taxes, and insurance. Estimated property taxes are approximately $3-5 million per annum.

Construction and operation of the Jacksonville Project will positively impact the regional and national economy in several ways. These include: 1) construction material purchases from regional and national vendors, 2) increased revenues generated by sales of goods and services to construction workers and others involved in Project construction, and 3) increased sales and property taxes revenues. Many construction material purchases, such as electronics, piping and tanks, will come from outside the Jacksonville area, but important materials such as cement and lumber likely will come from vendors within the area.

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[56] *Id.*

[57] Estimated on-site workforce is derived from the total payroll divided by the average monthly payroll for heavy and civil engineering construction from the 2013 County Business Patterns.

Eagle LNG commissioned a study to estimate the impacts of Project construction and operation on the Jacksonville area. The study includes results from an economic simulation scenario completed by the Northeast Florida Regional Council ("NFRC"), using Regional Economic Models, Inc. ("REMI") Policy Insight v1.6.6, an economic simulation model that combines input-output models, general equilibrium models, and geographic models to estimate the economic effects of projects and or policies over a predetermined period. Table 2 below summarizes the economic impacts projected by this analysis. It is important to note that the impacts of the proposed Project would extend as long as the facility operates; however, the REMI estimates provided below are limited to a ten-year simulation.

Table 2
Economic Impacts of Project Construction and Operation on Duval County

Impact Type	Impact
Project Construction Jobs (annual equivalent jobs)[a]	459
Project Operations Jobs (annual equivalent jobs)[a]	94
Total Cumulative Gross Regional Product through 2027[b]	$377,000,000
Average Annual Gross Regional Product[b]	$34,000,000
Cumulative Disposable Personal Income through 2027[b]	$275,000,000
Average Annual Disposable Personal Income[b]	$24,000,000
Cumulative Property Taxes through 2027	$41,800,000
Annual Property Taxes	$4,200,000

Notes: (a) An annual equivalent job is calculated by dividing the total annual payroll by the average annual payroll.

(b) Figures originally reported by the Northeast Florida Regional Council were in constant 2009 dollars. Figures above were inflated and are reported in 2014 constant dollars.

Source: Eagle LNG provided property tax estimates, and the remainder of the figures are from: Northeast Florida Regional Council, "Economic Simulation Report: REMI Analysis for Liquefied Natural Gas Export Facility." Dec. 2014.

In addition to these domestic economic benefits, Eagle LNG's export authorization could help mitigate the United States' trade deficit, which was $505 billion in 2014, reflecting $2.3

trillion in exports and $2.9 trillion in imports.[58] The United States imported over $289 billion in crude oil and petroleum products in 2014, which was a significant contributing driver of the trade deficit that year. Exports from the Jacksonville Project will help, even if only modestly, to reduce the nation's trade deficit.

ii. Environmental Benefits

Increasing LNG exports to Caribbean markets, which currently rely on higher-carbon fossil fuels for power generation, would result in significant environmental benefits. According to the U.S. Environmental Protection Agency, natural gas-fired power generation facilities produce half as much carbon dioxide (CO_2), less than a third as much nitrogen oxides (NO_x), and one percent as much sulfur oxides (SO_x), as compared to the average air emissions from coal-fired power generation facilities.[59] Increasing the amount of LNG exported to these neighboring countries would provide a low-cost energy alternative and encourage these countries to switch from fuel oil and diesel to more environmentally friendly fuels. As DOE/FE has observed, "[t]he conclusions of [DOE/FE's May 2014 study on GHG emissions from exported LNG], combined with the observation that many LNG-importing nations rely heavily on fossil fuels for electric generation, suggests that exports of U.S. LNG may decrease global GHG emissions, although there is substantial uncertainty on this point …. In any event, the record does not support the conclusion that U.S. LNG exports will increase global GHG emissions in a material or predictable way."[60] Exporting LNG to Caribbean basin countries, in which natural gas can

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[58] U.S. Department of Commerce, Bureau of Economic Analysis, *U.S. International Trade in Goods and Services* (Dec. 2014) http://www.bea.gov/newsreleases/international/trade/2015/pdf/trad1214.pdf (last accessed Jul. 26, 2015).

[59] *See* http://www.epa.gov/cleanenergy/energy-and-you/affect/natural-gas.html (last accessed Jul. 26, 2015); *see also Freeport LNG*, Order No. 3282.

[60] *See Cameron LNG, LLC*, DOE/FE Order no. 3391-A at 83 (Sept. 10, 2014) (citing DOE/FE, *Life Cycle*

displace consumption of coal, fuel oil and diesel, would support the Administration's carbon emissions reduction goals, bolster the United States' position globally with respect to climate change, and facilitate stronger relationships with neighboring countries.[61]

VI. ENVIRONMENTAL IMPACT

The siting, construction and operation of the Project requires FERC authorization under Section 3 of the NGA. On December 3, 2014, FERC granted Eagle LNG's request to begin FERC's Pre-Filing Environmental Review Process, in FERC Docket No. PF15-7-000. FERC will complete a comprehensive environmental review of the Project under NEPA, prior to authorizing construction of the Project facilities. FERC held a public scoping meeting in Jacksonville, Florida (in addition to two Open Houses held by Eagle LNG), and FERC solicited comments from interested parties regarding the Project. Eagle LNG, FERC, and cooperating agencies discuss the Project during regularly scheduled conference calls.

FERC received Eagle LNG's draft Environmental Resource Reports 1-12 in May 2015. These draft Resource Reports address the potential impacts of the Project upon existing land, water, air, and other natural resources, and identify measures intended to mitigate any potential impacts. In August 2015, FERC provided its comments on Eagle LNG's draft Resource Reports 1-12, with the exception of Resource Report 9 (Air and Noise Quality). Eagle LNG has made and will continue to make substantial efforts to minimize adverse environmental impacts, including minimizing the proposed Facility's footprint in an upland area already zoned for industrial use; using off-the-shelf modular construction techniques; and minimizing impacts to

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Greenhouse Gas Perspective on Exporting Liquefied Natural gas from the United States (May 14, 2014), http://energy.gov/sites/prod/files/2014/05/f16/Life%20Cycle%20GHG%20Perspective%20Report.pdf (last accessed Jul. 29, 2015)); *see also Freeport LNG Expansion, L.P.*, DOE/FE Order No. 3357-B at 94 (Nov. 14, 2014).

[61] The Facility also will provide LNG for use in domestic marine bunkering and vehicular fuel applications, which also will result in fewer GHG emissions from those domestic sources.

wetlands in the Facility's design. Eagle LNG anticipates filing a formal application with FERC in the third quarter of 2016. In addition to the FERC authorization, Eagle LNG will seek all necessary authorizations from, and will complete all required consultations with, other federal, state, and local agencies.

The Jacksonville Project will only proceed if FERC concludes that its siting, construction and operation will constitute environmentally acceptable actions within the meaning of NEPA. The Facility will require various environmental and land use permits, as well. Given the FERC authorization and environmental permitting regimes that apply, DOE/FE can conclude that its authorization of exports of LNG from the Facility will be consistent with the applicable NEPA requirements, and will not be inconsistent with the public interest.

VII. APPENDICES

The following appendices are included with this application:

- Appendix A: Opinion of Counsel
- Appendix B: Verification

VIII. CONCLUSION

For the reasons set forth above, Eagle LNG respectfully requests that DOE/FE issue an order granting Eagle LNG authorization to export natural gas in the form of LNG for a twenty (20) year period, on its own behalf and as agent for others, up to 136.4 MMcf/d (or 0.14 Bcf/d or 136,400 MMbtu/d), or approximately 49.8 Bcf/year (or 1.0 MTPA or 49,800,000 MMbtu/year), to (1) any country with which the United States current has, or in the future may enter into, a free trade agreement requiring national treatment for trade in natural gas; and (2) any country with which the United States does not have a free trade agreement requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy.

Respectfully submitted,

James F. Bowe, Jr.

Counsel for ***Eagle LNG Partners Jacksonville LLC***

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Counsel for Eagle LNG Partners Jacksonville LLC

Dated: January 27, 2016

Appendix A

Legal Opinion of Counsel for Eagle LNG

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January 27, 2016

Mr. John Anderson
Office of Fossil Energy (FE-34)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

Re: ***Eagle LNG Partners Jacksonville LLC,*** **Docket No. 16-15-LNG**
Application for Long-Term Authorization to Export Liquefied Natural Gas to Both FTA and Non-FTA Countries

Dear Mr. Anderson:

This opinion is provided pursuant to Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. § 590.202(c), in support of the Application of Eagle LNG Partners Jacksonville LLC ("Eagle LNG") for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Nations.

I am counsel to Eagle LNG, a limited liability company organized under the laws of the State of Delaware. I have reviewed and relied upon the corporate documents of Eagle LNG, and it is my opinion that the proposed exports described in the Application are within the limited liability company powers of Eagle LNG.

Very truly yours,

James F. Bowe, Jr.

Counsel for ***Eagle LNG Partners Jacksonville LLC***

Appendix B

Verification

VERIFICATION

I, James F. Bowe, Jr., being first duly sworn, state that I am a duly authorized representative of Eagle LNG Partners Jacksonville LLC; I have read the above Application and I am familiar with its contents; and the matters set forth in the Application are true and correct to the best of my knowledge, information, and belief.

James F. Bowe, Jr.

Counsel to Eagle LNG Partners Jacksonville LLC

Sworn and subscribed before me this 27th day of January, 2016.

DARYL BASCUS
NOTARY PUBLIC DISTRICT OF COLUMBIA
My Commission Expires December 14, 2020