

reserves levels and upper and lower financial reserves thresholds for Power Services, Transmission Services, and BPA as a whole. The policy also describes the actions BPA may take in response to financial reserves levels that either fall below a lower threshold or exceed an upper threshold.

#### E. Risk Mitigation Tools

BPA uses risk mitigation tools to buffer against poor financial performance over the rate period to protect the agency's solvency and strong credit rating. The main financial risk mitigation tool BPA relies upon is financial liquidity, which consists of financial reserves and a short-term liquidity facility with the U.S. Treasury.

#### 1. Power Risk Mitigation Tools

For Power Services, BPA proposes to use financial reserves attributed to Power Services and the short-term liquidity facility as primary risk mitigation tools. In addition, BPA proposes to include two rate adjustment mechanisms in the power rate schedules (and in certain ancillary and control area services rate schedules) that may adjust rates in the event Power Service's financial reserves fall below or exceed certain thresholds. The Cost Recovery Adjustment Clause (CRAC) will adjust rates upward to generate additional cash within the rate period if financial reserves attributed to Power Services fall below a defined lower threshold. BPA is proposing to replace the current Dividend Distribution Clause with a provision that expands the Administrator's options for using financial reserves attributed to Power Services when Power Services financial reserves and agency financial reserves are above established thresholds. When available liquidity and the CRAC are insufficient to meet the Power Services Treasury Payment Probability (TPP) standard of at least 95 percent, BPA includes Planned Net Revenues for Risk (PNRR) in Power rates. The TPP is the probability of BPA making its Treasury payments on time and in full each year of the two-year rate period.

In the Initial Proposal, BPA proposes to include no PNRR and to cap the maximum revenue recoverable through the Power CRAC at \$300 million per year. BPA also proposes to continue the National Marine Fisheries Service FCRPS Biological Opinion Adjustment (NFB Adjustment) and the Emergency NFB Surcharge, given the continuation of litigation regarding the Biological Opinion.

#### 2. Transmission Risk Mitigation Tools

BPA proposes to use financial reserves attributed to Transmission Services as the primary risk mitigation tool. BPA also proposes to include provisions for two rate adjustments in the Transmission rate schedules similar to those in the Power rate schedules: (1) The CRAC, and (2) an adjustment that provides options for using financial reserves attributed to Transmission Services when Transmission Services financial reserves and agency financial reserves are above established thresholds. When available liquidity and the CRAC are insufficient for Transmission Services to meet the TPP standard, BPA includes PNRR in Transmission rates. In the Initial Proposal, BPA proposes to include no PNRR and to cap the maximum revenue recoverable through the Transmission CRAC at \$100 million per year.

#### Part V—Proposed BP-18 Rate Schedules

BPA's proposed BP-18 Power Rate Schedules and Transmission Rate Schedules are a part of this notice and are available for viewing and downloading on BPA's Web site at <http://www.bpa.gov/goto/BP18>.

Issued this 1st day of November, 2016.

**Elliot E. Mainzer,**

*Administrator and Chief Executive Officer.*

[FR Doc. 2016-27181 Filed 11-9-16; 8:45 am]

**BILLING CODE 6450-01-P**

#### DEPARTMENT OF ENERGY

[FE Docket No. 16-110-LNG]

#### Lake Charles Exports, LLC; Application for Long-Term, Multi- Contract Authorization To Export Liquefied Natural Gas to Non-Free Trade Agreement Nations

**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 August 15, 2016, by Lake Charles Exports, LLC (LCE), requesting long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG), in a volume equivalent to 121 billion cubic feet per year (Bcf/yr) of natural gas (0.33 Bcf per day). LCE seeks authorization to export the LNG by vessel from the existing Lake Charles Terminal located in Lake Charles, Calcasieu Parish,

Louisiana.<sup>1</sup> LCE requests authorization to export this LNG to any country 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).<sup>2</sup> The requested export volume (121 Bcf/yr) is incremental and therefore would be additive to the volume of LNG previously authorized for export from the Lake Charles Terminal to non-FTA countries in DOE/FE Order No. 3324-A (730 Bcf/yr).<sup>3</sup> LCE states that, through this request, it seeks to align its authorized LNG export volumes for non-FTA countries with the maximum liquefaction production capacity of the Lake Charles Terminal, as approved by the Federal Energy Regulatory Commission. LCE requests the authorization for a 20-year term to commence on the earlier of the date of first export or seven years from the date the requested authorization is issued. LCE 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 LCE's Application, posted on the DOE/FE Web site at: <http://www.energy.gov/fe/lake-charles-exports-llc-fe-dkt-16-110-lng-export-fta-nftas>.

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, January 9, 2017.

#### ADDRESSES:

*Electronic Filing by email:* [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov).

*Regular Mail:* U.S. Department of Energy (FE-34), Office of Regulation

<sup>1</sup> Lake Charles LNG Company, LLC, owns and operates the Lake Charles Terminal. LCE will own the proposed liquefaction facility and hold the requested LNG export authorization. App. at 2.

<sup>2</sup> In the Application, LCE also requests authorization to export the same volume of LNG to any nation that currently has, or in the future may enter into, a FTA requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (FTA countries). DOE/FE will review that request for a FTA export authorization separately pursuant to NGA § 3(c), 15 U.S.C. 717b(c). The proposed export volumes for FTA and non-FTA countries are not additive.

<sup>3</sup> App. at 2; see *Lake Charles Exports, LLC*, DOE/FE Order No. 3324-A, FE Docket No. 11-59-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Lake Charles Terminal in Calcasieu Parish, Louisiana, to Non-Free Trade Agreement Nations (July 29, 2016).

and International Engagement, 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 Regulation and International Engagement, Office of Fossil Energy, Forrestal Building, Room 3E-042, 1000 Independence Avenue SW., Washington, DC 20585.

**FOR FURTHER INFORMATION CONTACT:**

Kyle W. Moorman or Larine Moore, U.S.

Department of Energy (FE-34), Office of Regulation and International Engagement, Office of Fossil Energy, Forrestal Building, Room 3E-042, 1000 Independence Avenue SW., Washington, DC 20585, (202) 586-7970; (202) 586-9578.

Cassandra Bernstein, U.S. Department of Energy (GC-76), Office of the Assistant General Counsel for Electricity and Fossil Energy, Forrestal Building, 1000 Independence Avenue SW., Washington, DC 20585, (202) 586-9793.

**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, and U.S. energy security. DOE may also consider other factors bearing on the public interest, including the impact of the proposed exports on the U.S. economy, 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. As part of this analysis, DOE will consider the following two studies examining the cumulative impacts of exporting domestically produced LNG:

- *Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets*, conducted by the U.S. Energy Information Administration upon DOE's request ("2014 EIA LNG Export Study");<sup>4</sup> and

- *The Macroeconomic Impact of Increasing U.S. LNG Exports*, conducted jointly by the Center for Energy Studies at Rice University's Baker Institute for Public Policy and Oxford Economics, on

behalf of DOE ("2015 LNG Export Study").<sup>5</sup>

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);<sup>6</sup> and
- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States*, 79 FR 32260 (June 4, 2014).<sup>7</sup>

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.

The National Environmental Policy Act (NEPA), 42 U.S.C. 4321 *et seq.*, 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 persons will be provided 60 days from the date of publication of this Notice in which to submit 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.

Filings may be submitted using one of the following methods: (1) Emailing the filing to [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov), with FE Docket No. 16-110-LNG in the title line; (2) mailing an original and three

<sup>5</sup> The 2015 LNG Export Study, published on Oct. 29, 2015, is available at: [http://energy.gov/sites/prod/files/2015/12/f27/20151113\\_macro\\_impact\\_of\\_lng\\_exports\\_0.pdf](http://energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports_0.pdf).

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

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

paper copies of the filing to the Office of Regulation and International Engagement at the address listed in **ADDRESSES**; or (3) hand delivering an original and three paper copies of the filing to the Office of Regulation and International Engagement at the address listed in **ADDRESSES**. All filings must include a reference to FE Docket No. 16-110-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 in length than fifty (50) pages 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 Office of Regulation and International Engagement 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 at: <http://energy.gov/fe/lake-charles-exports-llc-fe-dkt-16-110-lng-export-fta-nftas>.

Issued in Washington, DC, on November 4, 2016.

**John A. Anderson,**

*Director, Office of Regulation and International Engagement, Office of Oil and Natural Gas*

[FR Doc. 2016-27180 Filed 11-9-16; 8:45 am]

**BILLING CODE 6450-01-P**

<sup>4</sup> The 2014 EIA LNG Export Study, published on Oct. 29, 2014, is available at: <https://www.eia.gov/analysis/requests/fe/>.