

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CONSTELLATION LNG, LLC)
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FE DOCKET NO. 19-05-LNG

ORDER GRANTING LONG-TERM AUTHORIZATION TO
IMPORT LIQUEFIED NATURAL GAS FROM TRINIDAD AND
TOBAGO, AND VARIOUS INTERNATIONAL SOURCES BY VESSEL

DOE/FE ORDER NO. 4337

JANUARY 26, 2019

I. BACKGROUND AND DESCRIPTION OF REQUEST

On January 10, 2019, Constellation LNG, LLC (Constellation LNG) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)¹ for long term authorization to import liquefied natural gas (LNG) from Trinidad and Tobago, and various international sources, by vessel up to a total volume equivalent of 206 billion cubic feet (Bcf) of natural gas.² The applicant requests the authorization be granted for a 62-month term beginning on March 1, 2019. Constellation LNG is a Delaware corporation with its principal place of business in Baltimore, Maryland. Constellation LNG is wholly-owned and controlled by Exelon Corporation.

Constellation LNG proposes to purchase LNG pursuant to the terms of an LNG Sale and Purchase Agreement (SPA) with Gas Natural Fenosa LNG Marketing Limited (Gas Natural Fenosa LNG Marketing) dated July 24, 2018.³ Constellation LNG will sell the imported LNG and the natural gas resulting from vaporization of the LNG to various third parties in New England in the regular course of business.⁴

The point of entry into the United States will primarily be the Everett LNG Facility located in Everett, Massachusetts, as well as other currently existing LNG receiving facilities in the United States or other approved LNG terminals as may be constructed in the future.⁵ The requested authorization does not involve the construction of new LNG receiving facilities.

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 Redefinition Order No. 00-006.02 issued on November 17, 2014.

² The Annual Contract Quantity, based on natural gas in its gaseous state is 29,500,000 MMBtu, with an option to purchase as additional three LNG cargos per year, for a total aggregate quantity of 38,350,000 MMBtu.

³ See Constellation LNG, LLC, Application for Long-Term Authorization to Import Liquefied Natural Gas by Vessel, Appendix C, FE Docket No. 19-05-LNG (Jan. 10, 2019) [hereinafter Constellation LNG App.].

⁴ Constellation LNG App at 3-4.

⁵ Constellation LNG App at 4.

Under the terms of the SPA, each cargo purchased by Constellation LNG is priced at a delivered price expressed in \$/MMBtu.⁶ Constellation LNG will be responsible for making all vessel arrangements for the LNG to be imported.

II. FINDING

The application has been evaluated to determine if the proposed import and 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 free trade agreement 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 must be granted without modification or delay. The authorization sought by Constellation LNG to import LNG from Trinidad and Tobago, and various international sources, by vessel meets the section 3(c) criterion and, therefore, is consistent with the public interest.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Constellation LNG is authorized to import LNG from Trinidad and Tobago, and various international sources, up to a total volume equivalent of 206 Bcf of natural gas, pursuant to the terms of the LNG SPA between Constellation LNG and Gas Natural Fenosa LNG Marketing. This authorization shall be effective for a 62-month term beginning on March 1, 2019, and extending through May 31, 2024.

⁶ Constellation LNG App at 5.

B. This LNG may be imported by vessel at any LNG receiving facility in the United States and its territories.

C. LNG imports that require increased security measures from the United States Coast Guard (USCG) and/or other branches of the Department of Homeland Security in place now or added in the future shall comply with those measures on a shipment by shipment basis to the satisfaction of the USCG. Such measures may include periodic boarding or examination of the vessel by the USCG at the load port, while the vessel is underway, at any time during the voyage, and before and during discharge of the cargo while at the discharge port, as well as other enhanced security measures.

D. **Monthly Reports:** With respect to the imports of LNG authorized by this Order, Constellation LNG shall file with the Office of Regulation, Analysis, and Engagement, within 30 days following the last day of each calendar month, a report indicating whether imports of LNG have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no imports have been made, a report of “no activity” for that month must be filed.

If imports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. receiving terminal; (2) the name of the LNG tanker; (3) the date of arrival at the U.S. receiving terminal; (4) the country of origin; (5) the name of the supplier/seller; (6) the volume in thousand cubic feet (Mcf); (7) the landed price per million British thermal unit (MMBtu) at the point of import; (8) the estimated or actual duration of the supply agreement (indicate spot purchases); (9) the name(s) of the purchaser(s); and (10) the geographic market served (list State(s), U.S. Census Region(s), or general U.S. geographic area(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 April 30, 2019, and should cover the reporting period from March 1, 2019 through March 31, 2019.

F. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Division of Natural Gas Regulation, Office of Regulation, Analysis, and Engagement, Office of Fossil Energy, 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 January 26, 2019.

Amy R. Sweeney
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