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UNITED STATES OF AMERICA **DEPARTMENT OF ENERGY** OFFICE OF FOSSIL ENERGY

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Cameron LNG, LLC)	FE Docket No. 19-62-LNC
)	

APPLICATION OF CAMERON LNG, LLC FOR SHORT-TERM BLANKET AUTHORIZATION TO EXPORT PREVIOUSLY IMPORTED LIQUEFIED NATURAL GAS

Pursuant to Section 3 of the Natural Gas Act ("NGA")1 and Part 590 of the regulations of the Department of Energy ("DOE"), Cameron LNG, LLC ("Cameron LNG") respectfully submits this application for blanket authorization to export up to a total of approximately 2 billion cubic feet ("Bcf"), on a cumulative basis, of previously imported, foreign-sourced liquefied natural gas ("LNG") from the Cameron LNG terminal in Cameron and Calcasieu Parishes, Louisiana ("Cameron LNG Terminal"). Cameron LNG requests that the authorization allow it to export, on a short-term or spot-market basis and on its own behalf and as agent for other entities holding title to the LNG, to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by United States law or policy. Cameron LNG requests this authorization for a two-year period commencing as early as practicable, but no later than October 1, 2019.

In support of this Application, Cameron LNG states as follows:

I. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Cameron LNG, LLC. Cameron LNG is a limited liability company organized under the laws of Delaware. Cameron LNG is a joint venture owned

10 C.F.R. Part 590 (2019).

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¹⁵ U.S.C. § 717b (2018).

by affiliates of Sempra Energy, Total S.A., Mitsui & Co., Ltd., Mitsubishi Corporation, and Nippon Yusen Kabushiki Kaisha. Cameron LNG's executive offices are located at 2925 Briarpark Drive, Suite 1000, Houston, Texas 77042. Cameron LNG is currently engaged in the business of owning and operating the Cameron LNG Terminal.

II. COMMUNICATIONS AND CORRESPONDENCE

All communications and correspondence concerning this Application, including all service of pleadings and notices, should be directed to the following persons:³

Blair Woodward General Counsel 2925 Briarpark Dr. Suite 1000 Houston, TX 77042 (832) 783-5582 bwoodward@cameronlng.com Brett A. Snyder Lamiya Rahman Blank Rome LLP 1825 Eye Street NW Washington, DC 20006 (202) 420-2200 bsnyder@blankrome.com lrahman@blankrome.com

III. BACKGROUND

On June 19, 2014, the Federal Energy Regulatory Commission ("FERC") granted Cameron LNG authorization to site, construct, and operate facilities for the liquefaction and export of domestically produced natural gas at Cameron LNG's existing import terminal in Cameron and Calcasieu Parishes, Louisiana (the "Liquefaction Project").⁴ The Liquefaction Project included, among other things, the construction and operation of three liquefaction trains. On May 5, 2016, FERC issued an order authorizing the siting, construction, and operation of an additional two liquefaction trains (the "Expansion Project").⁵ DOE/FE has issued several orders authorizing Cameron LNG to export LNG produced at the Cameron LNG Terminal to Free Trade Agreement

Cameron LNG requests waiver of section 590.202(a) of DOE's regulations to the extent necessary to include outside counsel on the official service list for this proceeding. *See* 10 C.F.R. § 590.202(a).

Cameron LNG, LLC, 147 FERC ¶ 61,230 (2014).

⁵ Cameron LNG, LLC, 155 FERC ¶ 61,141 (2016).

("FTA") and Non-FTA nations.⁶ Cameron LNG is in the process of constructing the Liquefaction Project.

Cameron LNG intends to export previously imported, foreign-sourced LNG that is currently situated in storage tanks at the Cameron LNG Terminal.

IV. REQUESTED AUTHORIZATION

Cameron LNG respectfully requests authorization to export up to 2 Bcf of previously imported, foreign-sourced LNG on a cumulative basis for a two-year term commencing as early as practicable, but no later than October 1, 2019. Cameron LNG requests authorization to export to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by United States law or policy. Cameron LNG requests authorization to export on a short-term or spot-market basis and on its own behalf and as agent for other entities who will hold title to the LNG at the time of export. Cameron LNG will comply with all applicable procedures established by DOE/FE in prior proceedings.⁷

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DOE/FE Order No. 3059, FE Docket No. 11-145-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal to Free Trade Agreement Nations (Jan. 17, 2012); DOE/FE Order No. 3391-A, FE Docket No. 11-162-LNG, Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal in Cameron Parish, Louisiana to Non-Free Trade Agreement Nations (Sept. 10, 2014); DOE/FE Order No. 3620, FE Docket No. 14-204-LNG, Order Granting Long-term, Multi-contract Authorization to Export LNG by Vessel from the Cameron LNG Terminal in Cameron Parish, Louisiana, to Free Trade Agreement Nations (Apr. 9, 2015); DOE/FE Order No. 3680, FE Docket No. 15-36-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Free Trade Agreement Nations (July 10, 2015); DOE/FE Order No. 3797, FE Docket No. 15-67-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron Terminal Located in Cameron and Calcasieu Parishes, Louisiana, to Non-Free Trade Agreement Nations (Mar. 18, 2016); DOE/FE Order No. 3846, FE Docket No. 15-90-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from Trains 4 and 5 of the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Non-Free Trade Agreement Nations (July 15, 2016); DOE/FE Order No. 3904, FE Docket No. 16-34-LNG, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal Located in Cameron and Calcasieu Parishes, Louisiana (Oct. 3, 2016); DOE/FE Order No. 3059-A, FE Docket No. 11-145-LNG, Order Amending Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron Terminal to Free Trade Agreement Nations (Aug. 13, 2018).

⁷ See, e.g., Freeport LNG Expansion, L.P., DOE/FE Order No. 2913, FE Docket No. 10-160-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations (Feb. 10, 2011); Cameron LNG, LLC, DOE/FE Order No. 3680, FE Docket No. 15-36-LNG, Order

In this Application, Cameron LNG does <u>not</u> request authorization to export any domestically produced natural gas or LNG. The LNG that Cameron LNG is proposing to export is previously imported, foreign-sourced LNG derived from Cameron LNG's importing activities and is situated in LNG storage tanks at the Cameron LNG Terminal. No new construction or facility modifications are required for Cameron LNG to export foreign-sourced, imported LNG from the Cameron LNG Terminal.

V. PUBLIC INTEREST STANDARD

DOE/FE grants the FTA portion of the Application under section 3(c) of the NGA. Section 3(c) requires that FTA applications "shall be deemed to be consistent with the public interest" and granted "without modification or delay."

The Non-FTA portion of the Application is governed by section 3(a) of the NGA. Section 3(a) provides that:

[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 Commission authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest.⁹

NGA section 3(a) creates a rebuttable presumption that a proposed export of natural gas is in the public interest.¹⁰ DOE/FE has explained that it must grant an application requesting the export of natural gas unless the presumption favoring exports is overcome by an affirmative showing that the application is inconsistent with the public interest.¹¹

See, e.g., Sierra Club v. U.S. Dep't of Energy, 867 F.3d 189, 203 (D.C. Cir. 2017).

Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Free Trade Agreement Nations (July 15, 2015).

⁸ 15 U.S.C. § 717b(c).

⁹ *Id.* § 717b(a).

See, e.g., Sabine Pass Liquefaction, LLC, DOE/FE Order No. 4197, FE Docket No. 18-35-LNG, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel to Free Trade Agreement and Non-Free Trade Agreement Nations at 8 (June 4, 2018) [hereinafter Sabine Pass].

In reviewing similar applications to export previously imported, foreign-sourced LNG, DOE/FE has relied on the principles established in DOE Delegation Order No. 0204-111 and the 1984 Policy Guidelines.¹² In so doing, DOE/FE primarily considers the domestic need for the natural gas to be exported.¹³ DOE/FE has also reviewed other matters determined appropriate to a determination of the public interest, such as environmental factors or public comments received in the proceeding.¹⁴ DOE/FE is also required under the National Environmental Policy Act ("NEPA") to give appropriate consideration to the environmental effects of its proposed decisions.¹⁵

In DOE/FE Order No. 4197, DOE/FE noted that it has issued numerous blanket authorizations to export previously imported LNG.¹⁶ DOE/FE indicated that these authorizations "were based, in part, on authoritative data indicating that United States consumers have access to substantial quantities of natural gas sufficient to meet domestic demand from other competitively-priced sources." In these orders, DOE/FE has taken administrative notice of the U.S. Energy Information Administration's ("EIA") *Annual Energy Outlook*, which has projected annual domestic dry natural gas production to exceed total natural gas consumption in 2020.¹⁸ DOE/FE

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U.S. Department of Energy, Delegation Order No. 0204-111 at 1 (Feb. 22, 1984); *New Policy Guidelines and Delegations Order Relating to Regulation of Imported Natural Gas*, 49 Fed. Reg. 6684 (Feb. 22, 1984).

See, e.g., Sabine Pass at 8-9; BP Energy Co., DOE/FE Order No. 4302, FE Docket No. 18-69-LNG, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel to Free Trade Agreement and Non-Free Trade Agreement Nations at 11-12 (Nov. 19, 2018) [hereinafter BP Energy Co.]; Freeport LNG Development, L.P., DOE/FE Order No. 4054, FE Docket No. 17-23-LNG, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel at 5-7 (June 27, 2017) [hereinafter Freeport].

DOE/FE has pointed out that domestic need is the only explicit public interest consideration identified in DOE Delegation Order No. 0204-111, but that it has considered other aspects as appropriate in other similar orders. *See, e.g., Sabine Pass* at 9-10 (consideration of public comments received in the proceeding, and environmental factors); *BP Energy Co.* at 13 (consideration of public comments received in the proceeding, and environmental factors); *Freeport* at 8 (consideration of environmental factors).

¹⁵ 42 U.S.C. § 4321 et seq. (2018).

Sabine Pass at 8.

¹⁷ Id. See also, e.g., BP Energy Co. at 12; Freeport at 6.

See, e.g., Sabine Pass at 8-9 (taking administrative notice of Annual Energy Outlook 2018, which estimated annual domestic dry natural gas production in 2020 to be 32.66 trillion cubic feet ("Tcf"), as compared to total natural gas consumption of 29.03 Tcf in the same year); BP Energy Co. at 12 (taking administrative notice of the

concluded that "[i]nasmuch as domestic natural gas production levels are projected to reach an amount that well exceeds the amount of natural gas proposed for short-term export in [the] Application, we find that United States consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG that [applicant] seeks to export."¹⁹

Similarly, the EIA's *Annual Energy Outlook 2019* projects that annual domestic gas production will exceed gas consumption over the authorization term requested herein. Specifically, EIA predicts total annual dry gas production in 2021 to be 34.10 Tcf, while estimating total gas consumption to be 30.45 Tcf.²⁰ This demonstrates that there is sufficient natural gas supply to satisfy domestic demand from other sources at competitive prices without relying on the previously imported LNG proposed to be exported herein. Because there is no domestic reliance on the LNG proposed to be exported in this Application, granting the Application is not inconsistent with the public interest.

VI. ENVIRONMENTAL IMPACTS

No construction or other modifications are required to the Cameron LNG Terminal to allow the proposed export of foreign-sourced LNG requested herein. Accordingly, this Application qualifies for a B5.7 categorical exclusion pursuant to 10 C.F.R. Part 1021, Subpart D, Appendix B5, pursuant to which neither an environmental assessment nor an environmental impact statement is required. Cameron LNG therefore respectfully requests that DOE/FE issue a categorical

same data in *Annual Energy Outlook 2018*); *Freeport* at 6 (taking administrative notice of *Annual Energy Outlook 2017*, which estimated annual domestic dry natural gas production in 2020 to be 30.79 Tcf, as compared to total natural gas consumption of 27.32 Tcf in the same year.).

Sabine Pass at 9; BP Energy Co. at 12; Freeport at 6-7.

U.S. Energy Information Administration, *Annual Energy Outlook 2019*, tbl. 13 (Jan. 2019), https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2019&cases=ref2019&sourcekey=0.

exclusion finding Cameron LNG's proposed exports are categorically excluded from further

review under NEPA.

VII. **APPENDICES**

Appendix A:

Verification

Appendix B:

Opinion of Counsel

VIII. CONCLUSION

WHEREFORE, for the foregoing reasons, Cameron LNG respectfully requests that

DOE/FE grant its request for a short-term, blanket authorization to engage in exports of foreign-

sourced gas up to 2 Bcf, on a cumulative basis, to any country with the capacity to import LNG

via ocean-going carrier and with which trade is not prohibited by United States law or policy, for

a term of two years, commencing as early as practicable, but no later than October 1, 2019.

Respectfully submitted,

/s/ Brett A. Snyder

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Counsel to Cameron LNG, LLC

Dated: May 23, 2019

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APPENDIX A

Verification

VERIFICATION

County of Harris)
)
State of Texas)

BEFORE ME, the undersigned authority, on this day personally appeared Blair Woodward, who, having been by me first duly sworn, on oath says that he is General Counsel for Cameron LNG, LLC, and is duly authorized to make this Verification on behalf of such company, that he has read the foregoing instrument, and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

Blair Woodward

SWORN TO AND SUBSCRIBED before me on this 23rd day of May, 2019.

ANN WOHN
Notary Public, State of Texas
Comm. Expires 11-30-2020
Notary ID 4504888

APPENDIX B

Opinion of Counsel

OPINION OF COUNSEL

May 23, 2019

Amy Sweeney
Director, Division of Natural Gas Regulation
Office of Regulation, Analysis and Engagement
Office of Fossil Energy, FE-34
1000 Independence Ave, SW
Washington, DC 20585

Re: <u>Cameron LNG, LLC</u>

Application for Short-Term Blanket Authorization to Export

Liquefied Natural Gas

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the United States Department of Energy, 10 C.F.R. § 590.202(c) (2019). I am in house counsel to Cameron LNG, LLC ("Cameron LNG").

I have reviewed the organizational and internal governance documents of Cameron LNG and it is my opinion that the proposed export of natural gas as described in the application filed by Cameron LNG, to which this Opinion of Counsel is attached as Appendix B, is within the company powers of Cameron LNG.

Respectfully submitted,

Blair Woodward General Counsel

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