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June 7, 2019

BP Energy Company 201 Helios Way Houston, Texas 77079 Phone 713 -323-6353 Email: betsy.carrr@bp.com

Via Electronic Submission

Ms. Larine A. Moore
Docket Room Manager
Division of Natural Gas Regulation
Office of Regulation and International Engagement
Office of Fossil Energy
U.S. Department of Energy
1000 Independence Ave. SW
Washington, DC 20585
Larine.moore@hq.doe.gov

Re: BP Energy Company, Docket No. 19-86 -LNG

Application for Blanket Authorization to Export Liquefied Natural Gas

on a Short-Term Basis

Dear Ms. Moore:

Pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, and Part 590 of the regulations of the Department of Energy, 10 CFR Part 590 (2017), BP Energy Company hereby files its Application for Blanket Authorization to Export Liquefied Natural Gas on a Short-Term Basis. The filing fee of \$50 required by 10 CFR 590.207 (2017) is being submitted under separate cover.

Thank you for your attention to this matter. If you have any questions regarding this filing, please contact the undersigned at (713) 323-6353.

Respectfully submitted,

Betsy Carr

Attorney for BP Energy Company

UNITED STATES OF AMERICA BEFORE THE DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

In the Matter Of:)	FE Docket No. 19LNG
)	
BP ENERGY COMPANY)	

APPLICATION OF BP ENERGY COMPANY FOR BLANKET AUTHORIZATION TO EXPORT LIQUIFIED NATURAL GAS ON A SHORT-TERM BASIS

Pursuant to Section 3 of the Natural Gas Act (NGA), 15 U.S.C. §717b, and Part 590 of the Department of Energy's (DOE) regulations, 10 C.F.R. Part 590, BP Energy Company (BPEC) hereby requests that DOE, Office of Fossil Energy (DOE/FE), issue an order granting blanket authorization for BPEC, for itself and as agent for third parties, to engage in short-term exports of up to approximately 460 Bcf of liquefied natural gas (LNG) for a two-year period commencing on the date that DOE/FE issues an order approving this application.

BPEC is seeking authorization to export LNG from the Freeport LNG Liquefaction Project (Liquefaction Project),¹ which is currently under construction at the Freeport LNG terminal on Quintana Island, Texas,² to any country with the capacity to import LNG via oceangoing carrier and with which trade is not prohibited by Federal law or policy. Good cause exists to grant the requested authorization for the reasons stated below.

¹ The Federal Energy Regulatory Commission (FERC) has authorized the siting, construction, and operation of the Liquefaction Project at the Freeport LNG terminal. *Freeport LNG Development, LP, et al.*, Order Granting Section 3 and Section 7 authorizations, 148 FERC ¶ 61,076 (2014), reh'g denied, 149 FERC ¶ 61,119 (2014); *Freeport LNG Development, L.P., et al.*, Order Amending Section 3 Authorization, 156 FERC ¶ 61,019 (2016) (authorizing increase in the Liquefaction Project's LNG production capacity based on less conservative operating assumptions). On May 16, 2019, FERC approved the construction of the Train 4 expansion at the Freeport LNG Terminal. *Freeport LNG Development, L.P., et al.*, Order Granting Authorization Under Section 3 of the Natural Gas Act, 167 FERC ¶ 61,155 (2019).

² Train 1 of the Liquefaction Project is projected to be operational September 2019. Train 2 is projected to be operational January 2020. *See* https://www.reuters.com/article/us-freeport-lng-outlook/freeport-lng-delays-start-of-texas-export-terminal-to-september-2019-idUSKBN1HQ2ET2020.

In support of this application, BPEC states as follows:

I. DESCRIPTION OF THE APPLICANT

BPEC is a Delaware corporation with its principal place of business in Houston, Texas. BPEC is a wholly owned indirect subsidiary of BP America Inc. BPEC is in the business of marketing and trading commodities, including LNG. BPEC has contracted for a base capacity of 230 TBtu/year (approximately 230 Bcf/year) by means of a liquefaction tolling agreement with the Liquefaction Project. It is currently expected that the primary term will expire in 2040, which is 20 years from the start of expected commercial operations at the Liquefaction Project.

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:

James Busch Senior Regulatory Advisor 201 Helios Way Houston, Texas 77079 Phone 713-323-3531 Email james.busch@bp.com Betsy Carr Senior Counsel 201 Helios Way Houston, Texas 77079 Phone 713-323-6353 Email betsy.carr@bp.com

III. <u>AUTHORIZATION REQUESTED</u>

Exports from the Liquefaction Project are anticipated to commence by end of 2019. In this regard, BPEC requests blanket authorization to export LNG on a short-term or spot market basis as market opportunities may arise. Specifically, BPEC requests authorization to export LNG in a volume equivalent to 460 Bcf of domestically-produced natural gas, pursuant to transactions that have terms of no longer than two years, to any nation with the capacity to import LNG via ocean going carrier with which trade is not prohibited by U.S. law or policy.

BPEC has a 20-year liquefaction tolling agreement at the Liquefaction Project for a base capacity of 230 TBtu/year, which provides BPEC with capacity to export LNG in the amount of approximately 230 Bcf/year. The exports proposed here will not require any modification to the Liquefaction Project and will not cause total exports from the Liquefaction Project to exceed the maximum volumes approved under the Trains 1-3 Orders in any annual (i.e., consecutive 12 month) period.

BPEC further requests that such authorization extend not only to LNG supplies to which BPEC holds title³ but also to LNG supplies that BPEC may export on behalf of other entities who hold title. In this regard, BPEC, when acting as agent, will register with DOE/FE each LNG title holder for whom it seeks to export as agent, and will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to: (1) comply with all requirements in BPEC's export authorization; and (2) include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

Finally, BPEC respectfully requests that DOE/FE issue the authorization as requested herein no later than November 2019.

IV. BACKGROUND

BPEC's export authorization request is based on its desire to utilize and optimize the capacity it has contracted for at the Liquefaction Project and its need for flexibility to effectively respond to periodic changes in both domestic and world markets for natural gas and LNG.

³ See Caribe Energy (USA) LLC, DOE/FE Order No. 3937, FE Docket No. 16-98-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas in ISO Containers Loaded at Designated Pivotal LNG, Inc. Facilities and Exported by Vessel to Non-Free Trade Agreement Nations in Central America, South America, or the Caribbean (November 28, 2016), authorizing a non-facility owner to export domestically produced LNG. See BP Energy Co., DOE/FE Order No. 4302, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel to Free Trade Agreement and Non-Free Trade Agreement Nations (November 19, 2018), authorizing a non-facility owner to re-export previously imported LNG.

Previously Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC, and FLNG Liquefaction 3, LLC (collectively "FLEX") sought and received DOE/FE authorizations to export LNG from the Liquefaction Project on a long-term basis to free trade agreement (FTA) and non-FTA nations in a series of orders (hereafter referred to collectively as the "Trains 1-3 Orders"):

- Order No. 2913⁴ granting long-term authorization to export 1.4 Bcf per day (Bcf/d) of LNG to FTA nations, issued February 10, 2011;
- Order No. 3066⁵ granting long-term authorization to export an additional 1.4 Bcf/d of LNG to FTA nations, issued February 10, 2012;
- 3. Order No. 3282-C⁶ granting long-term authorization to export 1.4 Bcf/d of LNG to non-FTA nations, issued November 14, 2014;
- 4. Order No. 3357-B⁷ granting long-term authorization to export an additional 0.4

⁴ See Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 10, 2011); Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, Errata Notice, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 17, 2011); Freeport LNG Expansion, L.P. et al., Order Amending Applications in Docket Nos. 10-160-LNG, 10-161-LNG and 12-06-LNG and Granting Request in Docket No. 11-161-LNG to add FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC as Applicants and Authorization Holders, DOE/FE Order Nos. 2913-A, 3066-A, 3282-A (Feb. 7, 2014); Freeport LNG Expansion, L.P. et al., Order Granting Request to Extend Commencement Date of Export Authorization, DOE/FE Order No. 2913-B, FE Docket No. 10-160-LNG (June 7, 2017).

⁵Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal to Free Trade Agreement Nations, DOE/FE Order No. 3066, FE Docket No. 12-06-LNG (Feb. 10, 2012).

⁶Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, Order Conditionally Granting Long-Term MultiContract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3282, FE Docket No. 10-161-LNG (May 17, 2013); Freeport LNG Expansion, L.P. et al., Order Amending DOE/FE Order Nos. 3282 and 3357, DOE/FE Order Nos. 3282-B & 3357-A, FE Docket Nos. 10-161-LNG & 11-161-LNG (June 6, 2014); Freeport LNG Expansion, L.P. et al., Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3282-C, FE Docket No. 10-161-LNG (Nov. 14, 2014).

⁷ Freeport LNG Expansion, L.P. et al., Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3357, FE Docket No. 11-161-LNG (Nov. 15, 2013); Freeport LNG Expansion, L.P. et al., Errata Notice, DOE/FE Order No. 3357, FE Docket No. 11-161-LNG (Dec. 13, 2013); Freeport LNG Expansion, L.P. et al., Order Amending DOE/FE Order Nos. 3282 and 3357, DOE/FE Order Nos. 3282-B & 3357-A, FE Docket Nos. 10-161-LNG & 11-161-LNG (June 6, 2014); Freeport LNG Expansion, L.P. et al., Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural

Bcf/d of LNG to non-FTA nations, issued November 14, 2014; and

5. Order No. 3957⁸ granting long-term authorization to export an additional 0.34 Bcf/d of LNG to non-FTA nations, issued December 19, 2016.

FLEX is authorized to export LNG on its own behalf and as agent for others registered with DOE. On January 8, 2014, FLEX submitted a registration to DOE/FE as agent for BPEC under its long-term export authority.

FLEX also sought blanket authorization to export LNG on short-term basis from the Liquefaction Project. DOE/FE issued Order No. 4244 granting FLEX's application, to be effective on the date of first export of commissioning volumes, but no later than March 31, 2020.9

By this application, BPEC seeks its own short-term export authority. BPEC has a 20-year contract to sell BP Singapore Pte. Limited (BP Singapore) its Freeport base capacity of 230 TBtu/year. However, the contract also provides BP Singapore with the option to cancel cargoes. In addition to any cancelled cargoes under the BP Singapore contract, BPEC may also acquire additional volumes at the Liquefaction Project beyond its contracted base capacity, which BP Singapore has a first right to refuse. Thus, all these circumstances may result in BPEC having the need to optimize and market volumes on a short-term basis.

Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to NonFree Trade Agreement Nations, DOE/FE Order No. 3357-B, FE Docket No. 11-161-LNG (Nov. 14, 2014); Freeport LNG Expansion, L.P. et al., Opinion and Order Denying Request for Rehearing of Orders Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3357-C, FE Docket No. 11-161-LNG (Dec. 4, 2015).

⁸ Freeport LNG Expansion, L.P. et al., Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3957, FE Docket No. 16-108-LNG (Dec. 19, 2016).

⁹ Freeport LNG Expansion, L.P. et al., Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal Located on Quintana Island, Texas to Free Trade Agreement and Non-Free Trade Agreement Nations, DOE/FE Order No. 4244, Paragraph A, FE Docket No. 18-03-LNG (Sep. 6, 2018).

V. PUBLIC INTEREST STANDARD

BPEC seeks authorization to export LNG to any nation with the capacity to import LNG via ocean going carrier with which trade is not prohibited by U.S. law or policy. To the extent that BPEC is proposing to export LNG to FTA nations, Section 3(c) of the NGA provides that such exports "shall be deemed to be consistent with the public interest" and such applications "shall be granted without modification or delay."¹⁰

With respect to BPEC's request to export LNG to non-FTA countries, Section 3(a) of the NGA sets forth the applicable standard of review:

[N]o person shall export any natural gas from the United States to 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 application, unless after opportunity for hearing, [he] finds that the proposed exportation ...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

Accordingly, pursuant to Section 3 of the NGA, DOE/FE must authorize exports to a foreign country unless there is a finding that such exports "will not be consistent with the public interest." Thus, Section 3 creates a statutory presumption in favor of approval of a properly framed export application. Any opponent would bear the burden of overcoming that presumption. ¹⁴

^{10 15} U.S.C. § 717b(c).

^{11 15} U.S.C. § 717b(a).

^{12 15} U.S.C. § 717b (2010).

¹³ See Phillips Alaska Natural Gas Corp. and Marathon Oil Co., DOE/FE Opinion and Order No. 1473, 2 FE ¶ 70,317 at p. 13, N. 42 (April 2, 1999), citing Panhandle Producers and Royalty Owners Association v. ERA, 822 F.2d 1105, 1111 (D.C. Cir. 1987).

¹⁴ In *Panhandle Producers and Royalty Owners Ass'n v. ERA*, 822 F. 2d 1105, 1111 (D.C. Cir 1987), the court found that Section 3 of the NGA "requires an affirmative showing of inconsistency with the public interest to deny an application" and that a "presumption favoring …authorization …is completely consistent with, if not mandated by, the statutory directive."

Previously in evaluating an export application, DOE/FE applied the standards set forth in DOE Delegation Order No. 0204-111, which "focuses primarily on domestic need for the gas to be exported, as described in the Secretary's natural gas policy guidelines". These DOE/FE Policy guidelines were "designed to establish natural gas trade on a market-competitive basis and to provide immediate as well as long-term benefits to the American economy from this trade." Although DOE Delegation Order No. 0204-111 is no longer in effect, DOE's review of export applications continues to focus 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's policy of promoting market competition, and (iv) any other factors bearing on the public interest, as determined by DOE. 17

DOE/FE conducted an extensive public interest review of exports from the Liquefaction Project in approving the Trains 1-3 Orders. DOE/FE concluded that exports from the Liquefaction Project are not inconsistent with the public interest. Further, in Order Nos. 3282-C and 3357-B, DOE/FE found that LNG exports from the Liquefaction Project will result in many local and national economic and public benefits. For clarity, BPEC is not requesting authorization for any incremental volumes beyond those volumes already authorized in the Trains 1-3 Orders. BPEC simply requests short-term authority to export, in its own name, volumes in the event any marketing or optimization opportunities become available as noted above. Therefore, volumes proposed for export herein, when added to any volumes approved

¹⁵Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, 49 Fed Reg. 6,684 (Feb. 22, 1984).

¹⁶ Id. at 6,684.

¹⁷ See Driftwood LNG LLC, Order No. 4373 at page 22 (May 2, 2019).

¹⁸ See DOE/FE Order Nos. 3282-C, supra note 6; DOE/FE Order No. 3357-B, supra note 7.

¹⁹ *Id*.

under the Trains 1-3 Orders, will not result in any non-FTA LNG exports from the U.S. beyond the volumes already approved under the Trains 1-3 Orders; and the public interest impacts of the total exports will therefore not increase as a consequence of DOE/FE's approval of the application in this proceeding. Consistent with the prior findings from these non-FTA export proceedings and the improved outlook for domestic natural gas production, no additional public interest review should be required.²⁰

Current market trends concerning U.S. gas demand and supply continue to strongly indicate that the export of domestically produced natural gas as LNG is in the public interest. With the recent development of major gas reserves throughout the United States, natural gas supply is projected to far outstrip domestic demand, and the conversion of surplus gas for LNG export provides an opportunity to increase local and regional commerce without compromising the nation's energy resources or stability.

From a near term perspective, the EIA's Short-Term Energy Outlook forecasts a 7.6 Bcf/d increase in dry natural gas production in 2019 from the 2018 level.²¹ Natural gas production is also estimated to continue to increase at a rate greater than consumption between 2017 and 2050 according to the U.S. Energy Information Administration's recent Annual Energy Outlook (AEO).²² The EIA's 2018 AEO projects that natural gas production will account for 39% of U.S. energy production by 2050 (in the reference case).²³ Additionally, despite projections of increased U.S. natural gas consumption, the 2018 AEO confirms that

²⁰ See Order No. 4244 at 9-10.

²¹ EIA, Short-term Outlook, (April 9, 2019) available at https://www.eia.gov/outlooks/steo/.

²² U.S. Energy Information Administration, Annual Energy Outlook 2018 at 61-62 (Feb. 6, 2018), https://www.eia.gov/outlooks/aeo/pdf/AEO2018.pdf.

²³ Id. at 19.

increased gas production will support both growing domestic consumption and natural gas exports.²⁴

The DOE/FE issued an updated LNG export study conducted by NERA in June 2018 (the "2018 LNG Export Study").25 The 2018 LNG Export Study analyzed a larger number of scenarios (54) than previous studies in order to capture a wider range of uncertainty in the natural gas markets, examined "unconstrained" export volumes beyond the levels considered in the previous studies, evaluated the likelihood of the various scenarios and provided macroeconomic projections associated with scenarios within the more likely range. Although increased LNG exports were noted to place an upward pressure on natural gas prices, the 2018 LNG Export Study reports several macroeconomic benefits. The study finds that increased LNG exports leads to higher levels of GDP and consumer wellbeing.²⁶ The reason for this is that a large majority of the increase in exports is accommodated by greater domestic gas production (which results in positive effects on labor income, output, and natural gas production sector profits) and higher world prices for natural gas (resulting in wealth transfer from the rest of the world to the U.S.).27 These factors, according to NERA, more than make up for the "dampening economic effects that are observed in these scenarios . . . [e]ven the most extreme scenarios of high LNG exports that are outside the more likely probability range . . . show higher overall economic performance in terms of GDP, household income, and consumer welfare than lower export levels associated with the same domestic supply scenarios."28

²⁴ Id. at 58.

²⁵ NERA Economic Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (June 7, 2018), https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20 Export%20 Study%202018.pdf.

²⁶ Id. at 18-21.

²⁷ Id. at 21.

²⁸ Id.

Consistent with these expectations, the DOE/FE recently issued two additional long-term authorizations allowing export of domestically produced LNG to countries with FTA trade as well as NFTA countries.²⁹ In these orders, DOE/FE discussed the findings of recent LNG export studies, as well as the 2018 LNG Export Study.³⁰ DOE/FE noted that the principal conclusion of the 2018 LNG Export Study is that the U.S. will experience net economic benefits from the export of domestically produced LNG.³¹

All these recent findings confirm that the authorization requested by BPEC is not inconsistent with, and clearly serves, the public interest.

VI. ENVIRONMENTAL IMPACT

No new construction or changes to Liquefaction Project facilities will be required for the short-term exports for which blanket authorization is requested herein. Under DOE/FE's regulations, a categorical exclusion is applicable to authorizations to import or export natural gas under NGA Section 3 involving no new construction.³² Consistent with DOE/FE regulations and precedent, the authorization requested herein would be categorically excluded from review under the National Environmental Policy Act.³³

²⁹ Port Arthur LNG, LLC, Order No. 4372 (May 2, 2019); Driftwood LNG LLC, Order No. 4373 (May 2, 2019).

³⁰ NERA Economic Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (June 7, 2018).

³¹ Response to Comments Received on Study, 83 Fed. Reg. at 67,272 (Dec. 28, 2018.)

³² 10 C.F.R. Part 1021, Subpart D, Appendix B5.7.

³³ 42 U.S.C. §§4321, et seq.; see, *e.g.*, *Cameron LNG*, *LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal Located in Cameron and Calcasieu Parishes, Louisiana, DOE/FE Order No. 3904 at 11, Docket No. 16-34-LNG (October 3, 2016); *Sabine Pass Liquefaction, LLC*, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, DOE/FE Order No. 3767 at 13, Docket No. 15-171-LNG (January 13, 2016).

VII. APPENDICES

The following appendices are attached hereto and incorporated by reference herein:

Appendix A: Verification and Certified Statement

Appendix B: Opinion of Counsel

VIII. CONCLUSION

For the reasons set forth above, BPEC respectfully requests that the DOE/FE grant the instant application no later than November 1, 2019.

Respectfully submitted,

/s/ Betsy Carr

Betsy Carr Senior Counsel BP Energy Company 201 Helios Way Houston, Texas 77079 Phone: (713) 323-6353

Email: betsy.carr@bp.com

Dated: June 7, 2019

APPENDIX A

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VERIFICATION AND CERTIFIED STATEMENT

County of Harris)
State of Texas)

I, Frank Vickers, being duly sworn on his oath, do hereby depose and say that I am the Senior Vice President, LNG Origination Freeport for BP Energy Company; that I am familiar with the contents of the foregoing application; and that the factual matters set forth therein are true and correct to the best of my knowledge, information and belief.

Sworn to and subscribed before me, a Notary Public, in and for the State of Texas, this 7th day of June 2019.

My Commission expires: June 30, 2019



APPENDIX B



BP Energy Company 201 Helios Way Houston, Texas 77079 Phone 713 -323-3942 Email:matthew.swartz@bp.com

June 7, 2019

U.S. Department of Energy Office of Fossil Energy 1000 Independence Avenue, S.W. Washington, DC 20585

OPINION OF COUNSEL

This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 CFR § 590.202(c) (2017). I have examined the Certificate of Incorporation of BP Energy Company and other authorities as necessary and have concluded that the proposed exportation of liquefied natural gas by BP Energy Company is within its corporate powers. Further, BP Energy Company is duly authorized by its charter to do business in Delaware and other U.S. states and to engage in foreign commerce.

Respectfully submitted,

Matthew Swartz

Senior Counsel, BP Energy Company