

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

In The Matter Of:)
)
SABINE PASS LIQUEFACTION, LLC) **FE Docket No. 19-133-LNG**
)

**APPLICATION OF SABINE PASS LIQUEFACTION, LLC
FOR BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”),¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Sabine Pass Liquefaction, LLC (“Sabine Pass”) hereby requests that DOE, Office of Fossil Energy (“DOE/FE”) issue an order granting blanket authorization for Sabine Pass to engage in short-term exports of liquefied natural gas (“LNG”) from the Sabine Pass Liquefaction Project (“Liquefaction Project”) in Cameron Parish, Louisiana.³ Sabine Pass seeks authorization to export LNG in a volume up to 600 billion cubic feet (“Bcf”) on a cumulative basis over a two-year period to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.⁴ Sabine Pass requests that the term of this authorization commence on January 16, 2020.

In support of its application, Sabine Pass states as follows:

¹ 15 U.S.C. § 717b.

² 10 C.F.R. Part 590.

³ Sabine Pass and its affiliate, Sabine Pass LNG, L.P., are authorized by the Federal Energy Regulatory Commission (“FERC”) to construct, operate and maintain LNG storage, import and export facilities in Cameron Parish, Louisiana. As approved by FERC to date, the LNG production capacity at the facility is approximately 30 million metric tons per annum. *See Sabine Pass Liquefaction, LLC, et al.*, Order Granting Authorization Under Section 3 of the Natural Gas Act and Issuing Certificates, 151 FERC ¶ 61,012 (April 6, 2015), *reh’g denied*, 151 FERC ¶ 61,253 (June 23, 2015). Errata (April 8, 2015).

⁴ This includes: (i) any country with which the United States currently has, or in the future will 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 (“FTA countries”), and (ii) any other country with which trade is not prohibited by U.S. law or policy (“non-FTA countries”).

I.
DESCRIPTION OF THE APPLICANT

The legal name of Sabine Pass is Sabine Pass Liquefaction, LLC. Sabine Pass is authorized to do business in Louisiana and Texas, and has its principal place of business in Houston, Texas. Sabine Pass is an indirect subsidiary of Cheniere Energy, Inc., a Delaware corporation with its primary place of business in Houston, Texas.

II.
COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this application, including all service of pleadings and notices, should be directed to the following persons:⁵

Florian Pintgen
Vice President, Commercial Operations
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, TX 77002
(713) 375-5703
florian.pintgen@cheniere.com

Karri Mahmoud
Director, Regulatory Project Development
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, TX 77001
(713) 375-5544
karri.mahmoud@cheniere.com

Janna Romaine Chesno
Senior Counsel
Cheniere Energy, Inc.
701 8th Street, N.W., Suite 810
Washington, D.C. 20001
(202) 432-3064
janna.chesno@cheniere.com

Pursuant to Section 590.103(b) of DOE's regulations,⁶ Sabine Pass hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of Sabine Pass.

⁵ Sabine Pass requests waiver of Section 590.202(a) of DOE's regulations, to the extent necessary to include those listed above on the official service list in this proceeding. 10 C.F.R. § 590.202(a).

⁶ *Id.* at § 590.103(b).

III. **BACKGROUND**

Sabine Pass holds the following NGA Section 3 authorizations allowing long-term export of LNG from its facilities in Cameron Parish, Louisiana:

- DOE/FE Order No. 2833, authorizing Sabine Pass to export 803 Bcf/yr from Trains 1-4 to FTA countries;⁷
- DOE/FE Order No. 2961-A (as amended), authorizing the export of 803 Bcf/yr from Trains 1-4 to non-FTA countries;⁸
- DOE/FE Order No. 3306, authorizing the export of 101 Bcf/yr from Trains 5 and 6 to FTA countries;⁹
- DOE/FE Order No. 3307, authorizing the export of 88.3 Bcf/yr from Trains 5 and 6 to FTA countries;¹⁰
- DOE/FE Order No. 3384, authorizing the export of 314 Bcf/yr from Trains 5 and 6 to FTA countries.¹¹
- DOE/FE Order No. 3595, authorizing the export of an additional 203 Bcf/yr from Trains 1-4 to FTA countries;¹²
- DOE/FE Order No. 3669-B (as amended), authorizing the export of 503.3 Bcf/yr from Trains 5-6 to non-FTA countries;¹³
- DOE/FE Order No. 3792, authorizing the export of 203 Bcf/yr from Trains 1-4 to non-FTA countries.¹⁴

⁷ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833, FE Docket No. 10-85-LNG (Sept. 10, 2010).

⁸ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG (Aug. 7, 2012); *see also Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961-C, FE Docket No.10-111-LNG (May 4, 2016) (amending DOE/FE Order Nos. 2961-A and 2961-B).

⁹ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3306, FE Docket No. 13-30-LNG (Jul. 11, 2013).

¹⁰ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3307, FE Docket No. 13-42-LNG (Jul. 12, 2013).

¹¹ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3384, FE Docket No. 13-121-LNG (Jan. 22, 2014), Errata Notice (Feb. 24, 2015); *see also Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3306-A, 3307-A, 3384-A, and 3669-B, FE Docket Nos. 13-30-LNG, 13-42-LNG, and 13-121-LNG (Consolidated) (Oct. 31, 2017).

¹² *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3595, FE Docket No. 14-92-LNG (Feb. 12, 2015).

¹³ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3669, FE Docket Nos. 13-30-LNG, 13-42-LNG, and 13-121-LNG (June 26, 2015); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3669-B, FE Docket Nos. 13-30-LNG, 13-42-LNG, and 13-121-LNG (Consolidated) (Oct. 31, 2017).

¹⁴ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3792, FE Docket No. 15-63-LNG (Mar. 11, 2016).

In sum, Sabine Pass is authorized to export LNG from Trains 1-6 to FTA and non-FTA countries in a total, non-additive volume equivalent to 1,509.3 Bcf/yr of natural gas, pursuant to long-term authorizations.¹⁵

IV. **AUTHORIZATION REQUESTED**

Sabine Pass is requesting blanket authorization to engage in short-term exports of LNG in an amount up to 600 Bcf cumulatively over a two-year period commencing January 16, 2020,¹⁶ to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

Sabine Pass is requesting authorization to export LNG for itself and as agent for third parties who themselves may hold title to the LNG at the time of export. Sabine Pass will comply with all DOE/FE requirements for exporters and agents, including the registration requirements as first established in *Freeport LNG Expansion, L.P.*, DOE/FE Order No. 2913.¹⁷ In this regard, Sabine Pass, 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 Sabine Pass' export authorization; and (2) include those requirements in any subsequent purchase or sale agreement entered into by the title holder. No additional modifications to the Liquefaction Project are

¹⁵ See, e.g., *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3792, FE Docket No. 15-63-LNG, at 2-3, 13, 16-18 & Tables 1-2 (discussing volumes of LNG approved for export) (Mar. 11, 2016).

¹⁶ Sabine Pass' existing blanket authorizations expire on January 15, and January 29, 2020, respectively. See *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4137, FE Docket No. 17-161-LNG (Jan. 16, 2018) (FTA countries) and *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4150, FE Docket No. 17-161-LNG (Jan. 30, 2018) (Non-FTA countries). For ease of administration, Sabine Pass requests that new authorizations commence on the same date and seeks any waivers that may be necessary to end the authorization granted under DOE/FE Order No. 4150 commensurate with effective date of the new authorizations requested herein.

¹⁷ 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), Errata Notice, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 17, 2011).

required to accommodate the export authorization requested herein. There are no other proceedings related to this application currently pending before any other federal agency.

V. PUBLIC INTEREST

Pursuant to Section 3 of the NGA, DOE/FE is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”¹⁸ Courts have held that this provision in Section 3 creates a statutory presumption in favor of approving this application, which opponents bear the burden of overcoming.¹⁹ Further, in evaluating an export application, DOE/FE applies the principles described in DOE Delegation Order No. 0204-1111 (which focuses primarily on domestic need for the gas to be exported) and the Secretary’s natural gas policy guidelines.²⁰ As detailed below, Sabine Pass’ proposal to export LNG on a short-term blanket basis to those countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with Section 3 of the NGA and DOE/FE policy.

DOE/FE previously undertook a robust public interest analysis in granting Sabine Pass’ requests for long-term multi contract export authorization.²¹ Granting the short-term blanket export authorization as requested herein would provide Sabine Pass, the first entity authorized to construct and place-in service a liquefaction and export facility in the lower-48, with enhanced

¹⁸ 15 U.S.C. 717b.

¹⁹ In *Panhandle Producers & 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.” See also *Indep. Petroleum Ass’n v. ERA*, 870 F.2d 168, 172 (5th Cir. 1989); *Panhandle Producers and Royalty Owners Ass’n v. ERA*, 847 F.2d 1168, 1176 (5th Cir. 1988).

²⁰ See *Policy Guidelines and Delegation Orders From Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

²¹ See *supra*, n. 8, 13-14.

operational flexibility and the ability to export produced LNG cargoes under short-term contracts rather than under long-term contracts.

In granting recent applications for short-term blanket export authorization from projects that have previously received long-term export authorizations, and therefore undergone an extensive public interest review, DOE/FE has concluded that “no additional public interest review beyond that conducted in the earlier non-FTA export proceedings is warranted.”²² Nevertheless, the most recent U.S. Energy Information Administration (“EIA”) projections confirm the adequacy of domestic natural gas supplies to meet demand during the two-year term for which Sabine Pass seeks blanket export authorization. Specifically, the EIA’s September 2019 Short-Term Energy Outlook forecasts that “U.S. dry natural gas production will average 91.4 billion cubic feet per day (Bcf/d) in 2019, up 8.0 Bcf/d from 2018.”²³ Similarly, the EIA’s 2019 Annual Energy Outlook states that the projected future “growth in natural gas production supports increasing domestic consumption ... and higher levels of natural gas exports.”²⁴ As such, the requested export authorization is consistent with the public interest.

VI. ENVIRONMENTAL IMPACT

Sabine Pass does not require any changes to existing facilities for the short-term exports for which blanket authorization is requested herein. Therefore, consistent with DOE/FE precedent, DOE action on this blanket application qualifies for categorical exclusion from National Environmental Policy Act review.²⁵

²² *Dominion Cove Point LNG, LP*, DOE/FE Order No. 4046, FE Docket No. 16-205-LNG (June 2, 2017).

²³ *U.S. Energy Information Administration*, Short-Term Energy Outlook, September 2019 (September 10, 2019), available at https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf.

²⁴ *U.S. Energy Information Administration*, Annual Energy Outlook 2019 with Projections to 2050, pg. 69 (Jan. 24, 2019), available at <https://www.eia.gov/outlooks/aeo/pdf/aeo2019.pdf>.

²⁵ *See, e.g., Dominion Cove Point LNG, LP* at 14, *supra* n. 22.

VII.
APPENDICES

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

Appendix A: Verification

Appendix B: Opinion of Counsel

VIII.
CONCLUSION

For the foregoing reasons, Sabine Pass respectfully requests that DOE/FE grant its request for blanket authorization, as discussed herein, to enable it to export LNG on a short-term basis in an amount up to 600 Bcf cumulatively over a two-year period commencing January 16, 2020 to any country with the ability to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. Sabine Pass respectfully requests that DOE/FE grant such authorization as expeditiously as possible, but no later than January 16, 2020.

Respectfully submitted,



Florian Pintgen
Vice President, Commercial Operations
Cheniere Energy, Inc.

Dated: October 11, 2019

Appendix A

Verification

Appendix B
Opinion of Counsel



Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, Texas 77002
phone: 713.375.5000
fax: 713.375.6000

October 11, 2019

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

**Re: In the Matter of Sabine Pass Liquefaction, LLC
FE Docket No. 19 ____-LNG
Application for Short-Term Blanket Authorization to Export LNG**

Dear Sir or Madam:

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 C.F.R. § 590.202(c) (2019). I have examined the Limited Liability Company Agreement of Sabine Pass Liquefaction, LLC ("Sabine Pass") and other authorities as necessary, and have concluded that the proposed exportation of LNG is within Sabine Pass' corporate powers. Further, Sabine Pass is authorized to do business in Louisiana and Texas, and to engage in foreign commerce.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "S. Markowitz", written over a horizontal line.

By: Sean Markowitz
Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, TX 77002
Phone: (713) 375-5000
Fax: (713) 375-6000
Email: Sean.Markowitz@cheniere.com