

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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GOLDEN PASS LNG TERMINAL LLC)	FE DOCKET NOS.	12-88-LNG
(Formerly Golden Pass Products LLC))		12-156-LNG
)		18-06-LNG
_____)		

ORDER GRANTING REQUEST
TO TRANSFER AUTHORIZATIONS AND
RESPONDING TO STATEMENT OF CHANGE IN CONTROL

DOE/FE ORDER NO. 3147-A
DOE/FE ORDER NO. 3978-B
DOE/FE ORDER NO. 4146-A

MARCH 4, 2020

I. INTRODUCTION

On July 17, 2019, Golden Pass LNG Terminal LLC (Golden Pass LNG) and Golden Pass Products LLC (GP Products) (collectively, the Applicants) filed with the Office of Fossil Energy (FE) of the Department of Energy (DOE) a “Statement of Change in Control to Reorganize and Restructure Liquefied Natural Gas Export Authorizations”¹ (Statement) under section 3 of the Natural Gas Act (NGA)² and section 590.405 of DOE’s regulations.³ On December 20, 2019, the Applicants submitted a Supplemental Filing.⁴ As explained below, GP Products was merged with and into Golden Pass LNG on June 18, 2019, as a part of a broader corporate restructuring.⁵

The Applicants request an order from DOE/FE permitting the transfer of two existing authorizations to export domestically produced liquefied natural gas (LNG) currently held by GP Products—DOE/FE Orders No. 3147⁶ and No. 3978⁷—to Golden Pass LNG. The Applicants further state that they are seeking to comply with DOE/FE’s Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas⁸ with respect to

¹ Golden Pass LNG Terminal LLC & Golden Pass Products LLC, Statement of Change in Control to Reorganize and Restructure Liquefied Natural Gas Export Authorizations, FE Docket Nos. 12-156-LNG, *et al.* (July 17, 2019) [hereinafter Statement].

² 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 Redelegation Order No. 00-002.04G issued on June 4, 2019.

³ 10 C.F.R. § 590.405 (Transferability).

⁴ Golden Pass LNG Terminal LLC & Golden Pass Products LLC, Change in Control – Supp. Filing, FE Docket Nos. 12-156-LNG, *et al.* (July 17, 2019) [hereinafter Supp.].

⁵ *Id.* at 2.

⁶ *Golden Pass Products LLC*, DOE/FE Order No. 3147, FE Docket No. 12-88-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Golden Pass LNG Terminal to Free Trade Agreement Nations (Sep. 27, 2012).

⁷ *Golden Pass Products LLC*, DOE/FE Order No. 3978, FE Docket No. 12-156-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Golden Pass LNG Terminal Located in Jefferson County, Texas, to Non-Free Trade Agreement Nations (Apr. 25, 2017), *reh’g denied*, DOE/FE Order No. 3978-A (Mar. 30, 2018).

⁸ U.S. Dep’t of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014) [hereinafter Change in Control Procedures].

these two orders, as well as to a third order issued to Golden Pass LNG—DOE/FE Order No. 4146.⁹

Below, we grant the Applicants' request to transfer DOE/FE Order Nos. 3147 and 3978 from GP Products to Golden Pass LNG. We also find that the merger and restructuring described by the Applicants do not constitute a change in control with respect to any of the three orders.

II. BACKGROUND

The Applicants' Statement concerns three existing authorizations issued by DOE/FE to either GP Products or Golden Pass LNG. All involve the existing Golden Pass LNG Terminal (Terminal), which is located near Sabine Pass, Texas, and is owned and operated by Golden Pass LNG. The approved exports will originate from Golden Pass LNG's proposed export project (GPP Export Project), which will be constructed contiguous to and integrated with the Terminal.¹⁰

In Order No. 3147 (FE Docket No. 12-88-LNG), DOE/FE authorized GP Products to export LNG from the Terminal to any country with which the United States has, or in the future enters into, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries),¹¹ in a volume equivalent to 740 billion cubic feet per year (Bcf/yr) of natural gas.¹² Under the terms of that order, GP Products is authorized to export the LNG, on its own behalf or as agent for other entities, to FTA countries for a 25-year period.¹³

⁹ *Golden Pass LNG Terminal LLC*, DOE/FE Order No. 4146, FE Docket No. 18-06-LNG, Order Granting Blanket Authorization to Import Liquefied Natural Gas from Various International Sources by Vessel (Jan. 26, 2018).

¹⁰ *See, e.g.*, Statement at 3.

¹¹ 15 U.S.C. § 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

¹² *Golden Pass Products LLC*, DOE/FE Order No. 3147, at 7.

¹³ *Id.*

In Order No. 3978 (FE Docket No. 12-156-LNG), DOE/FE authorized GP Products to export domestically produced LNG from the Terminal to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries),¹⁴ in a volume equivalent to 808 Bcf/yr of natural gas.¹⁵ GP Products is authorized to export this LNG, on its own behalf or as agent for other entities, to non-FTA countries for a 20-year period.¹⁶ This non-FTA volume is not additive to the FTA volume authorized in DOE/FE Order No. 3147.¹⁷

Finally, in Order No. 4146 (FE Docket No. 18-06-LNG), DOE/FE authorized Golden Pass LNG to import LNG from various international sources in a total volume equivalent to 50 Bcf of natural gas.¹⁸ This blanket order is effective for a two-year period beginning on March 30, 2018, and extending through March 29, 2020.¹⁹

III. DESCRIPTION OF CORPORATE CHANGES

In the Statement, as supplemented, the Applicants state that, prior to the merger and restructuring, Golden Pass LNG was a limited liability company owned by three entities as follows:

- (1) Qatar Terminal Company Limited (QTL), an affiliate of Qatar Petroleum Company (a company owned and controlled by the State of Qatar), owned a 70% interest;
- (2) Golden Pass LNG Terminal Investments LLC (GP Investments), a Delaware limited liability company affiliated with Exxon Mobil Corporation, owned a 17.6% interest; and
- (3) ConocoPhillips Golden Pass Holdings LLC (COP Holdings), an affiliate of ConocoPhillips Company, owned a 12.4% interest.²⁰

¹⁴ 15 U.S.C. § 717b(a).

¹⁵ *Golden Pass Products LLC*, DOE/FE Order No. 3978, at 173.

¹⁶ *Id.*

¹⁷ *Id.* at 174.

¹⁸ *Golden Pass LNG Terminal LLC*, DOE/FE Order No. 4146, at 3.

¹⁹ *Id.*

²⁰ Supp. at 2.

In the merger effective on June 18, 2019, GP Products was merged with and into Golden Pass LNG. Additionally, COP Holdings transferred its 12.4% interest to GP Investments, and thus is no longer an owner in Golden Pass LNG.²¹ Accordingly, Golden Pass LNG is now owned as follows:

- (1) QTL continues to hold a 70% interest; and
- (2) GP Investments holds a 30% interest (an increase of 12.4% from its original 17.6% interest).²²

The Applicants point out that Golden Pass LNG now has the same ownership, in the same percentages, as GP Products at the time that DOE/FE issued Order Nos. 3147 and 3879.²³

According to the Applicants, the merger was undertaken following a final investment decision to proceed with the construction of the GP Export Project at the Terminal.²⁴ The Applicants sought through the merger “to restructure and consolidate the ownership of the import and export terminal facilities in a single entity, Golden Pass LNG.”²⁵ As a result of this merger, Golden Pass LNG will “own and operate all of the terminal facilities, both export and import, and will be authorized to engage in LNG exports under NGA section 3.”²⁶

The Applicants state that the requested transfer will not affect DOE/FE Order Nos. 3147 and 3978, other than to change the named authorization holder from GP Products to Golden Pass LNG. They further state that the merger and restructuring will facilitate the export of LNG to FTA and non-FTA countries, which DOE/FE previously found to be in the public interest.²⁷

²¹ *Id.*; *see also id.* at 3.

²² *Id.*

²³ *Id.*; *see also* Statement at 5.

²⁴ Statement at 4.

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.* at 7.

IV. DISCUSSION

A. Transfer of Long-Term FTA Order

Upon review, DOE/FE finds that the requested transfer of DOE/FE Order No. 3147 (FE Docket No. 12-88-LNG) from GP Products to Golden Pass LNG is deemed consistent with the public interest, pursuant to NGA section 3(c), 15 U.S.C. § 717b(c).

B. Transfer of Long-Term Non-FTA Order

Pursuant to DOE's regulation governing the transfer of authorizations (10 C.F.R. § 590.405), DOE/FE finds good cause to grant the requested transfer of DOE/FE Order No. 4178 (FE Docket No. 12-156-LNG) from GP Products to Golden Pass LNG. We agree with the Applicants that this transfer does not alter DOE/FE's public interest determination in granting the authorization under NGA section 3(a), 15 U.S.C. § 717b(a).²⁸ No facts associated with GP Products' original application, and no requirements of this non-FTA authorization, are affected by this transfer beyond changing the authorization holder to an affiliated entity. We further note that the Applicants' Statement and Supplemental Filing were uncontested.

C. No Change in Control

DOE/FE previously determined that DOE/FE's Change in Control Procedures "pertain[] to external transfers or assignments, not purely internal corporate reorganizations."²⁹ Upon review of the information provided by the Applicants—including the charts showing the change in their ownership structure³⁰—DOE/FE finds that the merger and restructuring do not constitute a change in control for the following reasons:

²⁸ See *id.* at 7 (describing transfer as "administrative in nature").

²⁹ *Port Arthur LNG, LLC*, FE Dockets Nos. 15-53-LNG, 18-162-LNG, and 15-96-LNG, Response of U.S. Dep't of Energy, Notice of Internal Corporate Reorganization, at 4 (Apr. 11, 2019), available at: https://www.energy.gov/sites/prod/files/2019/04/f61/PortArthurCIC_Response04_11_19.pdf [hereinafter Port Arthur LNG Response].

³⁰ See Supp. at 3-5 (ownership structure charts).

- **GP Products:** GP Products was merged with and into its affiliate, Golden Pass LNG. We agree with the Applicants that this merger is an internal corporate reorganization that did not result in a change of control.³¹

- **Golden Pass LNG:** As part of the restructuring, COP Holdings transferred its entire 12.4% interest in Golden Pass LNG to an existing owner: GP Investments. As a result, GP Investments' ownership interest in Golden Pass LNG increased from 17.6% to 30%. QTL's ownership interest did not change. Accordingly, we agree that no external transfer of control occurred.³²

ORDER

Pursuant to section 3 of the Natural Gas Act (15 U.S.C. § 717b) and DOE/FE's regulations at 10 C.F.R. § 590.405, DOE/FE hereby orders that:

A. The name of the authorization holder of DOE/FE Order Nos. 3147 and 3978 is amended to Golden Pass LNG Terminal LLC.

B. All obligations arising under DOE/FE Order Nos. 3147 and 3978 no longer apply to Golden Pass Products LLC, and now apply to Golden Pass LNG Terminal LLC.

Issued in Washington, D.C., on March 4, 2020.

Amy R. Sweeney
Director, Office of Regulation, Analysis, and Engagement
Office of Oil and Natural Gas

³¹ See Supp. at 3; Port Arthur LNG Response at 4.

³² This section also applies to DOE/FE Order No. 4146 (FE Docket No. 18-06-LNG), issued to Golden Pass LNG. See *supra* at § II.