

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SHELL ENERGY NORTH AMERICA (US), L.P.)

FE DOCKET NO. 20-24-NG

ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS FROM AND TO CANADA AND MEXICO,
TO IMPORT LIQUEFIED NATURAL GAS FROM VARIOUS INTERNATIONAL
SOURCES BY VESSEL, AND TO IMPORT AND EXPORT LIQUEFIED
NATURAL GAS FROM AND TO CANADA AND MEXICO BY VESSEL

DOE/FE ORDER NO. 4516

MARCH 13, 2020

I. DESCRIPTION OF REQUEST

On March 2, 2020, Shell Energy North America (US), L.P. (Shell Energy North America) 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 blanket authorization to import 1,200 billion cubic feet (Bcf) of natural gas from Canada by pipeline, to import 1,200 Bcf of natural gas from Mexico by pipeline, to export 1,200 Bcf of natural gas to Canada by pipeline, to export 1,200 Bcf of natural gas to Mexico by pipeline, to import liquefied natural gas (LNG) from various international sources by vessel in a total volume equivalent of 1,200 Bcf of natural gas, to export LNG to Canada by vessel in a total volume equivalent of 1,200 Bcf of natural gas, and to export LNG to Mexico by vessel in a total volume equivalent of 1,200 Bcf of natural gas. The applicant requests the authorization be granted for a two-year term beginning on May 13, 2020.² Shell Energy North America is a Delaware limited partnership with its principal place of business in Houston, Texas.

II. FINDING

The application has been evaluated to determine if the proposed import and export arrangements meet 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

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

² Shell Energy North America's blanket authorization to import and export natural gas from and to Canada and Mexico, and to import LNG from various international sources by vessel, granted in DOE/FE Order No. 4158 on February 28, 2018, extends through May 12, 2020; *See also* email from Dave Smith, Regulatory Reporting Specialist, Shell Energy North America, to DOE/FE (Mar. 6, 2020).

applications for such imports or exports must be granted without modification or delay. The authorization sought by Shell Energy North America to import and export natural gas by pipeline from and to Canada and Mexico, nations with which free trade agreements requiring national treatment for trade in natural gas are in effect, to export LNG by vessel to Canada and Mexico, and to import LNG from various international sources by vessel, meets the section 3(c) criteria and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of not greater than two years.

ORDER

Pursuant to section 3 of the NGA, it is ordered that:

A. Shell Energy North America is authorized to import 1,200 Bcf of natural gas from Canada, to import 1,200 Bcf of natural from Mexico, to export 1,200 Bcf of natural gas to Canada, to export 1,200 Bcf of natural to Mexico, to import LNG from various international sources by vessel in a total volume equivalent of 1,200 Bcf of natural gas, to export LNG to Canada by vessel in a total volume equivalent of 1,200 Bcf of natural gas, and to export LNG to Mexico by vessel in a total volume equivalent of 1,200 Bcf of natural gas, pursuant to transactions that have terms of not greater than two years. This authorization shall be effective for a two-year term beginning on May 13, 2020, and extending through May 12, 2022.

B. This natural gas may be imported and exported by pipeline at any point on the border between the United States and Canada, and at any point on the border between the United States and Mexico.

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

D. This LNG may be exported by vessel from any LNG export terminal in the United States and its territories.

E. LNG imports that require increased security measures from the United States Coast Guard (USCG) 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.

F. **Monthly Reports:** With respect to the natural gas imports and exports, and the imports and exports of LNG authorized by this Order, Shell Energy North America 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 or exports of natural gas or LNG have been made. Monthly reports shall be filed whether or not initial deliveries have begun. If imports and exports have not occurred, a report of “no activity” for that month must be filed.

If imports or exports of natural gas have occurred, the report must give the following details: (1) for imports, the country of origin; (2) for exports, the country of destination; (3) the point(s) of entry and exit; (4) the volume in thousand cubic feet (Mcf); (5) the average purchase price of gas per million British thermal units (MMBtu) at the international border; (6) the name of the supplier(s); (7) the name of the U.S. transporter(s); (8) the estimated or actual duration of the supply agreement(s); and (9) for imports, the geographic market(s) served (list State(s), U.S. Census Region(s), or general U.S. geographic area(s)).

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 Mcf; (7) the landed price per MMBtu at the point of import; (8) the 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)).

If exports of LNG by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. export terminal; (2) the country of destination; (3) the date of departure from the U.S. export terminal; (4) the name of the LNG tanker; (5) the name of the supplier/seller; (6) the volume in Mcf; (7) the price per MMBtu at the point of exit; (8) the duration of the supply agreement (indicate spot sales); and (9) the name(s) of the purchaser(s).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

G. The first monthly report required by this Order is due not later than June 30, 2020, and should cover the reporting period from May 13, 2020, through May 31, 2020.

H. All monthly report filings on Form FE-746R shall be made to the U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Regulation, Analysis, and Engagement, according to the methods of submission listed on the Form FE-746R reporting instructions available at <https://www.energy.gov/fe/services/natural-gas-regulation>.

Issued in Washington, D.C., on March 13, 2020.

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Office of Oil and Natural Gas