

RECEIVED

By Docket Room at 2:42 pm, Jul 01, 2020

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

In the Matter of)
) **FE Docket No. 20-73-CNG**
ANDALUSIAN ENERGY, LLC)

**APPLICATION OF ANDALUSIAN ENERGY, LLC
FOR LONG-TERM AUTHORIZATION TO EXPORT COMPRESSED NATURAL GAS
TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Andalusian Energy, LLC (“Andalusian”) hereby submits this application (“Application”) with the DOE, Office of Fossil Energy (“DOE/FE”) for long-term, multi-contract authorization to export compressed natural gas (“CNG”). Andalusian seeks this authorization to export the equivalent of approximately 0.14 billion cubic feet of natural gas per day (“Bcf/day”)³ (or approximately 53.14 trillion Btu per annum), which is approximately equivalent to 1.05 million metric tons per annum (“mtpa”), of domestically produced CNG for a twenty-five (25) year period commencing on the earlier of the date of first export or five (5) years from the date the authorization requested in this Application is granted. Andalusian will export CNG using Department of Transportation-approved International Organization for Standardization (“ISO”) containers via ocean-going carrier from the Port of Brownsville, Texas to any country with which the United States currently has, or in the future enters into, a free trade agreement (“FTA”) requiring national treatment for trade in natural gas. Andalusian requests this authorization both on its own behalf and as agent for others.

¹ 15 U.S.C. § 717b (2018).

² 10 C.F.R. Part 590 (2019).

³ The annual Bcf equivalent is 51.14 Bcf/yr.

Andalusian intends to construct, own, and operate a CNG compression and container loading facility (the “Facility”) in the Port of Brownsville, Texas at a site near the Brownsville Ship Channel. The Facility will receive natural gas from the Valley Crossing Pipeline (“VCP”), an intrastate pipeline that transports natural gas within the State of Texas, via an approximately five (5) mile interconnect. Andalusian will ensure that all requisite regulatory approvals are obtained for the CNG compression and loading facilities contemplated in this Application. The anticipated timing for completion of the Facility is approximately twenty-four (24) months from the date that Andalusian obtains the final regulatory approvals required for construction.

This Application requests authority to export CNG only to countries with which the United States has or in the future enters into an FTA requiring national treatment for trade in natural gas. This Application, therefore, is subject to review pursuant to the standards established in the Energy Policy Act of 1992 and pursuant to which Section 3(c) of the NGA requires that applications for authorization to export CNG to FTA countries shall be “deemed to be consistent with the public interest” and “granted without modification or delay.”⁴

In support of this Application, Andalusian respectfully states the following:

I. COMMUNICATIONS AND CORRESPONDENCE

Correspondence and communications regarding this Application should be addressed to the following and those with an (*) should be designated as the agent for service for Andalusian:

Pedro Santos
Michael Geissmann
Andalusian Energy, LLC
1818 Bingle Road, Suite 100
Houston, TX 77055
Tel: 832.358.3538
Fax: 832.358.3539
pedro.santos@aecng.com
michael.geissmann@aecng.com

Sandra E. Safro*
Jennifer B. Abbey*
K&L Gates, LLP
1601 K Street, N.W.
Washington, DC 20006
Tel: 202.778.9000
Fax: 202.778.9100
sandra.safro@klgates.com
jennifer.abbey@klgates.com

⁴ 15 U.S.C. § 717b(c) (2018).

II. DESCRIPTION OF THE APPLICANT

The exact legal name of the applicant is Andalusian Energy, LLC, a limited liability company organized under the laws of Nevada. Andalusian's principal place of business is 1818 Bingle Rd., Suite 100, Houston, Texas 77055. Andalusian will engage in the sale of CNG to export markets in the Caribbean and the Eastern coast of Central America and Mexico. Andalusian is a special purpose entity owned by NBR Global, LLC ("NBR") and Nearshore Natural Gas, LLC ("Nearshore").⁵ NBR is a limited liability company organized under the laws of Texas that engages in project development. Nearshore is a limited liability company organized under the laws of Delaware that engages in the development of natural gas compression technology.

III. DESCRIPTION OF THE PROPOSED EXPORT FACILITY

Andalusian seeks long-term, multi-contract authorization to export domestically produced CNG from the Facility that it will construct, own, and operate in Brownsville, Texas. Andalusian plans to construct the Facility on an approximately five (5) acre inland site located within the Port of Brownsville. Andalusian has entered into an option to lease the site from the Brownsville Navigation District for the purpose of constructing and operating the Facility (the "Lease Option"), attached hereto as Attachment C. Andalusian respectfully requests confidential treatment of the Lease Option to the greatest extent permitted by law because it contains confidential and commercially sensitive information.

The Facility is anticipated to include natural gas compression facilities with a production capacity of up to approximately 0.14 Bcf/d, a truck loading facility, and an approximately five

⁵ Through their ownership interests in NBR and Nearshore, the persons who hold an ownership interest in Andalusian of 10% or more are Pedro Santos (36%), Aymeric Martinoia (12%), Jonathan Stone (12%), and John Hauser (12%). Andalusian has a five (5) member Board of Managers. NBR and Nearshore each appoint two (2) members and the fifth member is a mutually agreed upon independent manager. An additional investor holds preferential interests in Andalusian, but does not have any voting rights.

(5) mile long interconnect with VCP. The Facility will be capable of storing CNG in the ISO Container fill piping in an amount equal to approximately 1.5 times the production capacity (approximately 0.23 Bcf/d). The Facility site also will be able to store up to fifty (50) stacked CNG containers for a period of up to one (1) week. Under the current design, the Facility would receive natural gas by pipeline to be compressed and loaded into ISO containers that will be transported by truck to a nearby loading dock on the Brownsville Ship Channel that is owned and operated by the Port of Brownsville and loaded onto and shipped via vessel to various destinations. Andalusian will obtain all requisite regulatory approvals for the Facility. Andalusian anticipates that the timing for completion of the Facility will be approximately twenty-four (24) months from the date on which Andalusian receives final approval of all regulatory authorizations required to commence construction.

As previously described, Andalusian anticipates selling CNG to export markets in FTA countries in the Caribbean and on the Eastern coast of Central America and Mexico. Andalusian has entered into a Memorandum of Understanding for the sale of CNG for export to a Central American textile manufacturer. As set forth in Section IV of this Application, Andalusian will file with DOE/FE copies of any future executed, binding sales agreements. Andalusian also reserves the right to seek DOE/FE authorization to export CNG to countries with which the United States does not have a Free Trade Agreement (“Non-FTA countries”) at the time such opportunities arise. Andalusian notes that the annual equivalent of the 0.14 Bcf/d export volume requested herein, 51.14 Bcf/yr, would qualify for DOE/FE’s small scale exception (the “Small-Scale Export Rule”). Pursuant to the Small-Scale Export Rule, small-scale exports to Non-FTA

countries up to and including 51.75 Bcf/yr are deemed to be consistent with the public interest under NGA section 3(a).⁶

IV. AUTHORIZATION REQUESTED

Andalusian requests authorization to export up to the equivalent of approximately 0.14 Bcf/day (or approximately 53.14 trillion Btu per annum) of domestically produced CNG for export by ISO container from Texas to any country with which the United States currently has, or in the future enters into, an FTA requiring national treatment for trade in natural gas. Andalusian requests a long-term authorization for a period of twenty-five (25) years, commencing on the earlier of the date of first export or five (5) years from the date DOE/FE grants the authorization requested in this Application.

Andalusian requests this authorization both on its own behalf and as agent for others. To ensure all exports are permitted and lawful under United States laws and policies, Andalusian will comply with all DOE requirements for an exporter or agent, including but not limited to, registering with DOE/FE each CNG titleholder for whom Andalusian seeks to export CNG and providing the requisite acknowledgements.⁷ While DOE/FE regulations require applicants to submit information on the terms of such export agreements, as well as long-term natural gas supply agreements,⁸ DOE/FE has found that an applicant need not submit this information with the original application if no contracts have been executed at such time.⁹ In such instances, DOE/FE has permitted applicants to submit such information within thirty (30) days of the execution of such contracts, which DOE/FE has found conforms to the requirement in its

⁶ 10 C.F.R. § 590.208 (2019).

⁷ See, e.g., *Freeport LNG Development, L.P.*, DOE/FE Order No. 2913 (2011).

⁸ 10 C.F.R. § 590.202(b) (2019).

⁹ See, e.g., *Blue Water Fuels, LLC*, DOE/FE Order No. 4202 (2018).

regulations that such information be submitted “when practicable.”¹⁰ Andalusian requests that DOE/FE make the same finding in this proceeding and commits that, within thirty (30) days of execution, it will file a copy of such contracts with DOE/FE, including to the extent required, a confidential, non-redacted version and a publically available, redacted version or contract summary.

V. EXPORT SOURCES

Andalusian seeks authorization to export natural gas available from the United States natural gas pipeline supply and transmission system. The Andalusian Facility will interconnect with VCP, an intrastate pipeline that transports natural gas within the State of Texas, via an approximately five (5) mile interconnect. VCP originates near the Agua Dulce hub and connects with multiple intrastate and interstate pipelines, including the Natural Gas Pipeline Company of America, Transco, and Texas Eastern Transmission pipelines. Therefore, through this interconnection, Andalusian will have indirect access to the national natural gas pipeline system, providing Andalusian and its potential customers with a variety of stable and economic supply options.

VI. PUBLIC INTEREST

Pursuant to Section 3(c) of the NGA, applications for authorization to export natural gas, including CNG, to nations with which the United States has in effect an FTA requiring national treatment for trade in natural gas are “deemed to be consistent with the public interest” and must be granted “without modification or delay.”¹¹ In this Application, Andalusian requests authorization to export CNG only to countries with which the United States has or in the future enters into an FTA requiring national treatment for trade in natural gas, such that this Application

¹⁰ *Id.*

¹¹ 15 U.S.C. § 717b(c) (2018).

clearly falls within the scope of Section 3(c). Andalusian, therefore, respectfully requests that DOE/FE promptly grant its request for authorization to export CNG to FTA countries consistent with this statutory presumption.

VII. ENVIRONMENTAL IMPACT

In addition to the authorization from DOE/FE sought in this Application, Andalusian will seek the necessary permits from and consultations with other federal, state, and local agencies to ensure compliance with all environmental laws and regulations.

VIII. APPENDICES

The following appendices are included with this Application:

Appendix A	Opinion of Counsel
Appendix B	Verification
Appendix C	Lease Option (filed privileged & confidential)

IX. CONCLUSION

For the reasons set forth above, Andalusian respectfully requests that DOE/FE issue an order granting Andalusian authorization to export up to approximately 0.14 Bcf/day (or approximately 53.14 trillion Btu per annum), which is approximately equivalent to 1.05 mtpa of domestically produced CNG, to any country with which the United States has, or in the future may have, an FTA requiring national treatment for trade in natural gas for a twenty-five (25) year period. Andalusian request this authorization on its own behalf and as agent for others. As demonstrated herein, the requested authorization is consistent with the public interest and should be granted without modification or delay.

Dated: July 1, 2020

Respectfully submitted,

/s/ Sandra E. Safro

Sandra E. Safro

Jennifer B. Abbey

K&L Gates, LLP

1601 K Street, N.W.

Washington, DC 20006

Telephone: 202.778.9000

Facsimile: 202.778.9100

sandra.safro@klgates.com

jennifer.abbey@klgates.com

Counsel for Andalusian Energy, LLC

APPENDIX A
OPINION OF COUNSEL

Sandra E. Safro
sandra.safro@klgates.com

T +1 202 778 9178
F +1 202 778 9100

July 1, 2020

Ms. Amy Sweeney
Office of Fuels Programs, Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

**Re: Andalusian Energy, LLC
FE Docket No. 20-73-CNG
Application for Long-Term Multi-Contract Authorization to Export Compressed
Natural Gas to Free Trade Agreement Countries**

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), in connection with the application of Andalusian Energy, LLC (“Andalusian”) for long-term authorization to export compressed natural gas to Free Trade Agreement countries. I am counsel to Andalusian Energy, LLC, a limited liability company formed under the laws of Nevada. I have reviewed and relied upon the organizational documents of Andalusian, and it is my opinion that the proposed export of natural gas as described in the application filed by Andalusian, to which this Opinion of Counsel is attached as Appendix A, is within the company powers of Andalusian.

Respectfully submitted,

/s/ Sandra E. Safro
Sandra E. Safro, Partner
Counsel for Andalusian Energy, LLC

APPENDIX B
VERIFICATION

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

In the Matter of)

ANDALUSIAN ENERGY, LLC)

FE Docket No. 20-73-CNG

VERIFICATION

The undersigned, being duly sworn, states that he is the authorized representative of Andalusian Energy, LLC; that he is duly authorized to make this Verification; that he has read the foregoing application and is familiar with the contents therein; that all the statements and matters contained therein are true and correct to the best of his information, knowledge and belief; and that he is authorized to execute and file this application with the United States Department of Energy.



Pedro Santos
CEO/Founder
Andalusian Energy, LLC

Sworn to and subscribed to me this ___ day of _____, 2020.

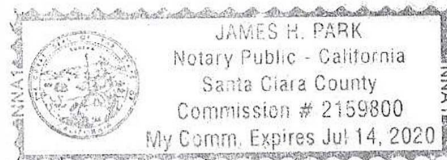
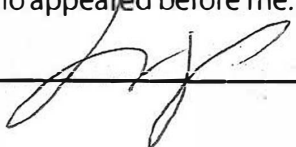
Notary Public
for the State of _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of Santa Clara

Subscribed and sworn to (or affirmed) before me on this
30th day of June 2020,
by Pedro Santos
proved to me on the basis of satisfactory evidence to be
the person(s) who appeared before me.

Signature _____



**APPENDIX C
LEASE OPTION**

(Filed Privileged & Confidential)