# Law Office of Kevin M. Sweeney

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August 14, 2020

Ms. Amy Sweeney Director, Division of Natural Gas Regulation Office of Fossil Energy U.S. Department of Energy Docket Room 3F-056, FE-50 Forrestal Buildingr1000 Independence Avenue, S.W. Washington, D.C. 20585

> Re: Golden Pass LNG Terminal LLC, FE Docket Nos. 12-156-LNG and 12-88-LNG Application for Limited Amendment to Authorizations to Export LNG to Free Trade Agreement and Non-Free Trade Agreement Countries

Dear Ms. Sweeney:

Golden Pass LNG Terminal, LLC ("Golden Pass LNG") hereby submits for filing with the Department of Energy, Office of Fossil Energy an application for a limited amendment to its long-term authorizations to export liquefied natural gas ("LNG") to non-Free Trade Agreement and Free Trade Agreement countries.

Through this Application, Golden Pass LNG seeks limited amendments to two authorizations granted previously by the DOE/FE to export LNG the Golden Pass LNG Terminal in Sabine Pass, Jefferson County, Texas. This Application requests that the DOE/FE amend the authorizations to increase the authorized export quantities. As explained in the Application, GPLNG requests the increases based upon a determination, following further design and operations analysis, that the total LNG production capacity of the Golden Pass LNG Terminal facilities currently under construction is higher than originally projected.

As required by the DOE Regulations at 10 C.F.R. § 590.207, and based on guidance from your office, payment for the filing fee of \$50.00 is being transmitted electronically. Pursuant to 10 C.F.R. § 590.103(b), a certified statement that the signatory is a duly authorized representative is attached in Exhibit A.

Ms. Amy Sweeney August 14, 2020 Page Two

If you have any questions, please contact me at (202) 609-7709.

Respectfully submitted,

/s/ Kevin M. Sweeney

Kevin M. Sweeney *Counsel for Golden Pass LNG Terminal LLC* 

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

Golden Pass LNG Terminal LLC ) Docket Nos. FE12-156-LNG FE12-88-LNG

# APPLICATION OF GOLDEN PASS LNG TERMINAL LLC FOR LIMITED AMENDMENTS TO AUTHORIZATIONS TO EXPORT LIQUEFIED NATURAL GAS

Pursuant to Sections 3(a) and 3(c) of the Natural Gas Act ("NGA"), 15 U.S.C. §§ 717b(a) and 717b(c), and Subpart G of the regulations of the Department of Energy's Office of Fossil Energy ("DOE/FE"), Golden Pass LNG Terminal LLC ("Golden Pass LNG") submits this Application for limited amendments ("Application") to two authorizations granted by the DOE/FE to export Liquefied Natural Gas ("LNG") from the Golden Pass LNG Terminal in Sabine Pass, Texas.

In Docket No. FE12-156-LNG, Golden Pass LNG requests that DOE/FE amend the authorization granted in Order No. 3978<sup>1</sup> to increase the annual authorized LNG export quantity from 15.6 million metric tons ("MT") per annum ("MTPA") to 18.1 MTPA, and from 808 billion cubic feet ("Bcf") annually ("Bcf/yr") to 937 Bcf/yr. In Docket No. FE12-88-LNG, Golden Pass LNG requests that DOE/FE amend the authorization granted in

<sup>&</sup>lt;sup>1</sup> Golden Pass Products LLC, 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")(April 25, 2017)(DOE/FE Order No. 3978). DOE/FE Order Nos. 3147-A, 3978-B and 4146-A issued March 4, 2020, authorized the transfer of this authorization from Golden Pass Products LLC to Golden Pass LNG. For clarity and ease of reference, this Application will refer to both Golden Pass Products LLC and Golden Pass LNG as "Golden Pass LNG."

Order No. 3147<sup>2</sup> to increase the annual authorized LNG export quantity from 15.6 MTPA to 18.1 MTPA, and from to 740 Bcf/yr to 937 Bcf/yr.

In support of this Application, Golden Pass LNG respectfully states as follows:

#### **EXECUTIVE SUMMARY**

Golden Pass LNG seeks to amend its NFTA and FTA export authorizations to increase the authorized LNG export quantities from its facilities currently under construction in Sabine Pass, Texas, to 18.1 MTPA.

- Golden Pass LNG has determined, based on the original design submitted with its July 2014 Application, that the total LNG production capacity of its permitted export facilities is substantially higher than the capacity authorization requested, without any modifications to the facilities as previously approved by the Commission.
- The capacity increase is based on, among other things, capturing the design margins, richer feed-gas composition, and maintenance processes that promote production efficiencies (e.g., reduced downtime).
- The capacity proposed in Golden Pass LNG's original application was based on more conservative assumptions, and does not reflect the capacity of the facilities under optimal operating conditions.

<sup>&</sup>lt;sup>2</sup> Golden Pass Products LLC, 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)(September 27, 2012)(DOE/FE Order No. 3147). DOE/FE Order Nos. 3147-A, 3978-B and 4146-A, cited above, also authorized the transfer of this export authorization from Golden Pass Products LLC to Golden Pass LNG.

- This request does not require the construction of additional facilities or modification of the facilities approved previously by the Federal Energy Regulatory Commission ("Commission" or "FERC") and therefore will not result in additional environmental impacts beyond the impacts previously identified in the final Environmental Impact Statement for the Golden Pass LNG Export Project.
- Golden Pass LNG has submitted a corresponding application to the FERC under NGA Section 3 to increase the authorized LNG export capacity of the terminal facilities to correspond to the increases requested in this Application.

#### I. BACKGROUND

On April 25, 2017, the Office of Fossil Energy ("FE") of the Department of Energy ("DOE")<sup>3</sup> issued DOE/FE Order No. 3978 in Docket No. FE12-156-LNG. Order No. 3978 granted Golden Pass LNG authorization pursuant to NGA Section 3 to export up to 808 Bcf/yr of LNG to NFTA countries for a twenty-year term. On September 27, 2012, the DOE/FE issued Order No. 3147 in Docket No. FE12-88-LNG, authorizing Golden Pass LNG to export 740 Bcf/yr (non-additive) to FTA countries. In Order No. 3978, the DOE/FE authorized the export of 808 Bcf/yr, a higher quantity than Golden Pass LNG had requested, based on DOE/FE's use of a different MTPA to Bcf/yr conversion factor than

<sup>&</sup>lt;sup>3</sup> The regulatory functions of NGA Section 3 were transferred from the Federal Power Commission to the Secretary of Energy in 1977. 42 U.S.C. § 7151(b) (2006). The DOE Secretary subsequently delegated to the FERC the authority to approve or disapprove the siting, construction and operation of natural gas facilities for import or export of natural gas, and the place of entry for imports or exit for exports by pipeline. The Secretary's current delegation of these authorities to the FERC was renewed by the Secretary's DOE Delegation Order No. 00-044.00A, effective May 16, 2006.

Golden Pass LNG had used in its application.<sup>4</sup>

Both of the DOE/FE authorizations for LNG exports contemplated that Golden Pass LNG would export the authorized volumes from the Golden Pass LNG Terminal ("Golden Pass Terminal") in Sabine Pass, Texas.<sup>5</sup> Both authorizations were made subject to the construction of the export terminal facilities.

The FERC issued an order on December 21, 2016<sup>6</sup> authorizing Golden Pass LNG to site, construct and operate the Golden Pass Export Project facilities, to be located adjacent to and integrated with the existing LNG import terminal constructed by Golden Pass LNG onshore at the Sabine-Neches Waterway, on the existing Port Arthur Ship Channel, in the vicinity of Sabine Pass in Jefferson County, Texas.<sup>7</sup> The Golden Pass

<sup>&</sup>lt;sup>4</sup> Golden Pass LNG used a conversion factor of 47.256 to convert MT to Bcf. In Order No. 3978, DOE/FE stated that it used a conversion factor of 51.75 Bcf per MT for U.S.-produced LNG. Order No. 3978 at pp. 1, 172.

<sup>&</sup>lt;sup>5</sup> Order No. 3147, at pp. 2, 3, 7; Ordering Paragraphs (A), (J); Order No. 3978, pp. 1, 2, 7-9, 10, 13-16, Ordering Paragraphs (A), (B) and (O).

<sup>&</sup>lt;sup>6</sup> Golden Pass Products LLC and Golden Pass Pipeline LLC, 157 FERC ¶ 61,222 (2016)("December 2016 Order"). On December 20, 2018, the FERC authorized the transfer of Golden Pass Products LLCs' authorization Order to Golden Pass LNG as part of an anticipated merger to Golden Pass Products with and into Golden Pass LNG. Golden Pass LNG Terminal LLC and Golden Pass Products LLC, 165 FERC ¶ 61,261 (2018).

<sup>&</sup>lt;sup>7</sup> The FERC authorized the siting, construction and operation of the existing LNG import facilities in an order issued in 2005. *Golden Pass LNG Terminal LP and Golden Pass Pipeline LP*, 112 FERC ¶ 61,041 (2005) (2005 Order). The FERC also authorized the construction and operation of the Golden Pass Pipeline LLC ("Golden Pass Pipeline") system. The Golden Pass Pipeline is an interstate pipeline that extends from the Golden Pass LNG Terminal approximately 69 miles to Starks, Louisiana, connecting with interand intrastate pipelines along its route. It is authorized to transport up to 2.5 Bcf/d of revaporized natural gas from the tailgate of the GPLNG terminal to interconnections with several intrastate and interstate pipelines. The FERC's December 2016 Order authorizing the Golden Pass LNG Export Project also authorized the expansion of the Golden Pass Pipeline system to enable transportation of natural gas to the Golden Pass LNG Terminal for liquefaction and export.

Export Project comprises three liquefaction trains with a total production capacity sufficient to produce 15.6 MTPA of LNG, each train producing 5.2 MTPA. The December 16 Order further authorized Golden Pass LNG to construct and operate feed gas treatment facilities consisting of a mercury removal system, amine system, and heavy hydrocarbon removal system. Golden Pass LNG commenced construction of the Export Terminal Project facilities in May, 2019, and contemplates initial commencement of service in 2024.<sup>8</sup>

#### **II. INFORMATION REGARDING THE APPLICANT**

The exact legal name of applicant is Golden Pass LNG Terminal LLC. Golden Pass LNG Terminal is a limited liability company organized and existing under the laws of the State of Delaware, with its principal place of business at Three Allen Center, 333 Clay Street, Suite 802, Houston, Texas 77002. Golden Pass LNG Terminal is owned by QTL U.S. Terminal LLC ("QTL"), an affiliate of Qatar Petroleum International Limited ("QPI"),<sup>9</sup> and Golden Pass LNG Terminal Investments LLC, an affiliate of Exxon Mobil Corporation ("ExxonMobil").

#### **III. COMMUNICATIONS**

Golden Pass LNG requests that all pleadings, correspondence and other communications concerning this application be directed the individuals identified below, and that their names, titles, and mailing addresses be added to the official service list.

<sup>&</sup>lt;sup>8</sup> On March 24, 2020, the DOE/FE issued Order Nos. 3978-C and 3147-B, granting Golden Pass LNG's application for an extension of the deadline for commencement of commercial LNG export operations to NFTA countries until September 30, 2025, and extending the time for commencement of the 25-year term for LNG exports to FTA countries until September 30, 2025.

<sup>&</sup>lt;sup>9</sup> QTL and QPI are direct and indirect owners, respectively, in Golden Pass LNG.

Golden Pass LNG requests waiver of Section 590.202(a) of the DOE/FE regulations to

permit more than two persons to be listed on the official service list.

Blaine Yamagata Vice President and General Counsel Golden Pass LNG Terminal LLC 811 Louisiana, Suite 1500 Houston, TX 77002 (713) 324-6952 (phone) (713) 324-6817 (fax) blaine.yamagata@gpterminal.com Kevin M. Sweeney Law Office of Kevin M. Sweeney 1625 K Street, NW, Suite 1100 Washington, DC 20006 (202) 609-7709 ksweeney@kmsenergylaw.com

and

Joel Hindman Regulatory Advisor Golden Pass LNG Terminal LLC 811 Louisiana, Suite 1500 Houston, TX 77002 (713) 324-6945 (phone) james.j.hindman@gpterminal.com

#### **IV. DESCRIPTION OF REQUESTED AUTHORIZATION**

In Docket No. FE12-156-LNG, Golden Pass LNG requests that DOE/FE amend the authorization granted in Order No. 3978 to increase the annual authorized LNG export quantity from 15.6 MTPA to 18.1 MTPA, and from 808 Bcf/yr to 937 Bcf/yr. In Docket No. FE12-88-LNG, Golden Pass LNG further requests that DOE/FE amend the authorization granted in Order No. 3147 to increase the annual authorized LNG export quantity from 15.6 MTPA to 18.1 MTPA, and from to 740 Bcf/yr to 937 Bcf/yr.

The current FERC-authorized liquefaction capacity of approximately 740 Bcf/yr is equivalent to 15.6 MPTA,<sup>10</sup> with each train producing 5.2 MTPA, representing the

<sup>&</sup>lt;sup>10</sup> That Bcf/y calculation was based on a conversion factor of 47.256 Bcf per million metric tons, as set forth in GPLNG's application. As explained above, the DOE/FE has authorized LNG exports of 808 Bcf/yr to NFTA countries, based on DOE/FE's conversion factor.

nameplate capacity estimated in Golden Pass LNG's 2014 Application.<sup>11</sup> However, the nameplate capacity rating of an LNG train is a very conservative estimate of the expected average annual output of the LNG train over its anticipated lifetime, not the maximum quantity of LNG that can be produced by that train in a particular year.

Based on the permitted design, and assuming optimal operating conditions, Golden Pass LNG has calculated the Export Project's actual peak LNG production and export capability to be approximately 18.1 MTPA and 937 Bcf/yr. On May 21, 2020, Golden Pass LNG filed an application with the FERC to amend the December 21, 2016 Order to increase the authorized capacity to maximum LNG production capacity as determined through this analysis.<sup>12</sup> Accordingly, in this Application, Golden Pass LNG requests authorization to align its authorized LNG export quantity with the Export Project's FERCauthorized liquefaction capacity based on the maximum design LNG production capability of the Export Project facilities.

As discussed in Golden Pass LNG's companion application to the FERC, the proposed increase in export quantity reflected in this Application can be accomplished without any additional construction. Thus, the Golden Pass LNG Export Project can achieve its maximum LNG production level while remaining in full compliance with applicable air emission and other regulatory requirements.<sup>13</sup> Consequently, the requested

<sup>&</sup>lt;sup>11</sup> December 2016 Order, 157 FERC ¶ 61,222 at P 9.

<sup>&</sup>lt;sup>12</sup> Golden Pass LNG Terminal LLC, 85 Fed. Reg. 34187 (June 3, 2020)(Notice of Application). The Notice established June 18, 2020, as the deadline for interventions and comments. No timely interventions or comments were filed.

<sup>&</sup>lt;sup>13</sup> The basis of the Air Permit conservatively used the daily LNG maximum production fuel gas rate annualized without consideration for downtime. The Hazard Analysis Report, performed as part of Resource Report 11, also conservatively used the daily LNG

amendment to the Golden Pass LNG's authorization in the December 2016 Order will not have any additional environmental impacts. Accordingly, this Application does not include an Environmental Report.

To calculate the nameplate capacity reflected in the application filed with the FERC and approved in the FERC's December 2016 Order, Golden Pass LNG adopted conservative assumptions regarding the operating parameters of the Export Project, consistent with the parameters utilized by its engineering, procurement and construction contractor, process licensors and equipment vendors. Golden Pass LNG employed those typical operating parameters in part to ensure that production guarantees could be met. However, these assumptions understate the maximum capacity of the facilities in any given year, to account for planned downtime, unplanned downtime or unfavorable operating conditions that may or may not occur.

As demonstrated in the engineering information filed as part of Golden Pass LNG's companion application to the FERC to increase the capacity of the Golden Pass LNG Terminal to correspond to the export quantity increase requested in this Application, the maximum equivalent annualized LNG production rate, based on the LNG rundown rate used in both Resource Report 13 and Resource Report 11, is 18.48 MTPA, well above the 18.1 MTPA annual export capacity requested in the application filed with the FERC.

Golden Pass LNG has determined that seasonal variations in ambient temperature and other design margin factors reduce this annual production to the equivalent of 18.1

maximum production rate for both richer feed-gas composition and cold ambient conditions. Therefore, neither the Air Permit nor the Hazard Analysis Report are impacted by the requested LNG production capacity increase.

MTA. LNG trains are typically designed incorporating the use of certain design margins. Design margins include:

- allowances for higher pressure drop through equipment, piping, turbine exhausts and other systems that affect performance;
- recirculation of hot air from the air coolers to the gas turbine inlet or to other air coolers;
- fouling of air cooler or heat exchanger surfaces;
- conservative assumptions regarding compressor, turbine, pump or other equipment performance, to reflect aging or degradation over time;
- conservative modeling algorithms, inputs or library data used to simulate overall process performance and LNG production;
- design margins added for heat gain through insulation, pumps and other equipment affecting LNG boil-off; and
- selection of conservative feed-gas compositions, pressures or temperatures used for process simulations.

As discussed above, for purposes of recalculating the peak LNG production capacity of the Export Project, Golden Pass LNG has assumed optimal operating conditions capturing the design margins, richer feed-gas composition, and maintenance processes that promote production efficiencies).

Additionally, by implementing a superior preventive maintenance program, continued operator training, careful scheduling, and a thoughtful design that provides operational redundancy and reliability, Golden Pass LNG may reduce the number of both planned and unplanned shutdowns previously assumed in the conservative nameplate

capacity as well as the number of non-operational days and cycles required for planned preventative maintenance shutdowns.<sup>14</sup>

#### V. ENVIRONMENTAL

As stated above, the increase in authorized capacity Golden Pass LNG requests in this Application does not require the construction of new facilities or the modification of previously authorized facilities. Golden Pass LNG respectfully submits that the proposed amendments to its existing authorizations do not constitute a major federal action significantly affecting the quality of the human environment within the meaning of the National Environmental Policy Act of 1969.<sup>15</sup>

In its separate capacity increase amendment application filed with the FERC, Golden Pass LNG has stated that because that application does not request authorization to construct new or additional facilities, and does not propose any changes in terminal operations beyond the volume of increased export quantities, it did not include the environmental resource reports ordinarily required under Section 153.8(a)(7) of the FERC's regulations.<sup>16</sup>

<sup>&</sup>lt;sup>14</sup> Certain preventative maintenance activities must take place at regular, planned intervals to ensure the safe and efficient operation of the gas turbines and other equipment. An LNG train may be shut down for Golden Pass LNG to perform inspections, replace parts subject to normal wear and tear, replenish chemicals and lubricants, recalibrate instruments and perform other maintenance tasks as required. These planned maintenance intervals will vary from year to year, with some years having as many as thirty days of planned shutdowns, and others having as few as one to three days.

<sup>&</sup>lt;sup>15</sup> 42 U.S.C. §§ 4321, *et seq*. ("NEPA").

<sup>&</sup>lt;sup>16</sup> 18 C.F.R. § 153.8(a)(7)(2019).

### VI. THE PROPOSED INCREASE IN AUTHORIZED EXPORT QUANTITY IS CONSISTENT WITH THE PUBLIC INTEREST.

Section 3(a) of the NGA sets forth the standard for approval of imports and exports of natural gas.<sup>17</sup> DOE/FE, as affirmed by the District of Columbia Circuit, has consistently interpreted Section 3(a) as creating a rebuttable presumption that a proposed import or export of natural gas is in the public interest,<sup>18</sup> such that DOE/FE must grant an export application unless the export is found to be inconsistent with the public interest. Section 3(c) of the NGA<sup>19</sup> provides that applications to authorize: (a) the import and export of natural gas, including LNG, from and to a nation with which there is in effect an FTA requiring national treatment for trade in natural gas, and (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay.

As discussed above, Golden Pass LNG's requested increase in authorized export

<sup>19</sup> 15 U.S.C. § 717b(c).

<sup>&</sup>lt;sup>17</sup> 15 U.S.C. § 717b(a). Section 3(a) states as follows:

<sup>[</sup>N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy84] authorizing it to do so. The [Secretary] shall issue such order upon application, unless after opportunity for hearing, [he] finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by [the Secretary's] order grant such application, in whole or part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate.

<sup>&</sup>lt;sup>18</sup> See Sierra Club v. Department of Energy, 867 F.3d at F.3d 189 at 203 (2017) (denying petition for review of the LNG export authorization issued to Freeport LNG Expansion, L.P., et al.), quoting *W. Va. Pub. Serv. Comm 'n v. U.S. Dep 't of Energy*, 681 F.2d 847, 856 (D.C. Cir. 1982).

quantities under Order Nos. 3978 and 3147 to reflect the proposed higher authorized liquefaction capacity of the Export Project from 15.6 MTPA to 18.1 MTPA and 740 Bcf/yr (FTA) and 808 Bcf/yr (NFTA) to 937 Bcf/yr will align the authorization with the maximum design liquefaction capacity of the Export Project facilities. The FERC has previously found, subject to the conditions imposed in the December 2016 Order, that the proposed facilities are not inconsistent with the public interest, would result in only minimal environmental impacts, and can be constructed and operated safely.<sup>20</sup> As stated above, Golden Pass LNG's application to the FERC does not request any modifications to the facilities or operations approved in the FERC's December 2016 Order.

In *Jordan Cove Energy Project L.P.*,<sup>21</sup> the DOE/FE authorized the export of LNG up to the equivalent of 395 Bcf/yr to non-FTA countries.<sup>22</sup> DOE/FE stated that with the issuance of Order No. 3413-A, it had issued 43 final non-FTA authorizations in a cumulative volume of exports totaling 45.89 Bcf per day ("Bcf/d") of natural gas, or approximately 16.7 trillion cubic feet per year. DOE/FE stated further that this total export volume was within the range of scenarios analyzed in the 2018 LNG Export Study.<sup>23</sup> The 2018 Study is the most recent of a series of studies commissioned by DOE/FE to assess the

<sup>&</sup>lt;sup>20</sup> December 2016 Order, 157 FERC ¶ 61,222 at PP 24-25.

<sup>&</sup>lt;sup>21</sup> FE Docket No. 12-32-LNG (Final Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations)(July 6, 2020)(Order No. 3413-A).

<sup>&</sup>lt;sup>22</sup> Order No. 3413-A, at p. 55; Ordering Paragraph (A).

<sup>&</sup>lt;sup>23</sup> See NERA Economic Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (June 7, 2018), available at: https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Expor t%20Study%202018.pdf ("2018 LNG Export Study" or "2018 Study").

impacts of varying levels of LNG exports on domestic energy markets.<sup>24</sup> The DOE/FE found that the export of LNG from the lower-48 states, in volumes up to and including 52.8 Bcf/d of natural gas, would not be inconsistent with the public interest.<sup>25</sup>

The additional export volumes for which non-FTA export authorization is sought in this Application would equate to 2.6 Bcf/d. When added to the cumulative authorized quantity of 44.81 Bcf/d, the additional export volumes for which authorization is sought in this application would thus equal 47.41 Bcf/d. This cumulative total is well within the 52.8 Bcf/d LNG export level that the 2018 Study found would result in net economic benefits from the export of domestically produced LNG, as discussed above. Thus, the increased export volume proposed in this Application clearly meets the "not inconsistent with the public interest standard" under NGA Section 3(a). The DOE/FE should accordingly authorize the requested increase as proposed.

<sup>&</sup>lt;sup>24</sup> The 2018 Study included the following results: (1) the more likely range of LNG exports in the year 2040 was judged to range from 8.7 to 30.7 Bcf/d of natural gas; (2) U.S. natural gas prices range from \$5 to approximately \$6.50 per million British thermal unit (MMBtu) in 2040 (in constant 2016 dollars) under Reference case supply assumptions; (3) for each of the supply scenarios examined, higher levels of LNG exports in response to international demand consistently lead to higher levels of Gross Domestic Product ("GDP"); (4) GDP achieved with the highest level of LNG exports in each group exceeds GDP with the lowest level of LNG exports by \$13 to \$72 billion in 2040 (in constant 2016 dollars); (5) approximately 80% of the increase in LNG exports is satisfied by increased U.S. production of natural gas, with positive effects on labor income, output, and profits in the natural gas production sector; (6) chemical industry subsectors of the economy that rely heavily on natural gas for energy and as a feedstock continue to exhibit robust growth even at higher LNG export levels; and (7) even the most extreme scenarios of high LNG exports outside the more likely probability range (exhibiting a combined probability of less than 3%) 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.

<sup>&</sup>lt;sup>25</sup> DOE/FE Order No. 3413-A, at p. 117.

#### VII. CORPORATE POWERS AND AGREEMENTS

In accordance with Section 590.202(c) of the regulations, this Application attaches a statement, including a signed opinion of legal counsel, showing that the proposed export of natural gas is within the corporate powers of Golden Pass LNG.

#### VIII. EXHIBITS

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

Exhibit A: Opinion of Counsel

#### IX. CONCLUSION

WHEEREFORE, for the foregoing reasons, Golden Pass LNG respectfully requests that the Commission (1) amend the authorization granted in Order No. 3978 to increase the annual authorized LNG export quantity from 15.6 to 18.1 MTPA, and from 808 Bcf/yr to 937 Bcf/yr, and (2) amend the authorization granted in Order No. 3147 to increase the annual authorized LNG export quantity from 15.6 MTPA to 18.1 MTPA, and from to 740 Bcf/yr to 937 Bcf/yr.

Respectfully submitted,

Blaine Yamagata Vice President and General Counsel Golden Pass LNG Terminal LLC 811 Louisiana, Suite 1500 Houston, TX 77002 /s/ Kevin M. Sweeney Kevin M. Sweeney Law Office of Kevin M. Sweeney 1625 K Street, NW Suite 1100 Washington, DC 20006 (202) 609-7709

# Attorneys for Golden Pass LNG Terminal LLC

August 14, 2020

#### UNITED STATES OF AMERICA DEPARTMENT OF ENERGY/OFFICE OF FOSSIL ENERGY

**Golden Pass LNG Terminal LLC** 

Docket No. FE12-156-LNG FE12-88-LNG

#### NOTICE OF APPLICATION TO AMEND SECTION 3 AUTHORIZATION

(August \_\_, 2020)

The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application (Application), filed on August 14, 2020, by Golden Pass LNG Terminal LLC (Golden Pass LNG), 811 Louisiana, Suite 1500, Houston, Texas 77002, in Docket Nos. FE12-156-LNG and FE12-88-LNG pursuant to section 3 of the Natural Gas Act (NGA) and Subpart G of the DOE/FE Regulations. The Application requests authority to amend the authorizations issued by DOE/FE granted long-term, multi- contract authorization to export domestically produced liquefied natural gas (LNG) to increase the authorized export quantities from Golden Pass LNG's proposed natural gas liquefaction and export facilities to be located in Jefferson County, Texas.

In Docket No. FE12-156-LNG, Golden Pass LNG requests that DOE/FE amend the authorization granted in Order No. 3978<sup>1</sup> to increase the annual authorized LNG export quantity from 15.6 metric tons per annum ("MTPA") to 18.1 MTPA, and from 808 Bcf/yr to 937 Bcf/yr. In Docket No. FE12-88-LNG, Golden Pass LNG requests that DOE/FE amend the authorization granted in Order No. 3147<sup>2</sup> to increase the annual authorized LNG export quantity from 15.6 MTPA to 18.1 MTPA, and from to 740 Bcf/y to 937 Bcf/y.

Questions regarding this filing may be directed to Blaine Yamagata, Vice President and General Counsel, Golden Pass LNG, 811 Louisiana, Suite 1500, Houston, Texas 77002; or to Kevin M. Sweeney, Law Office of Kevin M. Sweeney, 1625 K Street, NW, Washington, DC 20006, phone: (202) 609-7709.

<sup>&</sup>lt;sup>1</sup> Golden Pass Products LLC, 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")(April 25, 2017)(DOE/FE Order No. 3978). The DOE/FE subsequently approved the transfer of this authorization to Golden Pass LNG, the current authorization holder.

<sup>&</sup>lt;sup>2</sup> Golden Pass Products LLC, 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)(September 27, 2012)(DOE/FE Order No. 3147). The DOE/FE also approved the transfer of this authorization to Golden Pass LNG.

DATES: Protests, motions to intervene or notices of intervention, as applicable, requests for additional procedures, and written comments are to be filed using procedures detailed in the Public Comment Procedures section no later than 4:30 p.m., Eastern time, \_\_\_\_\_, 2020.

ADDRESSES: Electronic Filing by email: fergas@ hq.doe.gov. Regular Mail: U.S. Department of Energy (FE–34), Office of Regulation, Analysis, and Engagement, Office of Fossil Energy, P.O. Box 44375, Washington, DC 20026–4375. Hand Delivery or Private Delivery Services (e.g., FedEx, UPS, etc.): U.S. Department of Energy (FE–34), Office of Regulation, Analysis, and Engagement, Office of Fossil Energy, Forrestal Building, Room 3E–042, 1000 Independence Avenue SW, Washington, DC 20585. FOR

FURTHER INFORMATION CONTACT: Benjamin Nussdorf or Larine Moore, U.S. Department of Energy (FE–34), Office of Regulation, Analysis, and Engagement, Office of Fossil Energy, Forrestal Building, Room 3E–042, 1000 Independence Avenue SW, Washington, DC 20585, (202) 586–7970; (202) 586– 9478. Cassandra Bernstein, U.S. Department of Energy (GC–76), Office of the Assistant General Counsel for Electricity and Fossil Energy, Forrestal Building, 1000 Independence Avenue SW, Washington, DC 20585, (202) 586–9793.

SUPPLEMENTARY INFORMATION: Golden Pass LNG requests these amendments based on its determination that the total LNG production capacity of the Golden Pass LNG Terminal facilities currently under construction is higher than the authorized level. The basis for this determined is explained below. Golden Pass LNG has submitted a corresponding application to the Federal Energy Regulatory Commission ("FERC") under NGA Section 3 to increase the authorized LNG export capacity of the terminal facilities to correspond to the increases requested in this Application. The amended authorizations requested herein and before the FERC do not require the construction of any additional facilities beyond those authorized in previous orders, and require no changes in the operation of the Golden Pass LNG Terminal.

Protests, motions to intervene, notices of intervention, and written comments are invited.

DOE/FE Evaluation: In reviewing Golden Pass LNG's Application, DOE will consider any issues required by law or policy. DOE will consider domestic need for the natural gas, as well as any other issues determined to be appropriate, including whether the arrangement is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements. As part of this analysis, DOE will consider the study entitled, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (2018 LNG Export Study),<sup>3</sup> and DOE/FE's

<sup>&</sup>lt;sup>3</sup> NERA Economic Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (June 7, 2018), available at: https://www.energy.gov/sites/prod/files/2018/06/f52/

response to public comments received on that Study.<sup>4</sup> Additionally, DOE will consider the following environmental documents:

• Addendum to Environmental Review Documents Concerning Exports of Natural Gas From the United States, 79 FR 48132 (Aug. 15, 2014);<sup>5</sup> and

• Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States, 79 FR 32260 (June 4, 2014).<sup>6</sup>

Parties that may oppose this Application should address these issues and documents in their comments and/ or protests, as well as other issues deemed relevant to the Application. The National Environmental Policy Act (NEPA), 42 U.S.C. 4321 et seq., requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. No final decision will be issued in this proceeding until DOE has met its environmental responsibilities.

PUBLIC COMMENT PROCEDURES: In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Interested parties will be provided 60 days from the date of publication of this Notice in which to submit comments, protests, motions to intervene, or notices of intervention. Any person wishing to become a party to the proceeding must file a motion to intervene or notice of intervention. The filing of comments or a protest with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 CFR part 590. Filings may be submitted using one of the following methods: (1) Emailing the filing to fergas@hq.doe.gov, with FE Docket No. 19-34-LNG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Regulation, Analysis, and Engagement at the address listed in ADDRESSES; or (3) hand delivering an original and three paper copies of the filing to the Office of Regulation, Analysis, and Engagement at the address listed in ADDRESSES. All filings must include a reference to FE Docket No. 19-34-LNG.

Macroeconomic%20LNG%20Export%20Study %202018.pdf; see also U.S. Dep't of Energy, Study on Macroeconomic Outcomes of LNG Exports; Notice of Availability of the 2018 LNG Export Study and Request for Comments, 83 FR 27314 (June 12, 2018)

<sup>&</sup>lt;sup>4</sup> U.S. Dep't of Energy, Study on Macroeconomic Outcomes of LNG Exports: Response to Comments Received on Study; Notice of Response t

<sup>&</sup>lt;sup>5</sup> The Addendum and related documents are available at: https://www.energy.gov/sites/prod/ files/2014/08/f18/Addendum.pdf.

<sup>&</sup>lt;sup>6</sup> 4The Life Cycle Greenhouse Gas Report is available at: http://energy.gov/fe/life-cyclegreenhouse-gas-perspective-exporting-liquefiednatural-gas-united-states.

PLEASE NOTE: If submitting a filing via email, please include all related documents and attachments (e.g., exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are filed in a timely manner. Any hardcopy filing submitted greater in length than 50 pages must also include, at the time of the filing, a digital copy on disk of the entire submission. A decisional record on the Application will be developed through responses to this Notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Opinion and Order may be issued based on the official record, including the Application and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316. The Application is available for inspection and copying in the Office of Regulation, Analysis, and Engagement docket room, Room 3E-042, 1000 Independence Avenue SW, Washington, DC 20585. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. The Application and any filed protests, motions to intervene or notice of interventions, and comments will also be available electronically by going to the following DOE/FE Web address: http:// www.fe.doe.gov/programs/ gasregulation/index.html.

Signed in Washington, DC, on \_\_\_\_\_, 2020.

Amy Sweeney, Director, Division of Natural Gas Regulation.



August 14, 2020

Ms. Amy Sweeney Director, Division of Natural Gas Regulation Office of Fossil Energy U.S. Department of Energy Docket Room 3F-056, FE-50 Forrestal Building 1000 Independence Avenue, S.W. Washington, D.C. 20585

> Re: Golden Pass LNG Terminal LLC, FE Docket Nos. 12-156-LNG and FE Docket No. 12-88-LNG Opinion of Counsel

Dear Ms. Sweeney:

Golden Pass LNG Terminal, LLC ("Golden Pass LNG") is applying to the Department of Energy Office of Fossil Energy ("DOE/FE" pursuant to Section 3 of the Natural Gas Act, 15 U.S.C. § 717b, an application to amend the authorizations granted by the DOE/FE in in Order Nos. 3978<sup>1</sup> and 3147<sup>2</sup> for the exportation of liquefied natural gas ("LNG")("Application for Limited Amendment"). Golden Pass LNG would make the authorized exports from authorized facilities currently under construction contiguous to and integrated with the existing LNG import terminal owned and operated by Golden Pass LNG in the vicinity of Sabine Pass, Texas.

I furnish this Opinion pursuant to Section 590.202(c) of the DOE regulations, 10 C.F.R. § 590.202(c)(2019), which requires that Golden Pass LNG provide an opinion of showing that a proposed import or export of natural gas is within the corporate powers of the applicant. For purposes of this Opinion, I have examined all relevant documents and made examinations of law as I deemed necessary.

<sup>&</sup>lt;sup>1</sup> Golden Pass Products LLC, 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")(April 25, 2017)(DOE/FE Order No. 3978). DOE/FE Order Nos. 3147-A, 3978-B and 4146-A issued March 4, 2020, authorized the transfer of this authorization from Golden Pass Products LLC to Golden Pass LNG.

<sup>&</sup>lt;sup>2</sup> Golden Pass Products LLC, 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)(September 27, 2012)(DOE/FE Order No. 3147). DOE/FE Order Nos. 3147-A, 3978-B and 4146-A issued March 4, 2020, also authorized the transfer of this authorization from Golden Pass Products LLC to Golden Pass LNG.

Based on the foregoing examinations, I am of the opinion that the proposal of Golden Pass LNG to increase its authorized export quantities as set forth in this Application is within the authorized powers of Golden Pass LNG.

Respectfully submitted,

Blaine Mamagale

Blaine Yamagata Vice President and General Counsel Golden Pass LNG Terminal, LLC



# **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled in this proceeding.

Dated at Washington, DC, this 14th day of August, 2020

/s/ Kevin M. Sweeney Kevin M. Sweeney Law Office of Kevin M. Sweeney 1625 K Street, NW Suite 1100 Washington, DC 20006 (202) 609-7709