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

In the Matter Of: § **Docket No. 20-102-LNG**
§
BP ENERGY COMPANY §
§

**APPLICATION OF BP ENERGY COMPANY
FOR BLANKET AUTHORIZATION
TO EXPORT PREVIOUSLY IMPORTED LIQUIFIED NATURAL GAS
ON A SHORT-TERM BASIS**

Pursuant to Section 3 of the Natural Gas Act (NGA), 15 U.S.C. §717b, and Part 590 of the Department of Energy’s (DOE) regulations, 10 C.F.R. Part 590, BP Energy Company (BPEC) hereby requests that DOE, Office of Fossil Energy (DOE/FE), issue an order granting blanket authorization for BPEC for itself and as agent for third parties to engage in short-term exports of up to approximately thirty billion cubic feet (30 Bcf), on a cumulative basis, of previously imported liquefied natural gas (LNG) from foreign sources, for a two-year period commencing November 19, 2020, which is the day following the date upon which its existing blanket re-export authorization ¹ is scheduled to expire. BPEC is seeking authorization to export such previously imported LNG from the Dominion Energy Cove Point LNG, LP, liquefied natural gas import terminal (Cove Point) in Calvert County, Maryland to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by Federal law or policy. Good cause exists to grant the requested authorization for the reasons stated below.

¹ *BP Energy Company*, DOE/FE Order No. 4302, FE Docket No. 18-69-LNG, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel to Free Trade Agreement and Non-Free Trade Agreement Nations (Nov. 19, 2018).

I. DESCRIPTION OF THE APPLICANT

BPEC is a Delaware corporation with its principal place of business in Houston, Texas. BPEC is a wholly owned indirect subsidiary of BP America Inc. BPEC is in the global business of marketing and trading commodities, including LNG. BPEC has contracted for 0.333 Bcf/day of import capacity from Cove Point with a primary term of 20 years. The primary term will expire on August 18, 2023. On June 13, 2016, DOE/FE Order No. 3850 granted BPEC blanket authorization to import the equivalent of up to 1,200 Bcf of natural gas from various international sources for a two year period beginning on August 22, 2016.² Under the terms of the blanket authorization, LNG may be imported at any LNG receiving facility in the United States and its territories.

II. COMMUNICATIONS AND CORRESPONDENCE

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

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III. AUTHORIZATION REQUESTED

BPEC requests blanket authorization to export on a short-term or spot market basis up to 30 Bcf of previously imported LNG cumulatively over a two-year period commencing on November 19, 2020. BPEC further requests that such authorization extend to LNG supplies

² *BP Energy Company*, DOE/FE Order No. 3850 (June 13, 2016). This authorization was renewed in *BP Energy Company*, DOE/FE Order No. 4199 (June 8, 2018) and again recently in *BP Energy Company*, DOE/FE Order No. 4560 (July 7, 2020).

imported from foreign sources to which BPEC holds title, as well as to LNG supplies imported from foreign sources that BPEC may export on behalf of other entities who hold title. Under the authorization sought herein, BPEC does not request the authority to export any domestically produced natural gas or LNG, although it is possible the previously imported LNG may be commingled in the Cove Point LNG terminal with LNG sourced from domestic natural gas. BPEC will not export LNG to those countries with which trade is prohibited by Federal law or policy.

The blanket export authorization requested by BPEC would be applicable to exports from the Cove Point LNG terminal, in Calvert County, Maryland. There are no proceedings related to this application currently pending before the DOE or any other federal agency.

The blanket authorization requested by BPEC is substantially similar to the blanket export authorization granted by DOE/FE to ConocoPhillips in Order No. 2731.³ In that proceeding, the blanket export authorization granted by DOE/FE was limited to exports from a specified LNG import terminal. Consistent with that precedent, BPEC requests that the blanket export authorization requested herein be applicable to exports from the Cove Point LNG terminal. In this regard, DECP has previously received authority from the Federal Energy Regulatory Commission to modify its facilities so as to enable LNG exports as well as imports.⁴

IV. PUBLIC INTEREST STANDARD

Pursuant to Section 3 of the NGA, DOE/FE must authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”⁵ Accordingly, Section 3 creates a statutory presumption in favor of approval of a properly

³ *ConocoPhillips Company*, DOE/FE Order No. 2731 (November 30, 2009).

⁴ *Dominion Cove Point LNG, LP*, 148 FERC ¶ 61,244 (2014).

⁵ 15 U.S.C. § 717b (2010).

framed export application.⁶ Any opponent would bear the burden of overcoming that presumption.⁷ In evaluating an export application, DOE/FE applies the standards set forth in DOE Delegation Order No. 0204-111, which “focuses primarily on domestic need for the gas to be exported, as described in the Secretary’s natural gas policy guidelines”.⁸ As detailed below, the blanket export authorization requested by BPEC satisfies the public interest standard of Section 3 of the NGA as construed by the DOE/FE.

In Order No. 4302, which granted BPEC blanket authorization to export LNG previously imported from foreign sources in a volume equivalent to 30 Bcf, DOE/FE determined that U.S. consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG that BPEC seeks to export.⁹ More recently, in DOE/FE Order No. 4425 (“Order No. 4425”) issued on August 21, 2019, DOE/FE authorized the export of previously imported LNG citing authoritative data that substantiates U.S. consumer access to ample volumes of natural gas to meet domestic demand. Specifically, in Order No. 4425, DOE/FE took administrative notice that the Energy Information Administration (“EIA”) Annual Energy Outlook 2019 (“AEO2019”) shows annual domestic dry natural gas production in 2020 of 33.55 Tcf, with total natural gas consumption projected to be 30.26 Tcf in the same year.¹⁰ In this regard, DOE/FE found that AEO2019 supports the conclusion that volumes of foreign-sourced LNG are not needed to meet domestic demand.¹¹

⁶ See *Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Opinion and Order No. 1473, 2 FE ¶ 70,317 at p. 13, N. 42 (April 2, 1999), citing *Panhandle Producers and Royalty Owners Association v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987).

⁷ In *Panhandle Producers and 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.”

⁸ Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, 49 Fed Reg. 6,684 (Feb. 22, 1984).

⁹ *BP Energy Company*, DOE/FE Order No. 4302.

¹⁰ *Cameron LNG, LLC*, DOE/FE Order No. 4425 at 7.

¹¹ *Id.*

V. ENVIRONMENTAL IMPACT

No modifications to the Cove Point LNG terminal are required to enable the LNG exports requested by BPEC. Therefore, granting this application would not be a federal action significantly affecting the human environment under the National Environmental Policy Act, 42 U.S.C. §4231, et seq. Consequently, no environmental impact statement or environmental assessment is required.

VI. APPENDICES

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

Appendix A: Verification and Certified Statement

Appendix B: Opinion of Counsel

VII. CONCLUSION

For the reasons set forth above, BPEC respectfully requests that the DOE/FE determine that BPEC's request for blanket authorization as discussed herein, to enable it to export previously imported foreign-sourced LNG from the Cove Point terminal to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by Federal law or policy, is not inconsistent with the public interest and grant such authorization as expeditiously as possible but not later than October 30.

Respectfully submitted,

DocuSigned by:

Betsy Carr

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Betsy Carr

Senior Counsel

BP Energy Company

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August 19, 2020

APPENDIX A

VERIFICATION AND CERTIFIED STATEMENT

County of Harris)
)
State of Texas)

I Betsy Carr, being duly sworn on her oath, does hereby depose and say that I am the Senior Counsel for BP Energy Company; that I am familiar with the contents of the foregoing application; and that the matters set forth therein are true and correct to the best of my knowledge, information and belief.

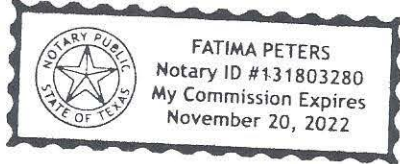
DocuSigned by:
Betsy Carr
A56564DA72EF4AC

Sworn to and subscribed before me, a Notary Public, in and for the State of Texas, this 19 day of August, 2020.

Fatima Peters

Notary Public

My Commission expires: 11/20/22



APPENDIX B



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Phone 713-323-3942
Email: matthew.swartz@bp.com

August 18, 2020

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

OPINION OF COUNSEL

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 CFR § 590.202(c) (2017). I have examined the Certificate of Incorporation of BP Energy Company and other authorities as necessary and have concluded that the proposed exportation of previously imported liquefied natural gas by BP Energy Company is within its corporate powers. Further, BP Energy Company is authorized to do business in Delaware and other U.S. states and to engage in foreign commerce.

Respectfully submitted,

Matthew A. Swartz

Matthew Swartz

Senior Counsel, BP Energy Company