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UNITED STATES OF AMERICA DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CORPUS CHRISTI LIQUEFACTION) FE DOCKET NO. 18-78-LNG STAGE III, LLC)

APPLICATION TO AMEND EXPORT TERM FOR EXISTING LONG-TERM AUTHORIZATIONS THROUGH DECEMBER 31, 2050

September 3, 2020

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UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

| In the Matter of: | | |
|-----------------------------|---|-------------------------|
| |) | |
| CORPUS CHRISTI LIQUEFACTION |) | FE DOCKET NO. 18-78-LNG |
| STAGE III, LLC |) | |
| |) | |

APPLICATION TO AMEND EXPORT TERM FOR EXISTING LONG-TERM AUTHORIZATIONS THROUGH DECEMBER 31, 2050

Pursuant to Section 3 of the Natural Gas Act ("NGA"), Part 590 of the Department of Energy's ("DOE") regulations, and DOE's Final Policy Statement regarding "Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050," Corpus Christi Liquefaction Stage III, LLC ("CCL Stage III") requests that the DOE, Office of Fossil Energy ("DOE/FE") amend the orders issued in the above-captioned docket (the "Authorizations") granting CCL Stage III the authority to engage in long-term exports of domestically produced liquefied natural gas ("LNG") to (i) any nation that currently has or in the future develops the capacity to import LNG and with which the United States currently has, or in the future enters into, a free trade agreement ("FTA") requiring the national treatment for trade in natural gas and LNG ("FTA Nations") and (ii) any nation with which the United States does not now or in the future have an FTA requiring the national treatment for trade in natural gas that has, or in the future develops, the capacity to import LNG and with which trade is not prohibited by U.S. law or policy ("Non-FTA Nations"). Through this application for amendment

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. Part 590 (2020).

³ *DOE/FE*, Final Policy Statement Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, FE Docket Nos. 10-111-LNG, et al. (July 29, 2020) ("Policy Statement").

Detailed information regarding CCL Stage III's Authorizations is provided in Section I below.

("Application"), CCL Stage III seeks an extension to the currently authorized export term of each of the Authorizations through December 31, 2050, with an attendant increase in the total export volume over the life of the Authorizations. In support of the instant Application, CCL Stage III provides as follows:

SECTION I

1. FE Docket Number

This Application relates to DOE/FE Docket No. 18-78-LNG.

2. Authorizations Holder & Service List

The exact legal name of the Authorizations holder is Corpus Christi Liquefaction Stage III, LLC. CCL Stage III has its principal place of business in Houston, Texas. CCL Stage III is an indirect subsidiary of Cheniere Energy, Inc., a Delaware corporation with its primary place of business in Houston, Texas. All communications concerning this Application, including service of pleadings and notices, should be directed to the following persons:⁵

Florian Pintgen
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(713)375-5703 (phone)
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Janna Romaine Chesno Senior Counsel Cheniere Energy, Inc. 701 8th Street, NW, Suite 810 Washington, D.C. 20001 (202) 860-4066 (phone) janna.chesno@cheniere.com

⁵ CCL Stage III requests waiver of Section 590.202(a) of DOE's regulations, 10 C.F.R. § 590.202(a) (2020), to the extent necessary to include all the named representatives on the official service list in this proceeding.

3. Name and Location of Export Facility

The Corpus Christi LNG Terminal is located in San Patricio and Nueces Counties, Texas.

4. Existing Long-Term DOE/FE Orders Subject to This Request

CCL Stage III is currently authorized to export up to the equivalent of 582.14 billion standard cubic feet per year of natural gas to FTA Nations and Non-FTA Nations, pursuant to the following DOE/FE Orders, which are the subject of this request:

• Order Nos. 4277 FE Docket 18-78-LNG (Nov. 9, 2018) 4490 (Feb. 10, 2020)

Additional information, including additive export volumes across all CCL Stage III DOE/FE long-term orders, is provided in Appendix A.

5. Final Federal Energy Regulatory Commission Order

The Federal Energy Regulatory Commission order associated with Corpus Christi Stage III is described in Appendix A.

6. Requested Amendment to Existing Export Term

CCL Stage III requests that DOE/FE grant an extension to the currently authorized export term of each of the Authorizations through December 31, 2050 (inclusive of any make-up period), with an attendant increase in the total export volume over the life of the Authorizations. CCL Stage III requests that DOE/FE issue the term extensions as requested herein by November 4, 2020.

SECTION II

1. <u>Information Regarding the Public Interest</u>

The term extensions requested herein are justified under Section 3 of the NGA. CCL Stage III's request to extend the term of the Authorization for exports to FTA Nations must be reviewed under Section 3(c) of the NGA. Pursuant to Section 3(c), applications for authorization to export

LNG to nations with which the United States has an FTA requiring the national treatment for trade in natural gas are deemed to be in the public interest and must be granted without modification or delay.⁶ CCL Stage III's request to extend the term of the Authorization for exports to Non-FTA Nations must be reviewed under Section 3(a) of the NGA, which provides that DOE/FE is required to authorize exports to a foreign country unless there is a finding that such exports "will not be consistent with the public interest," which creates a presumption in favor of approval of an application for non-FTA authorization, which opponents bear the burden of overcoming.

There is myriad evidence in the public record that continuing exports of LNG is in the public interest. In this regard, CCL Stage III incorporates by reference the record that it has developed in FE Docket No. 18-78-LNG, and the record developed by its' affiliates in FE Docket Nos. 12-97-LNG and 19-124-LNG, demonstrating the public interest benefits of exports from the Corpus Christi LNG Terminal.⁸ Additionally, CCL Stage III incorporates by reference DOE's Policy Statement,⁹ the studies commissioned by DOE regarding long-term exports, including the 2018 LNG Export Study, and DOE's supporting environmental studies.¹⁰ As discussed in the

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⁶ 15 U.S.C. §717b(c).

⁷ 15 U.S.C. § 717b(a). Section 3(a) of the NGA states in relevant part: "After six months from June 21, 1938, no 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 Commission authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest." *Id.*

See e.g. Corpus Christi Liquefaction Stage III, LLC, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, DOE/FE Order No. 4490, FE Docket No. 18-78-LNG (Feb. 10, 2020); Cheniere Marketing, LLC & Corpus Christi Liquefaction, LLC, DOE/FE Order No. 3638, FE Docket No. 12-97-LNG (May 12, 2015).

⁹ *Policy Statement, supra* note 3.

See e.g., DOE, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update-Response to Comments (Applicable December 19, 2019), available at: https://www.energy.gov/sites/prod/files/2020/01/f70/Life%20Cycle%20Response%20to%20Comments%202019-28306.pdf. ("DOE Response to Comments"); National Energy Technology Laboratory, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update (September 12, 2019), available at: https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf; DOE, Study on Macroeconomic Outcomes of LNG Exports; Response to Comments Received on Study, 83 Fed. Reg. 67,251 (Dec. 28, 2018); NERA Economic Consulting, Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports (June 7, 2018), available at

Policy Statement, an export term through 2050 is supported by the macroeconomic analysis presented in the 2018 LNG Export Study. In DOE's response to comments on the Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update, DOE found that, "to the extent U.S. LNG exports are preferred over coal in LNG-importing nations, U.S. LNG exports are likely to reduce global GHG emissions on per unit of energy consumed basis for power production." Moreover, extending the term of the export authorization will serve to make U.S. LNG more competitive with foreign buyers. 12

2. Compliance with the National Environmental Policy Act of 1969

Potential environmental impacts associated with exports from the Corpus Christi LNG Terminal have been fully considered by DOE/FE in approving the Authorizations and by the Federal Energy Regulatory Commission in the proceeding authorizing the Stage 3 LNG Facilities. With regard to the instant Application, CCL Stage III respectfully submits that a categorical exclusion applies to the request for term extension because the request does not involve any new construction or modifications to existing facilities. DOE's regulations set forth a categorical exclusion for actions related to authorizations for the export of natural gas under Section 3 of the NGA that involve minor operational changes (such as changes in natural gas throughput,

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https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.pdf; U.S. Energy Information Administration ("EIA"), Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets (Oct. 29, 2014), available at http://www.eia.gov/analysis/requests/fe/; NERA Economic Consulting, Macroeconomic Impacts of LNG Exports from the United States (Dec. 3, 2012), available at http://energy.gov/sites/prod/files/2013/04/f0/nera_Ing_report.pdf; EIA, Effect of Increased Natural Gas Exports on Domestic Energy Markets, as Requested by the Office of Fossil Energy (Jan. 2012), available at http://energy.gov/sites/prod/files/2013/04/f0/fe_eia_Ing.pdf.

¹¹ DOE <u>Response to Comments.</u>

¹² *Policy Statement, supra* note 3.

transportation and storage operations) but no new construction, ¹³ as is the case with the authorization requested in the instant Application.

CCL Stage III's proposed term extensions involve no construction of new facilities and no modification of the previously authorized facilities. Further, the underlying NEPA documentation associated with FE Docket No. 18-78-LNG, detailed in Appendix A, demonstrates that environmental impacts associated with these facilities have been fully and previously considered, weighing further in support of a categorical exclusion in this proceeding.

WHEREFORE, CCL Stage III respectfully requests that DOE/FE grant its request for an extension to the currently authorized export term of each of the Authorizations through December 31, 2050 (inclusive of any make-up period), with an attendant increase in the total export volume over the life of the Authorizations. CCL Stage III respectfully requests that the DOE/FE issue the authorization as requested herein by the earliest date possible by November 4, 2020.

Respectfully submitted,

/s/ Janna Romaine Chesno

Counsel to Corpus Christi Liquefaction Stage III, LLC

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¹⁰ C.F.R. Part 1021, Subpart D, Appendix B:Categorical Exclusions Applicable to Specific Agency Actions, B5.7. Proposed actions within a categorical exclusion category do not require further analysis and documentation in an Environmental Assessment or an Environmental Impact Statement when there are no extraordinary circumstances indicating further environmental review is warranted. 10 C.F.R. §§ 1021.400, 1021.410.

APPENDIX A: Authorizations held by CCL Stage III for Long Term Export from Stage 3 LNG Facilities

| DOCKET NO. | ORDER NUMBER, DATE ISSUED; | AMENDMENT; DATE ISSUED | FTA/ Non-FTA | EXPORT VOLUME | ASSOCIATED FERC AUTHORIZATION | RELEVANT NEPA DOCUMENTS |
|------------|-------------------------------|---------------------------|-----------------|------------------|---|--|
| 18-78-LNG | 4277 (11/09/2018) | N/A | FTA | 582.14 bcf/y | Corpus Christi Liquefaction Stage III, LLC, Corpus Christi Liquefaction, LLC and Cheniere Corpus Christi Pipeline, LP, ORDER GRANTING AUTHORIZATIONS UNDER SECTIONS 3 AND 7 OF THE NATURAL GAS ACT, 169 FERC ¶ 61,135 (Issued November 22, 2019) FERC Docket No. CP18-512-000 | Environmental Assessment for the Stage 3 Project (03/29/2019) |
| 18-78-LNG | 4490 (02/10/2020) | N/A | Non-FTA | 582.14 bcf/y | Corpus Christi Liquefaction Stage III, LLC, Corpus Christi Liquefaction, LLC and Cheniere Corpus Christi Pipeline, LP, ORDER GRANTING AUTHORIZATIONS UNDER SECTIONS 3 AND 7 OF THE NATURAL GAS ACT, 169 FERC ¶ 61,135 (Issued November 22, 2019) FERC Docket No. CP18-512-000 | Environmental Assessment for the Stage 3 Project (03/29/2019) Finding of No Significant Impact for the Stage 3 Project (02/10/2020) |

Total Approved FTA Volumes: 582.14 bcf/y

Total Approved Non-FTA Volumes: 582.14 bcf/y

State of

Texas

| VERIFICATION | I |
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| County of | Harris |) |
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| BEFORE ME | the undersign | ed authority on this day personally appeared Sean Markowitz, |
| who, having first by | me been duly | sworn, says he is the Executive Vice President, Chief Legal |
| Officer and Corporat | te Secretary for | r Cheniere Energy, Inc. and is duly authorized to make this |
| Verification; that he h | has read the for | going instrument and that the facts therein stated are true and |
| correct to the best of l | his knowledge, | , information, and belief. |
| | | Sean Markowitz |
| | | Sean Markowitz Executive Vice President, Chief Legal Officer and Corporate Secretary Cheniere Energy, Inc. |
| SWOR | RN TO and SUI | BSCRIBED on this 3 rd day of September 2020. |
| | | NAME: |
| | | TITLE: Notary Pubic |
| Commission Expires: | : | |



Cheniere Energy, Inc. 700 Milam Street, Suite 1900 Houston, Texas 77002 phone: 713.375.5000

fax: 713.375.6000

September 3, 2020

Ms. Amy Sweeney U.S. Department of Energy Division of Natural Gas Regulation FE-34 Forrestal Building 1000 Independence Avenue, S.W. Washington, DC 20585

Re: Corpus Christi Liquefaction Stage III, LLC

Application To Amend Export Term For Existing Long-Term Authorizations

Through December 31, 2050 FE Docket No. 18-78-LNG

Dear Ms. Sweeney:

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 C.F.R. § 590.202(c) (2020). I have examined the Limited Liability Company Agreement of Corpus Christi Liquefaction Stage III, LLC ("CCL Stage III") and other authorities as necessary, and have concluded that the proposed extension of the term of CCL Stage III's existing long-term authorizations to export domestically produced liquefied natural gas, as described in the above-referenced application, is within CCL Stage III's corporate powers.

Respectfully submitted,

Sean Markowitz

By: Sean Markowitz, Executive Vice President, Chief Legal Officer and Corporate Secretary Cheniere Energy, Inc. 700 Milam Street, Suite 1900 Houston, TX 77002 Phone: (713) 375-5659

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