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

Port Arthur LNG Phase II, LLC

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FE DOCKET NO. 20-23-LNG

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

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**APPLICATION TO AMEND EXPORT TERM
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Pursuant to Section 3 of the Natural Gas Act (“NGA”),¹ Part 590 of the regulations of the United States Department of Energy (“DOE”),² and the DOE Office of Fossil Energy’s (“DOE/FE”) final policy statement on Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050,³ Port Arthur LNG Phase II, LLC (“PALNG Phase II”) submits this application to amend its existing long-term authorization to export liquefied natural gas (“LNG”) issued in the above-captioned docket on July 14, 2020 (“Application”).

Specifically, PALNG Phase II requests that DOE/FE grant extensions to the export terms for the authorization issued on July 14, 2020 in the above-captioned dockets through December 31, 2050, inclusive of any make-up period, with corresponding increases in the total volume of exports over the life of the authorization.

In support of this Application, PALNG Phase II states as follows:

¹ 15 U.S.C. § 717b (2018).

² 10 C.F.R. Part 590 (2020).

³ *Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050*, Notice of Final Policy Statement and Response to Comments, 85 Fed. Reg. 52237 (Aug. 25, 2020) [hereinafter Policy Statement].

I. BACKGROUND

On February 28, 2020, PALNG Phase II filed an application for authorization to export domestically produced LNG from the Port Arthur LNG terminal in Jefferson County, Texas, to countries with which the United States has a free trade agreement (“FTA”) requiring national treatment for trade in natural gas (the “FTA Authorization”) and to non-FTA countries (the “Non-FTA Authorization”).⁴ PALNG Phase II requested 20-year terms for each of the FTA and Non-FTA Authorizations.⁵ On July 14, 2020, DOE/FE granted the FTA portion of the February 28, 2020 application (the “FTA Authorization”).⁶ The FTA Authorization is the subject of the instant Application.⁷ DOE/FE has not yet granted the Non-FTA portion of the February 28, 2020 application, and PALNG Phase II is separately filing an application to amend the export term of the pending portion of the February 28, 2020 application through December 31, 2050.

On July 29, 2020, DOE/FE issued a final policy statement on Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050 (“Policy Statement”).⁸ In the Policy Statement, DOE/FE adopted a term through December 31, 2050— inclusive of any make-up period—as the standard export term for long-term, non-FTA authorizations and discontinued its practice of granting standard 20-year export terms.⁹ The Policy Statement implemented a process by which existing authorization holders may request to amend the export terms of their long-term, non-FTA authorizations through December 31, 2050,

⁴ Application for Long-Term, Multi-Contract Authorizations to Export Liquefied Natural Gas from the United States to Free Trade Agreement and Non-Free Trade Agreement Nations, FE Docket No. 20-23-LNG (Feb. 28, 2020).

⁵ *See id.* at 4.

⁶ DOE/FE Order No. 4562, FE Docket No. 20-23-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations.

⁷ Although the Policy Statement applies to extensions of export authorizations to Non-FTA countries, DOE/FE recognized that authorization holders and applicants may wish to align their long-term Non-FTA and FTA export terms. PALNG Phase II is filing the instant Application in anticipation that its application for Non-FTA authorization, as revised to reflect a term through December 31, 2050, will be approved by DOE/FE.

⁸ The Policy Statement was published in the Federal Register and became effective on August 25, 2020.

⁹ Policy Statement, 85 Fed. Reg. at 52247.

with corresponding increases in the total export volume over the life of the authorizations.¹⁰

While the Policy Statement does not apply to FTA authorizations, DOE/FE recognized that holders of existing non-FTA authorizations may also wish to apply for corresponding extensions in their existing long-term FTA authorizations in order to align the terms of their FTA and non-FTA authorizations.¹¹

Pursuant to DOE/FE's Policy Statement, PALNG Phase II submits this Application to extend the terms of its existing long-term and FTA Authorization through December 31, 2050, with attendant increases in the total export volume over the life of the authorization.

II. INFORMATION REGARDING LONG-TERM AUTHORIZATIONS AND REQUESTED AMENDMENT

A. *FE Docket Numbers*

The long-term export authorization subject to this Application is docketed under FE Docket No. 20-23-LNG.

B. *Authorization Holder*

The authorization holder for FTA Authorization is Port Arthur LNG Phase II, LLC. PALNG Phase II is a limited liability company organized under the laws of Delaware. PALNG Phase II is a wholly owned, indirect subsidiary of Sempra Energy. PALNG Phase II's principal place of business is 2925 Briarpark Drive, Suite 900, Houston, Texas 77042.

C. *Name and Location of Export Facility*

The FTA Authorization permits PALNG Phase II to export LNG from the Port Arthur LNG terminal, located in Jefferson County. The Port Arthur LNG terminal is comprised of a Base

¹⁰ *Id.*

¹¹ *Id.* at 52248.

Project¹² with two liquefaction trains and an Expansion Project¹³ with two additional liquefaction trains. The FTA Authorization permits PALNG Phase II to export LNG from the Expansion Project.

D. Existing Long-Term DOE/FE Order Subject to This Application

The existing FTA Authorization subject to this Application is summarized below:

Docket No.	Order No.	Date Issued	Amendments	Authorized Volume	Trains	Type
20-23-LNG	4562	July 14, 2020	N/A	698 Bcf/yr	3-4	FTA, long-term, multi-contract

PALNG Phase II's authorized long-term FTA volumes and pending requested non-FTA volumes are not additive. Cumulatively, if the Non-FTA portion of the February 28, 2020 application is granted, PALNG Phase II will be authorized to export on a long-term basis up to 698 Bcf/y of domestically produced LNG to FTA and non-FTA nations.

E. Final Orders Issued by Federal Energy Regulatory Commission

On February 19, 2020 PALNG Phase II filed an application with the Federal Energy Regulatory Commission ("FERC") in Docket No. CP20-55-000 for authorization under section 3 of the NGA to site, construct, and operate the Expansion Project (Trains 3 and 4), with a liquefaction capacity of 13.5 mtpa of LNG. If FERC approves the application for the Expansion Project, the LNG production capacity at the Port Arthur LNG terminal would total 27 mtpa from all four liquefaction

¹² The Base Project was approved by the Federal Energy Regulatory Commission ("FERC") in Docket No. CP17-20-000. Port Arthur LNG, LLC ("Port Arthur LNG") separately has FTA and Non-FTA authorizations to export LNG from the Base Project (Trains 1 and 2). See DOE/FE Order No. 3698, FE Docket No. 15-53-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Port Arthur LNG Project in Port Arthur, Texas, to Free Trade Agreement Nations (Aug. 20, 2015), *amended*, DOE/FE Order No. 3698-A, FE Docket Nos. 15-53-LNG & 18-162-LNG, Order Amending Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel From the Proposed Port Arthur LNG Project in Port Arthur, Texas, to Free Trading Agreement Nations (Nov. 20, 2018); DOE/FE Order No. 4372, FE Docket No. 15-96-LNG, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations (May 2, 2019). Port Arthur LNG's authorizations are not the subject of this Application.

¹³ The Expansion Project has been proposed and is pending before FERC in Docket No. CP20-55-00.

trains (Base Project and Expansion Project). PALNG Phase II's application is still pending before FERC and no final orders have been issued.

F. Requested Amendment

PALNG Phase II hereby respectfully requests that the export term for the FTA Authorization specified in Section II.D above be extended for a term ending on December 31, 2050, inclusive of any make-up period.

While PALNG Phase II does not propose to amend the annual export volumes (*i.e.*, Bcf/y) authorized in the FTA Authorization, PALNG Phase II requests authorization for the increase in total export volumes over the life of the FTA Authorization corresponding with the requested extension in export terms through December 31, 2050.

Section 3(c) requires that FTA applications “shall be deemed to be consistent with the public interest” and granted “without modification or delay.”¹⁴ In light of this statutory obligation, DOE/FE has found that it need not engage in any analysis of factors affecting the public interest.¹⁵ PALNG Phase II's request to amend the export term of its FTA Authorization granted in DOE/FE Order No. 4562 should be processed and approved without modification or delay, in accordance with this standard.

III. APPENDICES

Appendix A: Verification

Appendix B: Opinion of Counsel

¹⁴ 15 U.S.C. § 717b(c).

¹⁵ See, e.g., *Cameron LNG, LLC*, DOE/FE Order No. 3680, FE Docket No. 15-36-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel From the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, To Free Trade Agreement Nations at 7 (July 10, 2015).

IV. CONCLUSION

WHEREFORE, for the foregoing reasons, PALNG Phase II respectfully requests that DOE/FE (i) amend the export term for the FTA Authorization to provide for a term ending on December 31, 2050, and (ii) authorize attendant increases in the total export volumes over the life of the FTA Authorization corresponding with the requested extensions in export terms.

Respectfully submitted,

/s/ Brett A. Snyder

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Counsel to Port Arthur LNG Phase II, LLC

Dated: September 18, 2020

CERTIFICATE OF SERVICE

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

Dated at Washington, DC this 18th day of September, 2020.

/s/ Lamiya Rahman

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APPENDIX A

Verification

VERIFICATION

I, Amy H. Chiu, declare that I am the Chief Project Development and Asset Management Officer for Port Arthur LNG Phase II, LLC and am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed in San Diego, California on September 17, 2020.

DS
JH

DocuSigned by:
Amy H. Chiu
C10514CFD00848D...

Amy H. Chiu
Chief Project Development and Asset
Management Officer
Port Arthur LNG Phase II, LLC
488 8th Ave.
San Diego, California, 92101

APPENDIX B

Opinion of Counsel

OPINION OF COUNSEL



September 17, 2020

Ms. Amy Sweeney
Office of Fossil Energy
U.S. Department of Energy
FE-34
Forrestal Building
1000 Independence Avenue, S.W
Washington, DC 20585

RE: *Port Arthur LNG Phase II, LLC*
**Application to Amend Export Term for Existing Long-Term Authorization
Through December 31, 2050**

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) (2020). I am counsel to Port Arthur LNG Phase II, LLC (“PALNG Phase II”).

I have reviewed the organizational and internal governance documents of PALNG Phase II and it is my opinion that the proposed export of natural gas as described in the application filed by PALNG Phase II, to which this Opinion of Counsel is attached as Appendix B, is within the company powers of PALNG Phase II.

Respectfully submitted,

/s/ Jerrod L. Harrison
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On Behalf of Port Arthur LNG Phase II, LLC