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UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

EAGLE LNG PARTNERS JACKSONVILLE II LLC)

FE DOCKET NO. 17-79-LNG
_____)

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

November 30, 2020

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UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
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EAGLE LNG PARTNERS JACKSONVILLE II LLC) FE DOCKET NO. 17-79-LNG

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

Pursuant to Section 3 of the Natural Gas Act (“NGA”),¹ Part 590 of the Department of Energy’s (“DOE”) regulations,² and DOE’s Final Policy Statement entitled “Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050,”³ Eagle LNG Partners Jacksonville II LLC (“Eagle Maxville”) requests that the DOE, Office of Fossil Energy (“DOE/FE”) amend the orders issued in the above-captioned docket⁴ which grant Eagle Maxville authorization 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 amendment application, Eagle Maxville seeks an extension to the currently authorized export term of each of its existing LNG export

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), 85 Fed. Reg. 52,237 (Aug. 25, 2020) (“Term Extension Policy Statement”).

⁴ The relevant orders are cited and described in Section I below.

authorizations through December 31, 2050, with an attendant increase in the total export volume over the life of these authorizations.

In support of this amendment application, Eagle Maxville represents as follows:

Section I

1. FE Docket Number

This amendment application relates to DOE/FE Docket No. 17-79-LNG.

2. Authorization Holder

The exact legal name of the authorization holder is Eagle LNG Partners Jacksonville II LLC. Eagle Maxville is a limited liability company organized under the laws of Delaware. It is a wholly-owned subsidiary of Eagle LNG Partners LLC, which also is a Delaware limited liability company. The sole current member of Eagle LNG Partners LLC is Ferus Natural Gas Fuels, L.P. Ferus Natural Gas Fuels, L.P. is a Delaware partnership, with headquarters is located at 2445 Technology Forest Blvd, Suite 500, The Woodlands, TX 77381. Eagle LNG's headquarters office is also located at 2445 Technology Forest Blvd, Suite 500, The Woodlands, TX 77381. Eagle Maxville's telephone number is +1 (832) 709-0744.

Communications concerning this amendment application, including service of pleadings and notices, should be directed as follows:

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3. Name and Location of Export Facility

Eagle Maxville’s facility is located in southwestern Duval County, at the southwestern edge of Jacksonville, Florida, in a community known as Maxville. At this facility, Eagle Maxville receives domestically produced natural gas from a local natural gas distribution utility, liquefies this natural gas, temporarily stores the produced LNG and then periodically loads this LNG into cryogenic transport trailers or ISO containers for transportation by truck to port facilities for transfer into vessels for use as marine fuel or for loading via ISO container onto ocean-going container ships for export. Eagle Maxville also can supply quantities of LNG in excess of those required to satisfy marine fuel demand or export requirements to vehicle fueling facilities in the region for use in vehicular fuel applications.

4. Existing Long-Term DOE/FE Order Addressed in this Request

Eagle Maxville is currently authorized by DOE/FE Order No. 4078⁵ to export up to the equivalent of 2.8 Bcf of natural gas per year to FTA Nations and Non-FTA Nations.

5. Federal Energy Regulatory Commission Order Authorizing Siting and Operation of the Eagle LNG Project

The Eagle Maxville facility is located some 14 miles west of the St. Johns River and the Port of Jacksonville. It has no direct connection to a marine facility. As such, the Eagle Maxville Facility is not an “LNG terminal” within the meaning of Section 2(11) of the Natural Gas Act,⁶ and is therefore not subject to the siting and construction approval jurisdiction of the Federal Energy Regulatory Commission under Section 3 of the Natural Gas Act.⁷

⁵ *Eagle LNG Partners Jacksonville II LLC*, DOE/FE Order No. 4078, FE Docket No. 17-79-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas in ISO Containers Loaded at the Eagle Maxville Facility in Jacksonville, Florida, and Exported by Vessel to Free Trade Agreement and Non-Free Trade Agreement Nations (Sept. 15, 2017).

⁶ 15 U.S.C. § 717a(11) (2012).

⁷ DOE acknowledged Eagle Maxville’s position in this regard in Order No. 4078 at p. 14.

6. Requested amendment to existing export term

Eagle Maxville asks that DOE/FE grant it an extension of the term of the export authorizations it currently holds through December 31, 2050 (inclusive of any make-up period), with a corresponding increase in the total volume of natural gas it is authorized to export over the extended term. Eagle Maxville requests that DOE/FE act on this request by January 15, 2021.

Section II

1. Information Demonstrating that the Requested Term Extension is in the Public Interest

The export authorization term extension requested here satisfies the standards DOE/FE applies in evaluating requests for authorization under Section 3 of the NGA. Eagle Maxville's request to extend the term of its authorization to export natural gas to FTA Nations must be evaluated under Section 3(c) of the NGA, which provides that such exports are deemed to be in the public interest and must be granted without modification or delay.⁸ This aspect of Eagle Maxville's request may be granted without any further inquiry. Eagle Maxville's request for an extension of the term of its authorization to export natural gas to Non-FTA Nations must be evaluated under Section 3(a) of the NGA, which provides that DOE/FE is required to authorize natural gas exports to a foreign country unless it finds that such exports "will not be consistent with the public interest."⁹ Section 3(a) therefore establishes a presumption that applications for authorization for exports of LNG to Non-FTA Nations should be approved.

The record developed in DOE/FE Docket No. 17-79-LNG establishes that exports from the Eagle Maxville facility will be consistent with the public interest. Eagle Maxville

⁸ 15 U.S.C. § 717b(c).

⁹ 15 U.S.C. § 717b(a). That section 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.*

incorporates by this reference the record developed in that docket, which includes several DOE-commissioned studies on the economic effects of U.S. LNG exports generally supporting the conclusion that the United States will experience net economic benefits from the export of domestically produced LNG.¹⁰ Following its review of the record in DOE/FE Docket No. 17-79-LNG, DOE/FE found no basis on which to conclude that Eagle Maxville’s proposed exports would be inconsistent with the public interest.¹¹ That finding remains valid today. Given the relatively small quantity of natural gas Eagle Maxville has been authorized to export relative to the enormous natural gas resource base available in the U.S.,¹² the validity of this finding is not diminished by the prospective extension of the term of Eagle Maxville’s export authorization through December 31, 2050.¹³

Other recently published official analyses provide additional support for the proposition that extension of Eagle Maxville’s existing export authorizations would be consistent with the public interest. Among these are the Term Extension Policy Statement, AEO 2020, and the

¹⁰ See generally Order No. 4078 at 7-8, citing 2012 LNG Export Study, 77 Fed. Reg. 73,627 (Dec. 11, 2012), available at http://energy.gov/sites/prod/files/2013/04/f0/fr_notice_two_part_study.pdf (Notice of Availability of the LNG Export Study); U.S. Dep’t of Energy, Office of Fossil Energy, Request for an Update of EIA’s January 2012 Study of Liquefied Natural Gas Export Scenarios, available at <http://energy.gov/fe/downloads/request-update-eia-s-january-2012-study-liquefied-natural-gas-export-scenarios> (May 29, 2014) (memorandum from FE to EIA); Center for Energy Studies at Rice University Baker Institute and Oxford Economics, *The Macroeconomic Impact of Increasing U.S. LNG Exports* (Oct. 29, 2015), available at http://energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports_0.pdf; 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%20Export%20Study%202018.pdf> (the “2018 LNG Export Study”).

¹¹ Order No. 4078 at 44.

¹² See, e.g., 2018 Export Study; 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 Fed. Reg. 27,314 (June 12, 2018); U.S. Dep’t of Energy, Study on Macroeconomic Outcomes of LNG Exports; Response to Comments Received on Study, 83 Fed. Reg. 67,251 (Dec. 28, 2018).

¹³ See generally Term Extension Policy Statement, 85 Fed. Reg. at 52,243, citing the U.S. Energy Information Administration’s *Annual Energy Outlook 2020* (Jan. 29, 2020), available at <https://www.eia.gov/outlooks/aeo/pdf/aeo2020.pdf> (“AEO 2020”) for the proposition that natural gas supply, demand and price projected for 2050 are projected to be supportive of LNG exports through 2050.

National Energy Technology Laboratory’s “Life Cycle Greenhouse Gas Perspective On Exporting Liquefied Natural Gas From The United States: 2019 Update,” which calculates the life cycle greenhouse gas emissions from imported natural gas and coal-fired power production in Europe and Asia (the “NETL GHG Update”) and DOE’s response to comments on the NETL GHG Update.¹⁴ As DOE/FE has observed, the 2018 LNG Export Study establishes that “the United States will experience net economic benefits from the export of domestically produced LNG through the 30-year study period, i.e., from 2020 through 2050.”¹⁵ Moreover, as DOE/FE has found in reviewing the NETL GHG Update, there is “no reason to conclude that U.S. LNG exports will increase global GHG emissions in a material or predictable way,” and accordingly that analysis ““supports the proposition that exports of LNG from the lower-48 states will not be inconsistent with the public interest.””¹⁶

DOE/FE has identified a number of benefits that should result from extension of the terms of authorizations to export LNG to Non-FTA Nations through 2050. After reviewing comments identifying such benefits in the Term Extension Policy Statement, DOE/FE concluded that a policy favoring extension of LNG export authorizations through 2050 “will provide important commercial benefits to existing and future authorization holders in the lower-48 states, while enhancing long-term regulatory certainty for both authorization holders and foreign buyers of U.S. LNG.”¹⁷ It further noted that “the 2018 LNG Export Study, as well as DOE’s four prior LNG export studies, consistently have projected positive economic benefits from increased

¹⁴ National Energy Technology Laboratory, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update* (Sept. 12, 2019), available at <https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf>; DOE, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update – Response to Comments*, 85 Fed. Reg. 72 (Jan. 2, 2020).

¹⁵ Term Extension Policy Statement, 85 Fed. Reg. at 52,240.

¹⁶ *Id.*

¹⁷ *Id.* at 52,241.

levels of U.S. LNG exports, as measured by GDP.”¹⁸ These well-supported findings regarding the benefits of extending the term of existing authorizations to export LNG to Non-FTA Nations are applicable to the proposed extension of Eagle Maxville’s existing export authorization.

Accordingly, DOE/FE has ample basis on which to find and conclude that the extension of Eagle Maxville’s existing authorization to export LNG to Non-FTA Nations through December 31, 2050 is consistent with the public interest.

2. Compliance with the National Environmental Policy Act of 1969

On August 10, 2019, DOE/FE issued a categorical exclusion from the requirement that an environmental impact statement or an environmental assessment be prepared in respect of Eagle Maxville’s export authorization application.¹⁹ In so doing, DOE/FE concluded that the Eagle Maxville project was eligible to be treated as an existing project to which no more than minor operational changes (and no new construction) would be required to support natural gas export activities.²⁰ DOE granted the Non-FTA portion of Eagle Maxville’s application in part in reliance on the applicability of this categorical exclusion.²¹

There have been, and are expected to be, no changes to the Maxville facility associated with the term extension requested by this application. Eagle Maxville submits that because this term extension request requires no new construction or modification of the existing Maxville facilities, the categorical exclusion for actions related to minor operational changes described in DOE’s regulations²² is applicable to this request.

¹⁸ *Id.*

¹⁹ U.S. Dep’t of Energy, Categorical Exclusion Determination, Eagle LNG Partners Jacksonville II LLC, FE Docket No. 17-79-LNG (Aug. 10, 2017) (cited in Order No. 4078 at p. 7).

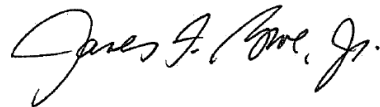
²⁰ See Order No. 4078 at p. 7 (citing 10 C.F.R. Part 1021, Subpart D, Appendix B: Categorical Exclusions Applicable to Specific Agency Actions, Item B5.7 (2020)).

²¹ Order No. 4078 at p. 7.

²² 10 C.F.R. Part 1021, Subpart D, Appendix B: Categorical Exclusions Applicable to Specific Agency Actions, Item B5.7 (2020). Proposed actions covered by a categorical exclusion do not require further analysis and documentation

WHEREFORE, Eagle Maxville respectfully requests that, as contemplated by the Term Extension Policy Statement, DOE/FE grant this request for an extension to the export term specified in DOE/FE Order No. 4078 through December 31, 2050 (inclusive of any make-up period), with corresponding increase in the total export volume of natural gas Eagle Maxville is authorized to export over the extended term. Eagle Maxville respectfully requests that the DOE/FE issue this authorization by January 15, 2021.

Respectfully submitted,



James F. Bowe, Jr.
Attorney for Eagle LNG Partners Jacksonville II LLC

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Dated: November 30, 2020

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 and 1021.410.

Appendix A

Legal Opinion of Counsel for Eagle Maxville

KING & SPALDING

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November 30, 2020

Ms. Amy Sweeney
Director, Division of Natural Gas Regulation
Office of Regulation, Analysis, and Engagement
Office of Fossil Energy (FE-34)
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

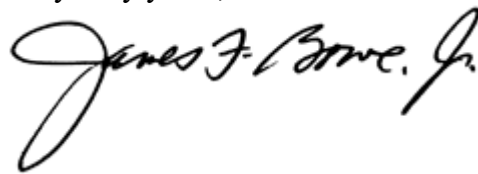
**Re: *Eagle LNG Partners Jacksonville II LLC*, Docket No. 17-79-LNG –
Application to Amend Export Term for Existing Long-Term Authorizations
to Export Liquefied Natural Gas to Both FTA and Non-FTA Countries
through December 31, 2050**

Dear Ms. Sweeney:

This opinion is provided pursuant to Section 590.202(c) of the Department of Energy Regulations, 10 C.F.R. § 590.202(c), in support of the Application of Eagle LNG Partners Jacksonville II LLC (“Eagle Maxville”) to Amend Export Term for Existing Long-Term Export Authorizations Through December 31, 2050.

I am counsel to Eagle Maxville, a limited liability company organized under the laws of the State of Delaware. I have reviewed and relied upon the corporate documents of Eagle Maxville, and it is my opinion that the proposed exports described in the Application are within the limited liability company powers of Eagle Maxville.

Very truly yours,



James F. Bowe, Jr.
Counsel to Eagle LNG Partners Jacksonville II LLC

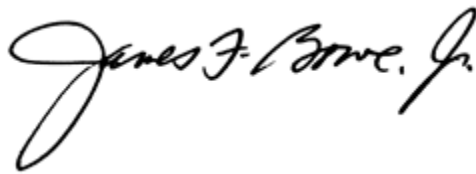
Appendix B
Verification

VERIFICATION

I, James F. Bowe, Jr., being first duly sworn, state that I am a duly authorized representative of Eagle LNG Partners Jacksonville II LLC; I have read the above Application and I am familiar with its contents; and the matters set forth in the Application 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 Chevy Chase, Maryland on November 30, 2020.

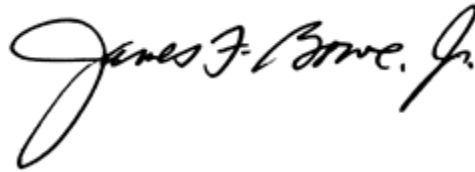
A handwritten signature in black ink, reading "James F. Bowe, Jr.", enclosed in a thin black rectangular border.

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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 this 30th day of November, 2020.

A handwritten signature in black ink, reading "James F. Bowe, Jr.", enclosed in a thin black rectangular border.

James F. Bowe, Jr.
Attorney for Eagle LNG Partners Jacksonville II LLC

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