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By Docket Room at 10:39 am, Jan 21, 2021

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January 21, 2021

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 12-88-LNG - Application to Amend Authorizations -
Information Update

Dear Ms. Sweeney:

On August 14, 2020, Golden Pass LNG Terminal LLC (Golden Pass LNG) filed an application (Application to Amend) with the Department of Energy (DOE) under Section 3 of the Natural Gas Act, 15 U.S.C. § 717b. In the Application to Amend, Golden Pass LNG requested an amendment to its existing authorizations to export liquefied natural gas ("LNG") to non-Free Trade Agreement and Free Trade Agreement countries, to increase the annual authorized export quantities to 18.1 metric tons per annum (MTPA), equivalent to 937 billion cubic feet (Bcf) per annum.

Golden Pass LNG hereby provides updated information relevant to its pending Application to Amend. Specifically, on January 19, 2021, the Federal Energy Regulatory Commission (Commission) issued an order under Section 3 of the NGA authorizing an increase in the capacity of Golden Pass LNG's export terminal in Sabine Pass, Texas, to 18.1 MTPA. Consequently, the authorized export capacity of the Golden Pass LNG terminal now aligns with the annual export quantity Golden Pass LNG has requested in its pending Application to Amend before DOE/FE.

Golden Pass LNG accordingly requests that the Department of Energy promptly grant the Application to Amend and authorize the requested increase in export quantities authorized under Golden Pass LNG's existing authorizations.

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A copy of the Commission's January 19, 2021 Order is enclosed. Please contact the undersigned if you have any questions concerning this filing.

Respectfully submitted,

/s/Kevin M. Sweeney
Kevin M. Sweeney

Counsel for
Golden Pass LNG Terminal, LLC

Attachment

cc w/ attachment: Service Lists, DOE/FE Docket Nos. FE12-88-LNG and FE12-156-LNG

174 FERC ¶ 61,053
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: James P. Danly, Chairman;
Neil Chatterjee, Richard Glick,
Allison Clements, and Mark C. Christie.

Golden Pass LNG Terminal LLC

Docket No. CP20-459-000

ORDER AMENDING SECTION 3 AUTHORIZATION

(Issued January 19, 2021)

1. On May 21, 2020, Golden Pass LNG Terminal LLC (Golden Pass LNG) filed an application under section 3 of the Natural Gas Act (NGA)¹ and in accordance with Part 153 of the Commission's regulations² to amend its authorization to increase the total liquefied natural gas (LNG) production capacity of its three liquefaction trains to 18.1 million tonnes per annum (mtpa).³ As discussed below, the Commission grants the requested authorization, subject to conditions.

I. Background and Proposal

2. In 2005, the Commission authorized Golden Pass LNG to site, construct, and operate an LNG receiving terminal and associated facilities (Golden Pass Terminal) near the town of Sabine Pass, Texas.⁴ The LNG facilities are located on the banks of the Sabine-Neches Waterway (or Port Arthur Ship Channel) in Jefferson County, Texas.

¹ 15 U.S.C. § 717b(a).

² 18 C.F.R. pt. 153 (2020).

³ In its application, Golden Pass stated that the mass unit of 18.1 mtpa was equivalent to 937 Bcf per year. However, the actual equivalent volumes would be dependent upon the composition and density of the feed gas.

⁴ *Golden Pass LNG Terminal LP*, 112 FERC ¶ 61,041 (2005). On June 9, 2006, Golden Pass LNG Terminal LP legally changed its name to Golden Pass LNG Terminal LLC.

3. In 2016, the Commission authorized Golden Pass Products, LLC to site, construct, and operate facilities for the export of LNG under section 3 of the NGA.⁵ Specifically, the 2016 Authorization Order authorized the construction and operation of three liquefaction trains⁶ with a total LNG production capacity of 15.6 mtpa, plus feed gas treatment facilities consisting of a mercury removal system, amine system, and heavy hydrocarbon removal system. These facilities, known as the Golden Pass Export Terminal Project, will be constructed adjacent to and integrated with the existing Golden Pass Terminal in Sabine Pass, Texas.

4. In 2018, the Commission authorized the transfer of Golden Pass Products, LLC's section 3 authorization to Golden Pass LNG in anticipation of the two companies merging.⁷

5. Golden Pass LNG has commenced construction of the Golden Pass Export Terminal Project facilities and anticipates commencing service in 2024.

6. Golden Pass LNG requests approval to increase the authorized LNG production capacity of the Golden Pass Export Terminal from 15.6 mtpa to 18.1 mtpa. It states that the requested increase in production capacity 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). Golden Pass LNG further states that the requested increase will not require the construction of additional facilities or modification of the facilities already approved by the Commission and will not result in additional environmental impacts beyond those previously identified in the final Environmental Impact Statement for the Golden Pass Export Terminal Project. Golden Pass LNG maintains that the requested increase will not impact the existing Air Permit or the Hazard Analysis Report. Lastly, Golden Pass LNG asserts that the potential increased volume of LNG vessel traffic can be managed within the approved Waterway Suitability Assessment (WSA) and any changes to the WSA would be driven by ship class optimization, not the requested capacity increase.

⁵ *Golden Pass Products LLC*, 157 FERC ¶ 61,222 (2016).

⁶ An LNG "train" refers to the compressor facility used to convert natural gas into LNG. The three-step process to convert natural gas into LNG includes: gas treatment (to remove impurities and water), gas compression, and refrigeration. After treatment, purified gas goes to the compressor trains to be transformed from gas into liquid by refrigeration to approximately -256°F.

⁷ *Golden Pass LNG Terminal LLC*, 165 FERC ¶ 61,261 (2018).

II. Notice, Interventions, Comments and Protests

7. Notice of the Golden Pass LNG application was published in the *Federal Register* on June 3, 2020.⁸ No interventions, adverse comments, or protests were received.⁹

III. Discussion

8. Because the applicant proposes to operate the facility to liquefy for export natural gas at levels above those previously authorized, the proposal requires Commission approval under section 3 of the NGA.¹⁰ Section 3 provides that an application shall be approved if the proposal “will not be inconsistent with the public interest,” subject to “such terms and conditions as the Commission may find necessary or appropriate.”¹¹

9. The Commission recognizes that an accurate calculation of a facility’s production capacity may not be possible at the time an initial application for construction is filed, but believes it is appropriate for the ultimate authorization to reflect the maximum capacity at

⁸ *Golden Pass LNG Terminal LLC*, 85 Fed. Reg. 34,187 (June 3, 2020) (Notice of Application).

⁹ On August 12, 2020, Devendra Agrawal filed a comment regarding technology used at LNG facilities. This comment was generic in nature and will not be considered in this individual docket.

¹⁰ 15 U.S.C. § 717b(a). The regulatory functions of section 3 were transferred to the Secretary of Energy in 1977 pursuant to section 301(b) of the Department of Energy Organization Act (Pub. L. No. 95-91, 42 U.S.C. §§7101 *et seq.*). The Secretary of Energy subsequently delegated to the Commission the authority to approve or disapprove the construction and operation of natural gas import and export facilities and the site at which such facilities shall be located. The most recent delegation is in DOE Delegation Order No. 000-004.00A, effective May 16, 2006. The Commission does not authorize importation or exportation of the commodity itself. Rather, applications for authorization to import or export natural gas must be submitted to the DOE. *See EarthReports, Inc. v. FERC*, 828 F. 3d 949, 952-53 (D.C. Cir. 2016) (detailing how regulatory oversight for the export of LNG and supporting facilities is divided between the Commission and DOE).

¹¹ For a discussion of the Commission's authority to condition its approvals of LNG facilities under section 3 of the NGA, *see, e.g., DISTRIGAS CORPORATION v. FPC*, 495 F.2d 1057, 1063-64, *cert. denied*, 419 U.S. 834 (D.C. Cir. 1974) and *Dynegy LNG Production Terminal, L.P.*, 97 FERC ¶ 61,231 (2001).

optimal conditions, as such a level represents the actual potential production of LNG.¹² Further, Golden Pass LNG's proposal will not substantially alter the scope of the terminal's operation; will not involve additional construction of new facilities or modification of facilities previously approved; and will not impact the existing Air Permit or the Hazard Analysis Report.¹³ And, as discussed below, the Environmental Assessment (EA) supports a finding that the proposal will not result in any significant adverse environmental impacts. For these reasons, we find that Golden Pass LNG's proposal is not inconsistent with the public interest, subject to the conditions imposed in this order.

IV. Environmental Assessment

10. To satisfy the requirements of the National Environmental Policy Act of 1969, our staff prepared an EA for Golden Pass LNG's proposal and placed the EA in the public record on November 6, 2020. The EA was prepared with the cooperation of the U.S. Department of Energy, U.S. Department of Transportation, and U.S. Coast Guard. The analysis in the EA addresses water resources, fisheries, marine wildlife, threatened and endangered species, air quality, reliability and safety, and alternatives.

11. As the EA explained, there is a potential for an increased volume of LNG vessel traffic than previously analyzed for the Golden Pass Export Terminal Project, which could impact endangered and threatened aquatic species. We initiated Endangered Species Act (ESA) consultation with National Marine Fisheries Service regarding such impact and the EA recommended completion of this consultation, prior to construction. As the Golden Pass Export Terminal Project is currently under construction, we are modifying the EA's environmental recommendation four in this order to require that ESA consultation be complete prior to implementing the production capacity increase at the Golden Pass LNG Export Project. We are adopting the environmental recommendations in the EA, as modified herein, and include them as conditions appended to this order.

¹² *Freeport LNG Development, L.P.*, 156 FERC ¶ 61,019, at P 13 (2016) (approving an increase in authorized maximum peak day LNG production level from 1.8 Bcf per day to 2.14 Bcf per day based on more detailed information obtained and changes made during the final design process); *see, e.g., Sabine Pass Liquefaction, LLC*, 146 FERC ¶ 61,117, at P 12 (2014) (approving an increase in authorized LNG production capacity to 20 million tons per year based on more detailed engineering analysis).

¹³ While we are setting an annual capacity level for Golden Pass' facility, staff performed its hazard analysis based upon the estimated maximum hourly throughput.

12. With respect to whether the potential increased volume of LNG vessel traffic requires an amendment to the Coast Guard's Waterway Suitability Assessment (WSA),¹⁴ Golden Pass conferred with the Coast Guard Captain of the Port regarding the potential for increases in expected vessel traffic above the level reflected in the WSA that formed the basis of the Letter of Recommendation to FERC. As noted in the EA, because Golden Pass has not yet finalized the shipping fleet details it is unknown whether this Amendment would result in an increase in the number of vessels above what is currently approved under the WSA.¹⁵ Accordingly, the Coast Guard advised Golden Pass to defer any WSA updates until Golden Pass makes a final determination on ship class utilization.¹⁶ Golden Pass would be required to submit a final report to the Coast Guard at least 30 days prior to commencement of export terminal operations if there are any changes in the size or frequency of vessel traffic.¹⁷

13. Based on the analysis in the EA, we conclude that if Golden Pass LNG operates its facilities in accordance with its application and supplements, including any commitments made therein, and in compliance with the environmental conditions in the appendix to this order, our approval of this proposal would not constitute a major federal action significantly affecting the quality of the human environment.

14. Compliance with the environmental conditions appended to our orders is integral to ensuring that the environmental impacts of approved projects are consistent with those anticipated by our environmental analyses. Thus, Commission staff carefully reviews all information submitted. Only when satisfied that the applicant has complied with all applicable conditions will a notice to proceed with the activity to which the conditions are relevant be issued. We also note that the Commission has the authority to take whatever steps are necessary to ensure the protection of environmental resources during construction and operation of the project, including authority to impose any additional measures deemed necessary to ensure continued compliance with the conditions of the order, as well as the avoidance or mitigation of unforeseen adverse environmental impacts resulting from project construction and operation.

¹⁴ The Coast Guard's regulatory authority includes assessing the suitability of the project waterways for LNG marine traffic. *See* EA at 4.

¹⁵ *Id.* at 14.

¹⁶ *See id.* at 5, 6, and 14-15.

¹⁷ *Id.* at 15.

V. Conclusion

15. For the reasons set forth herein, and subject to the conditions set forth below, we find that Golden Pass LNG's proposal is not inconsistent with the public interest under section 3 of the NGA. Thus, we amend Golden Pass LNG's section 3 authorization for the Golden Pass Export Terminal Project.

16. At a hearing held on January 19, 2021, the Commission on its own motion received and made a part of the record in this proceeding all evidence, including the application and exhibits thereto, submitted in support the authorizations sought herein, and upon consideration of the record,

The Commission orders:

(A) Golden Pass LNG's section 3 authorization for the Golden Pass Export Terminal Project is amended to reflect a total LNG production capacity of 18.1 mtpa per year.

(B) In all other respects, the authorizations granted in the order authorizing the Golden Pass Export Terminal Project shall remain in full force and effect.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Deputy Secretary.

Appendix A

Environmental Conditions

As recommended in the Environmental Assessment (EA) and modified herein, this authorization includes the following conditions:

1. Golden Pass LNG shall follow the procedures and mitigation measures described in its application and supplements and as identified in the EA, unless modified by the Order. Golden Pass LNG must:
 - a. request any modification to these procedures, measures, or conditions in a filing with the Secretary of the Commission (Secretary);
 - b. justify each modification relative to site-specific conditions;
 - c. explain how that modification provides an equal or greater level of environmental protection than the original measure; and
 - d. receive approval in writing from the Director of the Office of Energy Projects (OEP), or the Director's designee, before using that modification.
2. The Director of OEP, or the Director's designee, has delegated authority to address any requests for approvals or authorizations necessary to carry out the conditions of the Order, and take whatever steps are necessary to ensure the protection of life, health, property, and the environment during operation of the project. This authority shall allow:
 - a. the modification of conditions of the Order;
 - b. stop-work authority and authority to cease operation; and
 - c. the imposition of any additional measures deemed necessary to ensure continued compliance with the intent of the conditions of the Order as well as the avoidance or mitigation of unforeseen adverse environmental impact resulting from project operation.
3. Golden Pass LNG shall continue to comply with all environmental and engineering conditions set forth in the Appendix of the December 16, 2016 Order issued in Docket No CP14-517-000.

4. Golden Pass LNG shall not implement the production capacity increase authorized in this Order until:
 - a. FERC staff receives comments from the National Marine Fisheries Service (NMFS) regarding the proposed action; and
 - b. FERC staff completes Endangered Species Act consultation with the NMFS.