

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

DELFIN LNG, LLC)
_____)

FE DOCKET NO. 13-129-LNG
FE DOCKET NO. 13-147-LNG

ORDER GRANTING APPLICATION TO
CORRECT AND AMEND EXPORT AUTHORIZATIONS

DOE/FE ORDER NO. 3393-B
DOE/FE ORDER NO. 4028-C

MAY 18, 2021

I. INTRODUCTION AND BACKGROUND

On March 19, 2021, Delfin LNG, LLC (Delfin) filed with the Office of Fossil Energy (FE) of the Department of Energy (DOE) an Application to Correct and Amend Export Authorizations¹ (Application) under section 3 of the Natural Gas Act (NGA).² Delfin asks DOE/FE to amend the location of the proposed floating liquefaction facility (the Delfin Liquefaction Facility) identified in its two long-term authorizations to export domestically produced liquefied natural gas (LNG), set forth below.³ Specifically, Delfin states that the authorizations are “incomplete in their specification of the location of the Delfin project,”⁴ and therefore it asks DOE/FE to amend both authorizations to “fully and correctly identify the location of its project.”⁵

Delfin is authorized to export domestically produced LNG by vessel from the proposed floating Delfin Liquefaction Facility to be located in the West Cameron area of the Gulf of Mexico, approximately 40 miles offshore of Cameron Parish, Louisiana, under the following orders:

- (i) DOE/FE Order No. 3393,⁶ authorizing exports to any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries), under

¹ Delfin LNG, LLC, Application to Correct and Amend Export Authorizations, FE Docket Nos. 13-129-LNG and 13-147-LNG (Mar. 19, 2021) [hereinafter App.].

² The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. S4-DEL-FE1-2021, issued on March 25, 2021.

³ App. at 5.

⁴ *Id.* at 3, 5.

⁵ *Id.* at 1.

⁶ *Delfin LNG LLC*, DOE/FE Order No. 3393, FE Docket No. 13-129-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from a Proposed Floating Liquefaction Project and Deepwater Port 30 Miles Offshore of Louisiana to Free Trade Agreement Nations (Feb. 20, 2014), *amended by* DOE/FE Order No. 3393-A (Dec. 10, 2020) (extending export term). DOE/FE Order No. 3393 is available at: https://fossil.energy.gov/ng_regulation/sites/default/files/programs/gasregulation/authorizations/2014/orders/ord3393.pdf.

NGA section 3(c);⁷ and

- (ii) DOE/FE Order No. 4028,⁸ authorizing exports to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), under NGA section 3(a).⁹

Both orders authorize exports of LNG in a volume equivalent to 657.5 billion cubic feet per year (Bcf/yr) of natural gas on a non-additive basis through December 31, 2050.¹⁰

In Ordering Paragraph A of each order, Delfin is authorized to export LNG “from the proposed floating Delfin Liquefaction Facility, to be located in West Cameron Block 167.”¹¹ Delfin states, however, that this location should be described as “West Cameron Blocks 167, 319, 327, 328, 334 and 335.”¹² Delfin explains that it inadvertently failed to inform DOE/FE “of a change in the location of the liquefaction facilities that was made between the time of Delfin’s submission of its original applications to DOE and DOE’s issuance of the non-FTA approval.”¹³ Accordingly, Delfin asks DOE/FE to make this “non-material amendment” to both its FTA and non-FTA orders.¹⁴

Below, DOE/FE grants Delfin’s Application and amends the location of the Delfin Liquefaction Facility stated in both orders, pursuant to NGA section 3 and DOE/FE’s regulations

⁷ 15 U.S.C. § 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

⁸ *Delfin LNG LLC*, DOE/FE Order No. 4028, FE Docket No. 13-147-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from a Proposed Floating Liquefaction Project and Deepwater Port 30 Miles Offshore of Louisiana to Non-Free Trade Agreement Nations (June 1, 2017), *reh’g denied* DOE/FE Order No. 4028-A (Apr. 3, 2018), *amended by* DOE/FE Order No. 4028-B (Dec. 10, 2020) (extending export term). DOE/FE Order No. 4028 is available at: https://fossil.energy.gov/ng_regulation/sites/default/files/programs/gasregulation/authorizations/ord4028.pdf.

⁹ 15 U.S.C. § 717b(a).

¹⁰ App. at 2.

¹¹ See DOE/FE Order No. 4028 at 172 (Ordering Para. A) (emphasis added); DOE/FE Order No. 3393 at 10 (Ordering Para. A) (emphasis added).

¹² App. at 5 (emphasis added).

¹³ *Id.* at 3.

¹⁴ *Id.*

at 10 C.F.R. § 590.407 (“Reports of Changes”). Delfin’s orders remain unchanged in all other respects.

II. DESCRIPTION OF REQUEST

Delfin states that the description of the location of its offshore liquefaction facilities in both its FTA and non-FTA authorizations is not complete because each order specifies West Cameron Block 167 only.¹⁵ Acknowledging its “inadvertent failure to adequately clarify in its filings ... that the liquefaction facilities would be built at other locations in the West Cameron area of the Gulf of Mexico,” Delfin states that the requested amendment is needed to “fully and accurately describe” the location of the Delfin liquefaction facilities in both orders.¹⁶

According to Delfin, West Cameron Block 167 is the point of interconnection between the High Island Offshore System (HIOS) line and the U-T Offshore System (UTOS) line, which will bring the natural gas from onshore to the Delfin Liquefaction Facility.¹⁷ Delfin’s offshore liquefaction facilities, called Floating Liquefaction and Storage Vessels (FLNGVs), will be located further offshore in the Gulf of Mexico, at West Cameron Blocks 319, 327, 328, 334 and 335.¹⁸

Delfin points out that the correct locations of the Delfin FLNGVs and of the interconnection between the UTOS and HIOS lines—which are reflected on the map attached as Exhibit A to the Application—were included in the final Environmental Impact Statement prepared by the U.S. Department of Transportation’s Maritime Administration for the proposed Facility.¹⁹ Delfin thus states that the “full information” about the relevant West Cameron blocks

¹⁵ *See id.* at 4.

¹⁶ *Id.* at 5.

¹⁷ *Id.* at 3-4. Delfin states that the UTOS pipeline subsequently was designated the “Delfin Offshore Pipeline,” but Delfin will continue to refer to it as UTOS for ease of reference. *Id.* at 3.

¹⁸ App. at 3-4.

¹⁹ *Id.* at 4.

“was in DOE’s possession through the environmental review process.”²⁰ Delfin also notes that DOE/FE’s Record of Decision (ROD), which DOE/FE issued concurrently with the non-FTA order, “accurately described all of the affected West Cameron Blocks.”²¹

For these reasons, Delfin requests that DOE/FE amend its FTA and non-FTA orders—Order Nos. 3393 and 4028, respectively—to specify that the Delfin Liquefaction Facility and associated facilities will be located at West Cameron Blocks 167, 319, 327, 328, 334 and 335.²²

III. DISCUSSION FOR NON-FTA AUTHORIZATION

Under DOE/FE’s regulations, “[a]ny person authorized to ... export natural gas has a continuing obligation to give [DOE/FE] written notification, as soon as practicable, of any prospective or actual changes to the information submitted during the application process upon which the authorization was based”²³ Delfin complied with this obligation by notifying DOE/FE when it realized that the export location provided in its original applications, and incorporated into both orders, was incomplete in referencing only West Cameron Block 167 and should be expanded to include five additional Blocks in the West Cameron area of the Gulf of Mexico.

As Delfin points out, DOE/FE’s Record of Decision (issued concurrently with the non-FTA order) correctly identified all six of the relevant West Cameron Blocks:

Delfin states that the Liquefaction Facility (or ‘deepwater port’) will be located offshore in West Cameron Block 167. Delfin’s floating liquefied natural gas vessels ... will be moored in additional offshore blocks, including West Cameron Blocks 319, 327, 328, 334, and 335.²⁴

²⁰ *Id.* at 5.

²¹ *Id.*

²² *Id.*

²³ 10 C.F.R. § 590.407.

²⁴ U.S. Dep’t of Energy, Record of Decision and Floodplain Statement of Findings for the Delfin LNG LLC Application to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries, 82 Fed. Reg. 26,672, at 26,673 n.1 (June 8, 2017), *available at*:

Therefore, DOE/FE finds that Delfin's requested amendment is consistent with the information contained in the administrative record for the non-FTA order.

DOE/FE further finds that no other facts associated with Delfin's FTA and non-FTA applications, and no requirements of either the FTA or non-FTA order, are affected by the amendment, beyond the stated location of Delfin's liquefaction facilities.

Accordingly, the amendment does not alter DOE/FE's public interest determination in granting Delfin's non-FTA authorization under NGA section 3(a).

ORDER

Pursuant to section 3 of the Natural Gas Act and 10 C.F.R. § 590.407, it is ordered that:

A. Delfin LNG, LLC's Application to correct and amend the location of its liquefaction facilities set forth in DOE/FE Order Nos. 3393 and 4028 is granted.

B. In DOE/FE Order No. 3393, as amended by Order No. 3393-A (FE Docket No. 13-129-LNG), the relevant sentence in Ordering Paragraph A is amended to state:

Delfin is authorized to export domestically produced LNG by vessel from the proposed floating Liquefaction Project to be located at West Cameron Blocks 167, 319, 327, 328, 334 and 335 of the Gulf of Mexico.

C. In DOE/FE Order No. 4028, as amended by Order No. 4028-B (FE Docket No. 13-147-LNG), the relevant sentence in Ordering Paragraph A is amended to state:

Delfin LNG, LLC (Delfin) is authorized to export domestically produced LNG by vessel from the proposed floating Delfin Liquefaction Facility, to be located at West Cameron Blocks 167,

https://fossil.energy.gov/ng_regulation/sites/default/files/programs/gasregulation/authorizations/2017-11907_FE_ROD_Delfin.pdf

319, 327, 328, 334 and 335 in the Gulf of Mexico, offshore of
Cameron Parish, Louisiana.

D. All other obligations, rights, and responsibilities established by DOE/FE Order
Nos. 3393 and 4028, both as amended, remain in effect.

Issued in Washington, D.C., on May 18, 2021.

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