UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

GOLDEN PASS LNG TERMINAL LLC)	FE DOCKET NO. 12-88-LNG

ORDER AMENDING LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT NATIONS

DOE/FE ORDER NO. 3147-E

JUNE 17, 2021

I. <u>DESCRIPTION OF REQUEST</u>

On August 14, 2020, Golden Pass LNG Terminal LLC (Golden Pass LNG) filed an application (Application)¹ with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA).² Golden Pass LNG subsequently submitted a Clarification on August 28, 2020,³ and an Information Update to the Application on January 21, 2021.⁴ As explained below, Golden Pass LNG asks DOE/FE to amend its two long-term authorizations to align with an order recently issued to it by the Federal Energy Regulatory Commission (FERC).

Golden Pass LNG is currently authorized to export domestically produced liquefied natural gas (LNG) by vessel from the Golden Pass LNG Terminal (the Terminal), currently under construction and located in Sabine Pass, Texas, under the following orders:

(i) DOE/FE Order No. 3147 (FE Docket No. 12-88-LNG),⁵ 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 NGA section 3(c);⁶ and

^{...}

¹ Golden Pass LNG Terminal LLC, Application for Limited Amendments to Authorizations to Export Liquefied Natural Gas, FE Docket Nos. 12-88-LNG and 12-156-LNG (Aug. 14, 2020) [hereinafter Application].

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

³ Email from Kevin M. Sweeney, Counsel for Golden Pass LNG Terminal LLC, to Amy Sweeney, DOE/FE, Clarification, FE Docket Nos. 12-88-LNG and 12-156-LNG (Aug. 28, 2020) (clarifying requested export commencement dates).

⁴ Golden Pass LNG Terminal LLC, Information Update, FE Docket Nos. 12-88-LNG and 12-156-LNG (Jan. 21, 2021) [hereinafter Info. Update].

⁵ Golden Pass LNG Terminal LLC, DOE/FE Order No. 3147, FE Docket No. 12-88-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Golden Pass LNG Terminal to Free Trade Agreement Nations (Sept. 27, 2017), amended by DOE/FE Order No. 3147-A (Mar. 4, 2020) (transferring authorization from Golden Pass Products LLC to Golden Pass LNG Terminal LLC), further amended by DOE/FE Order No. 3147-B (Mar. 24, 2020) (extending export commencement deadline), further amended by DOE/FE Order No. 3147-C (May 22, 2020) (amending DOE/FE Order No. 3147-B), further amended by DOE/FE Order No. 3147-D (Dec. 10, 2020) (extending export term).

⁶ 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.

DOE/FE Order No. 3978 (FE Docket No. 12-156-LNG), authorizing exports to (ii) any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), under NGA section 3(a).8

These orders authorize exports of LNG in a volume equivalent to 740 billion cubic feet per year (Bcf/yr) of natural gas to FTA countries and 808 Bcf/yr of natural gas to non-FTA countries, respectively, on a non-additive basis. 9 Both orders authorize exports through December 31, $2050.^{10}$

Golden Pass LNG asks DOE to amend its orders to increase the approved export volume under each order to 937 Bcf/yr of natural gas, equivalent to 18.1 million metric tons per annum (mtpa) of LNG, on a non-additive basis. 11 In the Information Update, Golden Pass LNG submitted an order issued by FERC on January 19, 2021 (FERC Amendment Order), 12 in which FERC amended Golden Pass LNG's existing FERC authorization under NGA section 3 to increase the total liquefaction production capacity of the Terminal to 18.1 mtpa of LNG. 13 Golden Pass LNG states that, in light of the FERC Amendment Order, "the

⁷ Golden Pass LNG Terminal LLC, DOE/FE Order No. 3978, FE Docket No. 12-156-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Golden Pass LNG Terminal Located in Jefferson County, Texas, to Non-Free Trade Agreement Nations (Apr. 25, 2017), reh'g denied, DOE/FE Order No. 3978-A (Mar. 30, 2018), amended by DOE/FE Order No. 3978-B (Mar. 4, 2020) (transferring authorization from Golden Pass Products LLC to Golden Pass LNG Terminal LLC), further amended by DOE/FE Order No. 3978-C (Mar. 24, 2020) (extending export commencement deadline), further amended by DOE/FE Order No. 3147-D (Dec. 10, 2020) (extending export term). ⁸ 15 U.S.C. § 717b(a).

⁹ See, e.g., App. at 1-2.

¹⁰ See DOE/FE Order Nos. 3147-D and 3978-D; see also U.S. Dep't of Energy, 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. 52,237 (Aug. 25, 2020) [hereinafter 2050 Policy Statement]. Additionally, DOE/FE notes that, effective January 12, 2021, long-term export authorizations contain authority to export the same approved volume of LNG pursuant to transactions with terms of less than two years, including commissioning volumes, on a non-additive basis. See U.S. Dep't of Energy, Including Short-Term Export Authority in Long-Term Authorizations for the Export of Natural Gas on a Non-Additive Basis; Policy Statement, 86 Fed. Reg. 2243 (Jan. 12, 2021).

¹¹ App. at 1-2; *see also id.* at 6.

¹² Golden Pass LNG Terminal LLC, Order Amending Section 3 Authorization, 174 FERC ¶ 61,053 (Jan. 19, 2021) [hereinafter FERC Amendment Order]. As noted, the FERC Amendment Order is attached to Golden Pass LNG's Information Update.

¹³ Info. Update at 1.

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 before DOE/FE."¹⁴

In this Order, DOE/FE grants the portion of Golden Pass LNG's Application that seeks to increase the export volume in its FTA order (DOE/FE Order No. 3147, as amended), pursuant to NGA section 3(c), 15 U.S.C. § 717b(c). The non-FTA portion of the Application—seeking to increase the export volume in Golden Pass LNG's non-FTA order (DOE/FE Order No. 3978, as amended)—will be reviewed pursuant to NGA section 3(a), 15 U.S.C. § 717b(a), and addressed in a separate order.

II. GOLDEN PASS LNG TERMINAL 15

Golden Pass LNG states that the Terminal is comprised of three liquefaction trains, authorized by FERC in 2016 to have a production capacity sufficient to produce 5.2 mtpa of LNG each, for a total production capacity of 15.6 mtpa. ¹⁶ In the Information Update, Golden Pass LNG states that the FERC Amendment Order approved an increase in the total production capacity of the Terminal from 15.6 mtpa to 18.1 mtpa of LNG, or 937 Bcf/yr of natural gas. ¹⁷ DOE notes that, in granting Golden Pass LNG's requested amendment under NGA section 3, FERC found that the increased production capacity "will not substantially alter the scope of the terminal's operation; will not involve additional construction of new facilities or modification of

¹⁴ *Id*.

¹⁵ For all other background information, DOE/FE incorporates by reference Order No. 3147, as amended by Order Nos. 3147-A through 3147-D.

¹⁶ App. at 4-5 (citing *Golden Pass Products LLC and Golden Pass Pipeline LLC*, Order Granting Authorizations Under Sections 3 and 7 of the Natural Gas Act, 157 FERC ¶ 61,222 (Dec. 21, 2016)). In 2018, FERC authorized the transfer of Golden Pass Products LLC's NGA section 3 authorization to Golden Pass LNG. *See* App. at 4 n.6. ¹⁷ Info. Update at 1; *see also* App. at 12.

facilities previously approved; and will not impact the existing Air Permit or the Hazard Analysis Report."¹⁸

III. <u>FINDINGS</u>

Section 3(c) of the NGA was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that applications requesting authority for (a) the import and export of natural gas, including LNG, from and to a nation with which there is in effect a FTA requiring national treatment for trade in natural gas, and/or (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay. The portion of Golden Pass LNG's Application requesting an amendment to its FTA authorization (DOE/FE Order No. 3147, as amended) falls within NGA section 3(c). ¹⁹ Therefore, DOE/FE is charged with granting the requested amendment without modification or delay. ²⁰

ORDER

Pursuant to section 3(c) of the NGA, it is ordered that:

A. Golden Pass LNG Terminal LLC's Application to amend DOE/FE Order No. 3147 (FE Docket No. 12-88-LNG), as amended most recently in Order No. 3147-D, is granted, as reflected in the following new Ordering Paragraph A:

Golden Pass LNG Terminal LLC (GPLNG) is authorized to export domestically produced LNG by vessel from the Golden Pass Terminal in Sabine Pass, Texas, in a volume equivalent to 937 Bcf per year of

¹⁸ FERC Amendment Order at ¶ 9.

¹⁹ 15 U.S.C. § 717b(c).

²⁰ DOE further finds that the requirement for public notice of applications and other hearing-type procedures in 10 C.F.R. Part 590, are applicable only to applications seeking to export natural gas, including LNG, to non-FTA countries.

natural gas for a term beginning on the earlier of (i) the date of first export or (ii) September 30, 2025, and extending through December 31, 2050. GPLNG is authorized to export the LNG on its own behalf and as agent for other entities who hold title to the natural gas, pursuant to one or more contracts of any duration.²¹

B. All other obligations, rights, and responsibilities established by DOE/FE Order No. 3147, as amended, remain in effect.

Issued in Washington, D.C., on June 17, 2021.

Amy R. Sweeney Director, Office of Regulation, Analysis and Engagement Office of Oil and Natural Gas

²¹ These contracts may include the export of commissioning volumes prior to the start of facility operations on a non-additive basis. *See supra* note 10.