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**UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT**

**In The Matter Of:**

**Freeport LNG Expansion, L.P.  
FLNG Liquefaction, LLC  
FLNG Liquefaction 2, LLC &  
FLNG Liquefaction 3, LLC**

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**FE Docket No. 21-98-LNG**

**APPLICATION FOR LONG-TERM AUTHORIZATION  
TO EXPORT LIQUEFIED NATURAL GAS  
TO NON-FREE TRADE AGREEMENT NATIONS**

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## TABLE OF CONTENTS

	<b>Page</b>
I. DESCRIPTION OF APPLICANTS .....	2
II. COMMUNICATIONS AND CORRESPONDENCE .....	3
III. BACKGROUND .....	3
IV. AUTHORIZATION REQUESTED .....	5
V. COMMERCIAL TERMS AND EXPORT SOURCES .....	5
VI. APPLICABLE LEGAL STANDARD .....	6
VII. PUBLIC INTEREST .....	7
VIII. ENVIRONMENTAL CONSIDERATIONS .....	9
IX. APPENDICES .....	12
X. CONCLUSION .....	13

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Pursuant to Section 3 of the Natural Gas Act (“NGA”)<sup>1</sup> and Part 590 of the Department of Energy’s (“DOE”) regulations,<sup>2</sup> Freeport LNG Expansion, L.P. (“Freeport Expansion”), FLNG Liquefaction, LLC (“FLIQ1”), FLNG Liquefaction 2, LLC (“FLIQ2”) and FLNG Liquefaction 3, LLC (“FLIQ3” and together with Freeport Expansion, FLIQ1 and FLIQ2, “FLEX”) hereby request that DOE’s Office of Fossil Energy and Carbon Management (“DOE/FE”) grant authorization for FLEX to engage in additional long-term, multi-contract exports of domestically produced liquefied natural gas (“LNG”) in an amount up to 88 billion cubic feet (“Bcf”) per year (“Bcf/y”) from the Freeport LNG Liquefaction Project (the “Liquefaction Project”) at the Freeport LNG Terminal on Quintana Island near Freeport, Texas, for a term extending through December 31, 2050.<sup>3</sup>

FLEX is seeking to export LNG to any nation that has, or in the future develops, the capacity to import LNG, with which the United States (“U.S.”) does not have a free trade agreement (“FTA”) requiring the national treatment for trade in natural gas and LNG, and with

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<sup>1</sup> 15 U.S.C. § 717b (2012).

<sup>2</sup> 10 C.F.R. Part 590 (2021).

<sup>3</sup> Such export term aligns with FLEX’s existing export authorizations, which are described in detail herein. *See infra* notes 7 through 11.

which trade is not prohibited by U.S. law or policy (“Non-FTA Nations”). FLEX requests authorization to engage in such exports, on its own behalf and as agent for other entities who themselves hold title to the LNG, through December 31, 2050.

In support of the instant application (“Application”), FLEX provides as follows:

**I.**  
**DESCRIPTION OF APPLICANTS**

The exact legal name of Freeport Expansion is Freeport LNG Expansion, L.P. Freeport Expansion is a Delaware limited partnership and is wholly owned by FLEX Holdco, LLC, a Delaware limited liability company. FLEX Holdco, LLC is wholly owned by Freeport LNG Development, L.P. (“Freeport Development”). The exact legal name of FLIQ1 is FLNG Liquefaction, LLC. The exact legal name of FLIQ2 is FLNG Liquefaction 2, LLC. The exact legal name of FLIQ3 is FLNG Liquefaction 3, LLC. Each of FLIQ1, FLIQ2 and FLIQ3 is a Delaware limited liability company.

FLIQ1 Holdings, LLC, the sole managing member of FLIQ1, is owned 25% by a wholly owned subsidiary of JERA Co., Inc. (“JERA”), a company organized and existing under the laws of Japan. JERA is a 50/50 joint venture formed in 2016 by Chubu Electric Power Co., Inc. and Tokyo Fuel & Power, Inc. (“TEPCO Fuel & Power”), both of which are companies organized and existing under the laws of Japan. TEPCO Fuel & Power is a wholly owned subsidiary of Tokyo Electric Power Company, Incorporated (“TEPCO”), a publicly traded company also organized and existing under the laws of Japan. The Nuclear Damage Compensation and Decommissioning Facilitation Corporation (“NDF”), an entity established by the Japanese government’s initiatives under the Nuclear Damage Compensation and Decommissioning Facilitation Corporate Act, has an approximately 54.7% interest in TEPCO. NDF is 50.1% owned by the Government of Japan.

As a result of NDF's ownership interest in TEPCO, the Government of Japan holds an approximately 3.4% indirect economic interest in FLIQ1.

All of Freeport Expansion, FLIQ1, FLIQ2 and FLIQ3 are authorized to do business in Texas and have a principal place of business at 333 Clay Street, Suite 5050, Houston, Texas 77022.

## **II. COMMUNICATIONS AND CORRESPONDENCE**

All correspondence and communications concerning this Application, including all service of pleadings and notices, should be directed to the following persons:<sup>4</sup>

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## **III. BACKGROUND**

On June 29, 2021, FLIQ1, FLIQ2, FLIQ3 and Freeport Development (collectively, "Freeport LNG") filed an application ("2021 FERC Application") with the Federal Energy Regulatory Commission ("FERC" or "Commission") for authorization to increase the Liquefaction Project's authorized maximum LNG production capacity from 782 Bcf/y to approximately 870 Bcf/y, consistent with the highest production scenario previously reviewed for upper limit normal operations by FERC staff, and consistent with the maximum combined daily LNG production capacity of the three liquefaction trains authorized as part of the Liquefaction

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<sup>4</sup> FLEX requests waiver of Section 590.202(a) of DOE's regulations, to the extent necessary to include outside counsel on the official service list in this proceeding. 10 C.F.R. § 590.202(a).

Project.<sup>5</sup> The 2021 FERC Application is currently under Commission review in FERC Docket No. CP21-470-000.<sup>6</sup>

Currently, in FE Docket Nos. 10-161-LNG,<sup>7</sup> 11-161-LNG,<sup>8</sup> and 16-108-LNG,<sup>9</sup> FLEX is authorized by DOE/FE to export LNG from the Liquefaction Project to Non-FTA Nations in an amount up to 782 Bcf/y of natural gas. In this regard, the instant Application seeks to align FLEX's export authority to Non-FTA Nations with the liquefaction production capacity requested in the

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<sup>5</sup> *Freeport LNG Development, L.P. et al*, Application for Limited Amendment to Authorizations Granted Under Section 3 of the Natural Gas Act, FERC Docket No. CP21-470-000 (June 29, 2021).

<sup>6</sup> *Freeport LNG Development, L.P. et al*, Notice of Application and Establishing Intervention Deadline, FERC Docket No. CP21-470-000 (July 14, 2021).

<sup>7</sup> *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3282, FE Docket No. 10-161-LNG (May 17, 2013); *Freeport LNG Expansion, L.P. et al.*, Order Amending Applications in Docket Nos. 10-160-LNG, 10-161-LNG, and 12-06-LNG and Granting Request in Docket No. 11-161-LNG to add FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC as Applicants and Authorization Holders, DOE/FE Order Nos. 2913-A, 3066-A, 3282-A (Feb. 7, 2014) [hereinafter *Amendment Order*]; *Freeport LNG Expansion, L.P. et al.*, Order Amending DOE/FE Order Nos. 3282 and 3357, DOE/FE Order Nos. 3282-B & 3357-A, FE Docket Nos. 10-161-LNG & 11-161-LNG (June 6, 2014); *Freeport LNG Expansion, L.P. et al.*, Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3282-C, FE Docket No. 10-161-LNG (Nov. 14, 2014) [hereinafter *DOE/FE Order No. 3282-C*]; *Freeport LNG Expansion, L.P. et al.*, Order Extending Export Term for Authorizations to Free Trade and Non-Free Trade Agreement Nations through December 31, 2050, DOE/FE Order Nos. 2913-C, 3066-B, 3282-D, 3357-D, 3957-A, FE Docket Nos. 10-160-LNG, 10-161-LNG, 11-161-LNG, 12-06-LNG, & 16-108-LNG (October 21, 2020) [hereinafter *Extension Order*].

<sup>8</sup> *Freeport LNG Expansion, L.P. et al.*, Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3357, FE Docket No. 11-161-LNG (Nov. 15, 2013); *Freeport LNG Expansion, L.P. et al.*, Errata to DOE/FE Order No. 3357, FE Docket No. 11-161-LNG (Dec. 13, 2013); *Amendment Order*; *Freeport LNG Expansion, L.P. et al.*, Order Amending DOE/FE Order Nos. 3282 and 3357, DOE/FE Order Nos. 3282-B & 3357-A, FE Docket Nos. 10-161-LNG & 11-161-LNG (June 6, 2014); *Freeport LNG Expansion, L.P. et al.*, Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3357-B, FE Docket No. 11-161-LNG (Nov. 14, 2014) [hereinafter *DOE/FE Order No. 3357-B*]; *Freeport LNG Expansion, L.P. et al.*, Opinion and Order Denying Request for Rehearing of Orders Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas, to Non-Free Trade Agreement Nations, DOE/FE Order No. 3357-C, FE Docket No. 11-161-LNG (Dec. 4, 2015); *Extension Order*.

<sup>9</sup> *Freeport LNG Expansion, L.P. et al.*, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas, to Non-Free Trade Agreement Nations, DOE/FE Order No. 3957, FE Docket No. 16-108-LNG (Dec. 19, 2016) [hereinafter *DOE/FE Order No. 3957*]; *Extension Order*.

2021 FERC Application. Additionally, in FE Docket Nos. 10-160-LNG<sup>10</sup> and 12-06-LNG,<sup>11</sup> FLEX is currently authorized by DOE/FE to export LNG from the Liquefaction Project to FTA nations in an amount up to 1,022 Bcf/y of natural gas.

#### **IV. AUTHORIZATION REQUESTED**

FLEX hereby respectfully requests that DOE/FE grant it authorization to engage in additional long-term, multi-contract exports of 88 Bcf/y of natural gas in the form of LNG, from the Liquefaction Project to Non-FTA Nations through December 31, 2050, on its own behalf and as agent for other entities who themselves hold title to the LNG. FLEX respectfully requests that DOE/FE issue the authorization as requested herein no later than January 2022.

#### **V. COMMERCIAL TERMS AND EXPORT SOURCES**

Due to the significant interconnectivity of the natural gas pipeline system in the United States, FLEX, as well as its customers, will be able to access feed gas from nearly any basin or supply source, either through direct delivery or by displacement. FLEX has not yet entered into any long-term LNG export contracts in conjunction with the volumes requested herein. In this regard, and consistent with prior practice, FLEX is not submitting transaction-specific information (e.g., long-term supply agreements and long-term export agreements) at this time.<sup>12</sup>

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<sup>10</sup> *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 10, 2011); *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, Errata Notice*, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 17, 2011); *Amendment Order; Freeport LNG Expansion, L.P. et al.*, Order Granting Request to Extend Commencement Date of Export Authorization, DOE/FE Order No. 2913-B, FE Docket No. 10-160-LNG (June 7, 2017); *Extension Order*.

<sup>11</sup> *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal to Free Trade Agreement Nations, DOE/FE Order No. 3066, FE Docket No. 12-06-LNG (Feb. 10, 2012); *Amendment Order; Extension Order*.

<sup>12</sup> *See, e.g., See DOE/FE Order No. 3957, supra note 9; DOE/FE Order No. 3357-B, supra note 8; DOE/FE Order No. 3282-C, supra note 7.*

However, consistent with all previous authorizations granted to FLEX by DOE/FE, FLEX will file (or will ensure that its customers file), all long term contracts (either as unredacted public copies, or under seal as privileged information with either: (i) a copy of each long-term contract with commercially sensitive information redacted, or (ii) a summary of all major provisions of the contracts including, but not limited to, the parties to each contract, contract term, quantity, any take-or-pay or equivalent provisions/conditions, destinations, re-sale provisions, and other relevant provisions).

## **VI. APPLICABLE LEGAL STANDARD**

The instant Application is required to be reviewed under Section 3(a) of the NGA, which states in relevant part that:

...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.<sup>13</sup>

Thus, DOE/FE must grant the requested export authority, absent a finding that the proposed exports “will not be consistent with the public interest.”<sup>14</sup>

In this regard, Section 3(a) of the NGA creates a presumption in favor of approval of an application for non-FTA authorization, which project opponents bear the burden of overcoming. In light of the significant DOE precedent approving exports from U.S. LNG terminal facilities, as well as the abundance of evidence in the public record, it is clear that exports of LNG from the U.S. are in the public interest.

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<sup>13</sup> 15 U.S.C. § 717b(a) (*emphasis added*).

<sup>14</sup> *Id.*



In granting FLEX's previous applications for export authorization from the Liquefaction Project to Non-FTA Nations,<sup>15</sup> DOE/FE referenced market studies and other supporting evidence submitted in Docket Nos. 10-161-LNG and 11-161-LNG, which demonstrated the substantial economic and public benefits that are likely to flow from U.S. exports of natural gas as LNG. That same rationale is equally applicable here, and FLEX incorporates by reference the record developed therein, which clearly demonstrated the public interest benefits of exports from the Liquefaction Project.<sup>16</sup> Additionally, FLEX hereby incorporates by reference the DOE-commissioned studies on LNG exports and the related greenhouse gas lifecycle analyses.<sup>17</sup>

## VII. PUBLIC INTEREST

DOE/FE has consistently held that exports from the Liquefaction Project are not inconsistent with the public interest.<sup>18</sup> In DOE/FE Order Nos. 3957, 3282-C and 3357-B, DOE/FE found that LNG exports from the Liquefaction Project will likely result in many local and national economic and public benefits.<sup>19</sup> Consistent with this prior finding, the benefits of the Liquefaction

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<sup>15</sup> See DOE/FE Order No. 3957, *supra* note 9; DOE/FE Order No. 3357-B, *supra* note 8; DOE/FE Order No. 3282-C, *supra* note 7.

<sup>16</sup> *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries, FE Docket No. 10-161-LNG (Dec. 17, 2010); *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries, FE Docket No. 11-161-LNG (Dec. 19, 2011).

<sup>17</sup> See, e.g., U.S. Energy Information Administration ("EIA"), *Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets* (Oct. 29, 2014), available at <http://www.eia.gov/analysis/requests/fe/>; NERA Economic Consulting, *Macroeconomic Impacts of LNG Exports from the United States* (Dec. 3, 2012), available at [http://energy.gov/sites/prod/files/2013/04/f0/nera\\_lng\\_report.pdf](http://energy.gov/sites/prod/files/2013/04/f0/nera_lng_report.pdf); EIA, *Effect of Increased Natural Gas Exports on Domestic Energy Markets, as Requested by the Office of Fossil Energy* (Jan. 2012), available at [http://energy.gov/sites/prod/files/2013/04/f0/fe\\_eia\\_lng.pdf](http://energy.gov/sites/prod/files/2013/04/f0/fe_eia_lng.pdf).

<sup>18</sup> See DOE/FE Order No. 3957, *supra* note 9; DOE/FE Order No. 3357-B, *supra* note 8; DOE/FE Order No. 3282-C, *supra* note 7.

<sup>19</sup> *Id.*

Project, and the continuing positive outlook for domestic natural gas production, FLEX submits that the exports proposed herein are consistent with the public interest.

There is no explicit criteria for the public interest analysis laid out in DOE's regulations. However, the 1984 DOE *Policy Guidelines* state that "[t]he market, not government, should determine the price and other contract terms of imported [and exported] gas," and that "the federal government's primary responsibility ... should be to evaluate the need for the gas...."<sup>20</sup> Consistent with this policy, in prior export approvals DOE/FE has held that domestic need for the natural gas proposed to be exported is "the only explicit criterion that must be considered in determining the public interest."<sup>21</sup>

### ***Current Projections of Supply and Demand***

Both short and long term EIA projections make clear that domestic natural gas resources are abundantly available to meet projected future domestic needs, including the volumes this Application proposes to export. The September 2021 Short Term Energy Outlook<sup>22</sup> indicates that dry natural gas production is expected to average 92.7 Bcf per day ("Bcf/d") in the second half of 2021, up from 91.7 Bcf/d in the first half of 2021, and to increase to an average of 95.4 Bcf/d in 2022. Comparatively, U.S. consumption of natural gas is expected to decrease from 2020 by 0.9

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<sup>20</sup> DOE, *New Policy Guidelines and Delegation Orders from Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6684, 6685 (Feb. 22, 1984). While the *Policy Guidelines* addressed natural gas imports, DOE/FE has recognized that their "principles are applicable to exports as well." *Phillips Alaska Nat. Gas Corp. & Marathon Oil Co.*, Order Extending Authorization to Export Liquefied Natural Gas from Alaska, DOE/FE Opinion and Order No. 1473, at 14, FE Docket No. 96-99-LNG (Apr. 2, 1999) [hereinafter *Phillips Alaska*].

<sup>21</sup> *Phillips Alaska* at 14. "In prior decisions, however, DOE/FE has identified a range of factors that it evaluates when reviewing an application for export authorization. These factors include economic impacts, international impacts, security of natural gas supply, and environmental impacts, among others." *DOE/FE Order No. 3282-C*, *supra* note 9, at 9.

<sup>22</sup> EIA, Short-Term Energy Outlook (September 8, 2021) available at [https://www.eia.gov/outlooks/steo/pdf/steo\\_full.pdf](https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf).

Bcf/d in 2021 (averaging 82.5 Bcf/d) and average 82.6 Bcf/d in 2022.<sup>23</sup> Similarly, long-term projections demonstrate a similar trend of production outpacing demand, sufficient to support LNG exports. The EIA’s Annual Energy Outlook 2021 (“2021 AEO”), which provides energy projections through 2050 (consistent with the authorization requested herein), indicates that “[c]ontinuing record-high domestic energy production supports natural gas exports...”<sup>24</sup>

### ***Global Energy Policy Priorities***

Natural gas exports also are consistent with U.S. policy initiatives and global energy priorities with regard to the reduction of carbon emissions. This is supported by statements made by U.S. Secretary of Energy Granholm in her confirmation hearing before the Senate Committee on Energy and Natural Resources, where she indicated that “U.S. LNG exports can have an important role to play in reducing international consumption of fuels that have greater contribution to greenhouse gas emissions.”<sup>25</sup>

## **VIII. ENVIRONMENTAL CONSIDERATIONS**

As the lead agency under the National Environmental Policy Act (“NEPA”),<sup>26</sup> FERC will review any potential environmental impacts associated with the proposed increase in production capacity, in accordance with the Energy Policy Act of 2005 and the NGA.<sup>27</sup> In this regard, DOE/FE is anticipated to participate as a cooperating agency in FERC’s environmental review

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<sup>23</sup> *Id.* at 3.

<sup>24</sup> EIA, *Annual Energy Outlook 2021 with projections to 2050*, pg. 3 (February 2021) available at: [https://www.eia.gov/outlooks/aeo/pdf/AEO\\_Narrative\\_2021.pdf](https://www.eia.gov/outlooks/aeo/pdf/AEO_Narrative_2021.pdf).

<sup>25</sup> U.S. Senate Committee on Energy and Natural Resources Hearing, The Nomination of the Honorable Jennifer M. Granholm to be Secretary of Energy, Responses to Questions for the Record submitted to the Honorable Jennifer M. Granholm, pg. 16 (January 27, 2021).

<sup>26</sup> 42 U.S.C. §§ 4321 *et seq.* (2012).

<sup>27</sup> 15 U.S.C. § 717b(e); *id.* § 717n(b)(1).

process. Under DOE/FE regulations adopted from the Council on Environmental Quality that govern its role as a cooperating agency in the NEPA process,<sup>28</sup> “...DOE shall cooperate with the other agencies in developing environmental information...”<sup>29</sup> and may adopt the findings of FERC’s environmental review to the extent that the Commission satisfactorily addresses comments and suggestions raised by DOE/FE during the process.<sup>30</sup>

Furthermore, as noted in the 2021 FERC Application, the proposed increase in liquefaction production capacity does not entail the construction of new facilities, or the modification of previously authorized facilities. While additional feed gas will be supplied to the Liquefaction Project as a result of the increase, the Liquefaction Project can achieve the requested LNG production level while remaining within previously-permitted levels for air emissions and other regulatory requirements.<sup>31</sup> No additional ship calls beyond those currently authorized for the facility will be required in connection with the increased export capacity, and no anticipated increase in noise is associated with the request. In short, there are no impacts associated with the proposed increase in production capacity to Freeport LNG’s existing environmental permits, including air emissions permits.<sup>32</sup>

Finally, pursuant to DOE’s regulations implementing NEPA, the instant application qualifies for a categorical exclusion under 10 C.F.R Part 1021, Part D, Appendix B. Specifically,

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<sup>28</sup> 10 C.F.R. § 1021.103 (2021).

<sup>29</sup> *See id.* § 1021.342; *see also* 40 C.F.R. §§ 1501.8, 1508.5 (requiring that Federal agencies responsible for preparing NEPA analyses and documentation do so in cooperation with State and local governments and other agencies with jurisdiction by law or special expertise, and providing that—upon request of the lead agency—any other Federal agency which has jurisdiction by law shall be a cooperating agency).

<sup>30</sup> *See* 40 C.F.R. § 1506.3.

<sup>31</sup> Emissions assessment was based upon prior and current gas composition ranges observed at the Liquefaction Project.

<sup>32</sup> While there is no change to the permitted air emission levels, Freeport LNG is filing an administrative alteration to its Texas Commission on Environmental Quality air permit to reflect the increased throughput.

categorical exclusion B5.7: Export of natural gas and associated transportation by marine vessel- Approvals or disapprovals of new authorizations or amendments of existing authorizations to export natural gas under Section 3 of the Natural Gas Act and any associated transportation of natural gas by marine vessel.

### ***Environmental Benefits***

Switching to utilizing natural gas in lieu of other fossil fuels that emit higher levels of carbon dioxide (“CO<sub>2</sub>”), such as coal, can provide a significant environmental benefit.<sup>33</sup> The 2021 AEO notes that “[c]hanges over time in [CO<sub>2</sub>] emissions in the Reference case reflect the shift in fuel consumption: emissions decrease from 2023 to 2035 as a result of a transition away from more emission-intensive coal and a rise in the use of natural gas and renewable energy...”<sup>34</sup> A recent McKinsey & Company article similarly noted that “the switch from coal to gas ...also has a tangible impact on decarbonization. Gas to power grew 70 percent between 2007 and 2019 in the United States, but the same period saw an overall 14 percent reduction in total CO<sub>2</sub> emissions in the power sector.”<sup>35</sup> In this same vein, LNG exported to foreign markets complements and serves as a backstop for renewable energy sources that are often less reliable or intermittently available.<sup>36</sup>

The environmental benefits of natural gas stem largely from its distinct advantages as an energy source alternative, compared with other fossil fuels. Natural gas is the cleanest burning fossil fuel. Natural gas has a lower carbon intensity and lower particulate emissions, generating

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<sup>33</sup> *International Energy Agency, Natural Gas-Fired Power—Tracking Report* (June 2020) available at <https://www.iea.org/reports/natural-gas-fired-power> (“[g]as-based generation emits less CO<sub>2</sub> than coal-fired, so when it displaces coal (as in the United States) it can deliver immediate emissions reductions.”).

<sup>34</sup> *2021 AEO*, pg. 8.

<sup>35</sup> McKinsey & Company, *The Impact of Decarbonization on the Gas and LNG Industry* (June 30, 2021) available at: <https://www.mckinsey.com/industries/oil-and-gas/our-insights/the-impact-of-decarbonization-on-the-gas-and-lng-industry>.

<sup>36</sup> *Id.* (“onshore- and offshore-wind generation and solar photovoltaics are intermittent and often backed up by gas plants to power the grid in low-wind or cloudy conditions.”)

“lower emissions per unit of energy than coal or oil, both before and during combustion.”<sup>37</sup> Compared to the average air emissions from coal-fired generation, combustion of natural gas produces about half as much CO<sub>2</sub>.<sup>38</sup> Combustion of natural gas also produces less CO<sub>2</sub> than combustion of gasoline or diesel.<sup>39</sup> Natural gas “has a higher energy content relative to other fuels, and thus, it has a relatively lower CO<sub>2</sub>-to-energy content.”<sup>40</sup>

For the foregoing reasons, FLEX respectfully submits that the authorization requested herein is not inconsistent with, and clearly serves, the public interest.

## **IX. APPENDICES**

Appendix A: Verification

Appendix B: Opinion of Counsel

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<sup>37</sup> *Id.* (noting “[i]n China, coal boilers near cities have been replaced with gas boilers to reduce pollution and alleviate public-health concerns.”).

<sup>38</sup> *See e.g.*, EIA, *FAQ - How much carbon dioxide is produced when different fuels are burned?* (last reviewed June 1, 2021), <https://www.eia.gov/tools/faqs/faq.php?id=73&t=11>.

<sup>39</sup> *Id.*

<sup>40</sup> *Id.*

**X.**  
**CONCLUSION**

WHEREFORE, FLEX respectfully requests that DOE/FE grant its request to engage in additional long-term, multi-contract exports of 88 Bcf/y of domestically produced LNG from the Liquefaction Project to Non-FTA Nations through December 31, 2050. FLEX respectfully requests that DOE/FE issue the authorization as requested herein by January 2022.

Respectfully submitted,

*/s/Lisa M. Tonery*

\_\_\_\_\_  
Lisa M. Tonery  
Mariah T. Johnston  
*Attorneys for*  
*Freeport LNG Expansion, L.P.,*  
*FLNG Liquefaction, LLC*  
*FLNG Liquefaction 2, LLC &*  
*FLNG Liquefaction 3, LLC*

Dated: September 10, 2021

**APPENDIX A**

**VERIFICATION**




**VERIFICATION**

State of Texas )  
County of Harris )

BEFORE ME, the undersigned authority on this day personally appeared John Tobola, who, having first by me been duly sworn, says he is the Senior Vice President and General Counsel for Freeport LNG Expansion, L.P. and is duly authorized to make this Verification; that he has read the forgoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information, and belief.

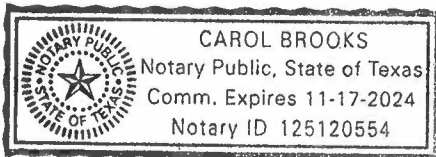
  
\_\_\_\_\_  
John Tobola  
*Senior Vice President and General Counsel  
Freeport LNG Expansion, L.P.*

SWORN TO and SUBSCRIBED on this 10th day of September, 2021.

  
\_\_\_\_\_  
NAME: CAROL BROOKS  
TITLE: Notary Pubic

Commission Expires:

11-17-2024



**APPENDIX B**

OPINION OF COUNSEL



September 10, 2021

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

**RE: Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC & FLNG Liquefaction 3, LLC  
FE Docket No. 21- \_\_\_\_\_ -LNG  
Application for Long-Term Authorization to Export LNG**

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. § 590.202(c) (2021). I am the duly authorized representative for Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC (collectively, "FLEX"). I have reviewed the organizational and internal governance documents of FLEX and other documents and authorities as necessary for purposes of this opinion. On the basis of the foregoing, it is my opinion that the proposed long-term, multi-contract exports of liquefied natural gas by FLEX, as described in the above-referenced application, are within the limited partnership and company powers of FLEX.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "John Tobola", written over a horizontal line.

John Tobola  
Senior Vice President & General Counsel  
*Freeport LNG Expansion, L.P.*