# UNITED STATES OF AMERICA

## DEPARTMENT OF ENERGY

## OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

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VENTURE GLOBAL PLAQUEMINES LNG, LLC )	DOCKET NO. 16-28-LNG

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

DOE/FECM ORDER NO. 3866-B

JUNE 13, 2022

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

On March 11, 2022, Venture Global Plaquemines LNG, LLC (Plaquemines LNG) filed an application (Application)<sup>1</sup> with the Office of Fossil Energy and Carbon Management (FECM)<sup>2</sup> of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA).<sup>3</sup> As explained below, Plaquemines LNG asks DOE for a limited amendment to two of its long-term export authorizations.

Plaquemines LNG is currently authorized to export domestically produced liquefied natural gas (LNG) by vessel from the Plaquemines LNG Project (the Project or the Export Terminal) currently under construction on the west bank of the Mississippi River, near river mile marker 55, in Plaquemines Parish, Louisiana, 4 under the following orders:

(i) DOE/FE Order No. 3866,<sup>5</sup> 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);<sup>6</sup> and

<sup>&</sup>lt;sup>1</sup> Venture Global Plaquemines LNG, LLC, Application for Limited Amendment to Existing Long-Term, Multi-Contract Authorizations to Export Liquefied Natural Gas to Free Trade and Non-Free Trade Agreement Nations, Docket No. 16-28-LNG (Mar. 11, 2022) [hereinafter App.].

<sup>&</sup>lt;sup>2</sup> The Office of Fossil Energy changed its name to the Office of Fossil Energy and Carbon Management on July 4, 2021.

<sup>&</sup>lt;sup>3</sup> 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.

<sup>&</sup>lt;sup>4</sup> App. at 1. In the Application, Plaquemines LNG states that it anticipates completing debt and equity financing and proceeding with a positive Final Investment Decision (FID) for the first phase of the Project "in the coming months." *Id.* at 7. We take notice that, on May 25, 2022, Plaquemines LNG announced that it had reached FID on that phase of the Project. *See* "Venture Global Announces Final Investment Decision and Financial Close for Plaquemines LNG," <a href="https://venturegloballng.com/press/venture-global-announces-final-investment-decision-and-financial-close-for-plaquemines-lng/">https://venturegloballng.com/press/venture-global-announces-final-investment-decision-and-financial-close-for-plaquemines-lng/</a> (May 25, 2022).

<sup>&</sup>lt;sup>5</sup> Venture Global Plaquemines LNG, LLC, DOE/FE Order No. 3866, Docket No. 16-28-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Plaquemines LNG Terminal in Plaquemines Parish, Louisiana, to Free Trade Agreement Nations (July 21, 2016), amended by DOE/FE Order No. 3866-A (Oct. 21, 2020) (extending export term).

<sup>&</sup>lt;sup>6</sup> 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.

(ii) DOE/FE Order No. 4446,<sup>7</sup> 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).<sup>8</sup>

These orders authorize exports to FTA and non-FTA countries on a non-additive basis in a total combined volume equivalent to 1,240 billion cubic feet per year (Bcf/yr) of natural gas, which Plaquemines LNG states is approximately 24.0 million metric tons per annum (mtpa) of LNG.<sup>9</sup> Under each order, as amended, Plaquemines LNG is authorized to export the LNG for a term lasting through December 31, 2050.<sup>10</sup>

In the Application, Plaquemines LNG states that its current volume of approved exports (equivalent to 24 mtpa of LNG) reflects the maximum liquefaction capacity of the Project approved by the Federal Energy Regulatory Commission (FERC) in 2019. According to Plaquemines LNG, this volume was based on an estimate of the Project's peak, potential liquefaction output made in 2016. Plaquemines LNG states that, since that time, it has advanced and refined the final design of the Project and learned more about the Project's capabilities from the "actual construction and production experience of the affiliated, and technologically-identical, Venture Global Calcasieu Pass, LLC ... export project." Based on

<sup>&</sup>lt;sup>7</sup> Venture Global Plaquemines LNG, LLC, DOE/FE Order No. 4446, Docket No. 16-28-LNG, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations (Oct. 16, 2019), amended by DOE/FE Order No. 4446-A (Oct. 21, 2020) (extending export term).

<sup>&</sup>lt;sup>8</sup> 15 U.S.C. § 717b(a).

<sup>&</sup>lt;sup>9</sup> App. at 2.

<sup>&</sup>lt;sup>10</sup> See DOE/FE Order Nos. 3866-A and 4446-A; App. at 2. 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).

<sup>&</sup>lt;sup>11</sup> App. at 2 n.5 (citing *Venture Global Plaquemines LNG, LLC, et al.*, Order Granting Authorizations Under Sections 3 and 7 of the Natural Gas Act, 168 FERC ¶ 61,204 (2019)).

<sup>&</sup>lt;sup>12</sup> See id. at 2.

<sup>&</sup>lt;sup>13</sup> *Id.* at 3.

that refined analysis, Plaquemines LNG states that it is contemporaneously filing an application with the Federal Energy Regulatory Commission (FERC) to amend its NGA section 3 authorization to increase the Project's peak liquefaction capacity under optimal conditions from 24.0 mtpa to 27.2 mtpa of LNG, or from approximately 1,240 Bcf/yr to 1,405.33 Bcf/yr of natural gas. <sup>14</sup> Plaquemines LNG further states that the proposed increase in peak liquefaction capacity "does not involve any additional construction or modification of the authorized facilities." <sup>15</sup>

In light of its pending request at FERC, Plaquemines LNG requests a "limited amendment" of its FTA and non-FTA orders to increase its total authorized export volume to 1,405.33 Bcf/yr of natural gas—an increase of 165.33 Bcf/yr for each order on a non-additive basis. <sup>16</sup> Plaquemines LNG states that "[a]ll other obligations, rights, and responsibilities of the export authorizations ... would remain the same without change." <sup>17</sup>

In this Order, DOE grants the portion of Plaquemines LNG's Application that seeks to increase the export volume approved in DOE/FE Order No. 3866, as amended, pursuant to NGA section 3(c). <sup>18</sup> The non-FTA portion of the Application—seeking to increase the export volume in Plaquemines LNG's non-FTA order (DOE/FE Order No. 4446, as amended)—will be reviewed pursuant to NGA section 3(a), <sup>19</sup> and addressed in a separate order.

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<sup>&</sup>lt;sup>14</sup> See App. at 3, 8. We take notice that Plaquemines LNG filed its amendment application with FERC on March 11, 2022. See Federal Energy Regulatory Comm'n, Venture Global Plaquemines LNG, LLC; Notice of Application to Amend and Establishing Intervention and Protest Deadline, 87 Fed. Reg. 18,787 (Mar. 31, 2022).

<sup>&</sup>lt;sup>15</sup> App. at 8.

<sup>&</sup>lt;sup>16</sup> *Id.* at 8-9.

<sup>&</sup>lt;sup>17</sup> *Id*. at 4.

<sup>&</sup>lt;sup>18</sup> 15 U.S.C. § 717b(c).

<sup>&</sup>lt;sup>19</sup> *Id.* § 717b(a).

### II. <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 Plaquemines LNG's Application requesting an amendment to DOE/FE Order No. 3866, as amended, falls within NGA section 3(c). Therefore, DOE is charged with granting the requested amendment without modification or delay. <sup>21</sup>

#### **ORDER**

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

A. Venture Global Plaquemines LNG, LLC's Application to amend DOE/FE Order No. 3866, as amended by Order No. 3866-A, is granted as reflected in the following new Ordering Paragraph A:

Venture Global Plaquemines LNG, LLC is authorized to export domestically produced LNG by vessel from the Plaquemines LNG Project, to be located in Plaquemines Parish, Louisiana. The volume authorized in this Order is equivalent to 1,405.33 Bcf/yr of natural gas for a term beginning on the earlier of the date of first export or seven years from the date the authorization is issued (July 21, 2023), and extending through December 31, 2050. Plaquemines LNG is authorized

<sup>&</sup>lt;sup>20</sup> *Id.* § 717b(c).

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<sup>&</sup>lt;sup>21</sup> 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.

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.<sup>22</sup>

B. All other obligations, rights, and responsibilities established by DOE/FE Order No. 3866, as amended by Order No. 3866-A, remain in effect.

Issued in Washington, D.C., on June 13, 2022.

Amy R. Sweeney
Director, Office of Regulation, Analysis and Engagement
Office of Resource Sustainability

<sup>&</sup>lt;sup>22</sup> 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, 86 Fed. Reg. 2243 (Jan. 12, 2021).