# UNITED STATES OF AMERICA

## DEPARTMENT OF ENERGY

# OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

COVE POINT LNG, LP

DOCKET NO. 22-22-LNG

ORDER GRANTING BLANKET AUTHORIZATION TO EXPORT PREVIOUSLY IMPORTED LIQUEFIED NATURAL GAS BY VESSEL TO FREE TRADE AGREEMENT AND NON-FREE TRADE AGREEMENT NATIONS

DOE/FECM ORDER NO. 4849

JULY 8, 2022

### I. <u>INTRODUCTION</u>

On March 22, 2022, Cove Point LNG, LP (Cove Point) filed an application (Application)<sup>1</sup> with the Office of Fossil Energy and Carbon Management (FECM) (formerly the Office of Fossil Energy)<sup>2</sup> of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA).<sup>3</sup> Cove Point requests authorization to export liquefied natural gas (LNG) previously imported into the United States from foreign sources in a volume equivalent to 70 billion cubic feet (Bcf) of natural gas on a cumulative basis for a two-year period commencing on July 1, 2022.<sup>4</sup> Cove Point seeks to export this LNG by vessel, on a spot or short-term basis, from the Cove Point LNG Terminal (Terminal), located in Calvert County, Maryland.<sup>5</sup>

Cove Point seeks to export this LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. This includes both countries with which the United States has entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries),<sup>6</sup> and any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries).<sup>7</sup> Cove Point states that it seeks the authorization solely to export LNG previously imported by vessel at the Terminal

<sup>&</sup>lt;sup>1</sup> *Cove Point LNG, LP, LLC*, Application for Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel from the Cove Point Terminal in Calvert County, Maryland, Docket No. 22-22-LNG (Mar. 22, 2022) [hereinafter App.].

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

<sup>&</sup>lt;sup>3</sup> 15 U.S.C. § 717b. The authority to regulate the imports and exports of natural gas, including LNG, under section 3 of the NGA has been delegated to the Assistant Secretary for FECM in Redelegation Order No. S4-DEL-FE1-2022, issued on June 13, 2022.

<sup>&</sup>lt;sup>4</sup> App. at 1, 7, 16.

<sup>&</sup>lt;sup>5</sup> *Id.* at 1-2, 8.

<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.

<sup>&</sup>lt;sup>7</sup> 15 U.S.C. § 717b(a).

from foreign sources.<sup>8</sup> Cove Point is requesting this authorization on its own behalf and as agent for other parties who hold title to the LNG at the time of export.<sup>9</sup>

In this Order, DOE grants Cove Point's Application and authorizes the requested export of previously imported LNG in a volume equivalent to 70 Bcf of natural gas on a cumulative basis over the requested two-year period.

Specifically, DOE grants the FTA portion of the Application under NGA section 3(c).<sup>10</sup> Section 3(c) was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that FTA applications "shall be deemed to be consistent with the public interest" and granted "without modification or delay."<sup>11</sup> The FTA portion of the Application falls within NGA section 3(c) and, therefore, DOE approves the requested FTA authorization without modification or delay. Accordingly, none of the public interest analysis discussed below applies to the FTA authorization.

DOE has reviewed the non-FTA portion of the Application under NGA section 3(a).<sup>12</sup> On May 12, 2022, DOE published a notice of the non-FTA portion of the Application in the *Federal Register* (Notice of Application).<sup>13</sup> The Notice of Application called on interested persons to submit protests, motions to intervene, notices of intervention, and comments by June 13, 2022. In response to the Notice, DOE received one filing submitted by an anonymous author that is not responsive to the Application.<sup>14</sup> No protests or interventions were filed in response to the Application, and therefore the non-FTA portion of the Application is uncontested under

<sup>&</sup>lt;sup>8</sup> App. at 1, 2.

<sup>&</sup>lt;sup>9</sup> *Id*. at 2, 8.

<sup>&</sup>lt;sup>10</sup> 15 U.S.C. § 717b(c).

<sup>&</sup>lt;sup>11</sup> Id.

<sup>&</sup>lt;sup>12</sup> 15 U.S.C. § 717b(a).

 <sup>&</sup>lt;sup>13</sup> Cove Point LNG, LP; Application for Blanket Authorization to Export Previously Imported Liquefied Natural Gas to Non-Free Trade Agreement Countries on a Short-Term Basis, 87 Fed. Reg. 29,141 (May 12, 2022).
 <sup>14</sup> Comment of Anonymous, Docket No. 22-22-LNG (Jun. 13, 2022).

DOE's regulations.<sup>15</sup>

DOE has reviewed the record for the non-FTA portion of this proceeding, and finds that it has not been demonstrated that Cove Point's proposed exports of LNG to non-FTA countries are inconsistent with the public interest under NGA section 3(a). Accordingly, DOE grants Cove Point's requested non-FTA authorization, as set forth below.

## II. <u>BACKGROUND</u>

Applicant. Cove Point is a Delaware limited partnership with its principal place of business in Lusby, Maryland. Cove Point also has business offices located in Richmond, Virginia. Cove Point states that it is the owner of the import and export Terminal in Calvert County, Maryland, as well as an 88-mile natural gas pipeline connecting the Terminal to the interstate pipeline grid. <sup>16</sup>

The general partner of Cove Point is BHE GT&S LLC, a Delaware limited liability corporation, and a wholly-owned subsidiary of Berkshire Hathaway Energy Company. BHE GT&S LLC also owns 25% of Cove Point's limited partnership interests. A subsidiary of Dominion Energy, Inc. owns 50% of Cove Point's limited partnership interests with the remaining 25% of the limited partnership interests owned by Bowie Acquisitions LLC, an affiliate of Brookfield Asset Management Inc., a global alternative asset manager.<sup>17</sup>

<u>**Procedural History.**</u> DOE previously issued two long-term, multi-contract orders authorizing Cove Point to export domestically produced LNG by vessel from the Terminal, pursuant to NGA section 3. DOE has further issued two short-term blanket authorizations to Cove Point under NGA section 3. These authorizations, are as follows:

<sup>&</sup>lt;sup>15</sup> See 10 C.F.R. § 590.102(b).

<sup>&</sup>lt;sup>16</sup> App. at 2.

<sup>&</sup>lt;sup>17</sup> *Id.* at 2-3.

On October 7, 2011, DOE issued a long-term authorization, DOE/FE Order No. 3019, as amended, authorizing Cove Point, on its own behalf and as agent for other entities, to export LNG to FTA countries in a volume up to the equivalent of 365 billion cubic feet per year (Bcf/yr) of natural gas for a term extending through December 31, 2050.<sup>18</sup>

On May 7, 2015, DOE issued a long-term authorization, DOE/FE Order No. 3331-A, as amended, authorizing Cove Point, on its own behalf and as agent for other entities, to export LNG to non-FTA countries, in a volume up to the equivalent of 281 Bcf/yr of natural gas for a term extending through December 31, 2050.<sup>19</sup> These FTA and non-FTA export volumes are not additive.<sup>20</sup>

Additionally, on February 28, 2020, DOE issued a short-term blanket authorization that has recently expired, DOE/FE Order No. 4508, authorizing Cove Point to export domestically produced and previously imported LNG by vessel in a volume equivalent to 250 Bcf of natural gas over a two-year period commencing on March 2, 2020, and extending through March 1, 2022.<sup>21</sup> Cove Point was authorized to export this LNG by vessel from the Terminal to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.<sup>22</sup>

<sup>&</sup>lt;sup>18</sup> See Cove Point LNG, LP, DOE/FE Order No. 3019, Docket No. 11-115-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Terminal to Free Trade Agreement Nations (Oct. 7, 2011), *amended by* DOE/FE Order No. 3019-A (Aug. 4, 2017) (amending authorization to reflect corporate name change to *Dominion Energy Cove Point LNG, LP*), *further amended by* DOE/FE Order No. 3019-B (Oct. 21, 2020) (extending export term).

<sup>&</sup>lt;sup>19</sup> Cove Point LNG, LP, DOE/FE Order No. 3331-A, Docket No. 11-128-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Terminal in Calvert County, Maryland, to Non-Free Trade Agreement Nations (May 7, 2015), *reh'g denied*, DOE/FE Order No. 3331-B (Apr. 18, 2016), *amended by* DOE/FE Order No. 3331-C (Aug. 4, 2017) (amending authorization to reflect corporate name change to *Dominion Energy Cove Point LNG, LP*), *further amended by* DOE/FE Order No. 3331-D (Oct. 21, 2020) (extending export term).

<sup>&</sup>lt;sup>20</sup> App. at 4.

<sup>&</sup>lt;sup>21</sup> *Cove Point LNG, LP*, DOE/FE Order No. 4508, Docket No. 19-156-LNG, Order Granting Blanket Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Nations, at 13 (Feb. 28, 2020).

<sup>&</sup>lt;sup>22</sup> Id.

Further, on December 18, 2020, DOE issued DOE/FE Order No. 4642, authorizing Cove Point to import LNG from various international sources by vessel in a total volume equivalent to 36 Bcf of natural gas for a two-year term commencing on March 1, 2021, and extending through February 28, 2023.<sup>23</sup> Under the terms of that authorization, Cove Point may import the LNG at any LNG receiving facility in the United States and its territories.<sup>24</sup>

In 2020, Cove Point (formerly Dominion Energy Cove Point LNG, LP) underwent a corporate name change. All orders discussed herein reflect the updated name change.<sup>25</sup>

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

Cove Point requests blanket authorization to export previously imported LNG on a spot or short-term basis in a volume equivalent to 70 Bcf of natural gas cumulatively over a two-year period beginning on July 1, 2022.<sup>26</sup> Cove Point seeks to export this LNG from the Terminal to FTA and non-FTA countries, both on its own behalf and as an agent for other entities.<sup>27</sup> Cove Point states that it will comply with all DOE requirements for exporters and agents. Cove Point further states that, when acting as agent, it will register with DOE each LNG title holder for which it seeks to export LNG as agent, and will comply with other registration requirements as set forth in recent DOE orders.<sup>28</sup>

According to Cove Point, the LNG proposed for export is derived from its previouslyimported LNG activities.<sup>29</sup> Cove Point states that this LNG will provide "increased flexibility to

 <sup>&</sup>lt;sup>23</sup> Cove Point LNG, LP, DOE/FE Order No. 4642, Docket No. 20-157-LNG, Order Granting Blanket Authorization to Import Liquefied Natural Gas from Various International Sources by Vessel, at 3 (Dec. 18, 2020).
 <sup>24</sup> Id.

<sup>&</sup>lt;sup>25</sup> See Cove Point LNG, LP, DOE/FE Order Nos. 3019-C, et al., Docket Nos. 11-115-LNG, et al. Order Granting Request to Amend Authorizations to Import or Export Liquefied Natural Gas to Reflect Corporate Name Change (Dec. 2, 2020) (amending Cove Point's FTA and non-FTA authorizations, as amended, to reflect the name change). <sup>26</sup> App. at 1, 8, 17.

<sup>&</sup>lt;sup>27</sup> *Id.* at 2, 8.

<sup>&</sup>lt;sup>28</sup> *Id.* at 8-9.

<sup>&</sup>lt;sup>29</sup> *Id.* at 2, 7.

respond to market conditions and promote the maximum utilization of the Terminal."<sup>30</sup> Cove Point states that no construction of any new or additional facilities, nor any modification to the Terminal will be required to accommodate the requested authorization.<sup>31</sup>

## IV. <u>APPLICANT'S PUBLIC INTEREST ANALYSIS FOR NON-FTA</u> <u>AUTHORIZATION</u>

Cove Point maintains that its requested authorization is consistent with NGA section 3(a) and DOE's policy.<sup>32</sup> In support of this argument, Cove Point points out that DOE has already engaged in a "robust and thorough analysis of the public interest in LNG exports by Cove Point from the Terminal" in DOE/FE Order No. 3331-A and related orders. Cove Point incorporates by reference and relies upon that public interest analysis, stating that DOE's prior analysis justifies the requested short-term authorization in this proceeding.<sup>33</sup>

Specifically, Cove Point proposes that the volume limitation that applied in its recently expired blanket authorization (DOE/FE Order No. 4508) continue to apply in the requested authorization—such that "the volumes authorized under the blanket authorization for export to non-FTA nations will not exceed the volumes already authorized in the long-term authorization[]."<sup>34</sup> Citing DOE's finding in DOE/FE Order No. 4508 and prior blanket authorizations that "no additional public interest review beyond that conducted in the earlier non-FTA export proceedings is warranted," <sup>35</sup> Cove Point states that this conclusion applies equally in this proceeding.

<sup>33</sup> *Id.* at 9-12.

<sup>&</sup>lt;sup>30</sup> *Id.* at 8.

<sup>&</sup>lt;sup>31</sup> *Id.* at 15.

<sup>&</sup>lt;sup>32</sup> *Id.* at 10-12.

<sup>&</sup>lt;sup>34</sup> *Id.* at 12.

<sup>&</sup>lt;sup>35</sup> Id.

Next, Cove Point contends that DOE's 2018 LNG Export Study<sup>36</sup> and the U.S. Energy Information Administration's (EIA) recent projections confirm the adequacy of domestic natural gas supplies to meet demand during the two-year term for the requested export authorization. Specifically, Cove Point cites EIA's projections for 2022 and 2023 in its *Annual Energy Outlook 2022* (AEO 2022) in arguing that "U.S. consumers have access to sufficient quantities of natural gas to meet all domestic demand [from] other competitively-priced sources, without the need for imports."<sup>37</sup> For these and other reasons, Cove Point maintains that its proposed exports are consistent with the public interest.<sup>38</sup>

# V. <u>DISCUSSION AND CONCLUSIONS FOR NON-FTA AUTHORIZATION</u>

## A. <u>Procedural Matters</u>

As noted above, DOE gave public notice of the non-FTA portion of the Application (Notice of Application) in the *Federal Register* on May 12, 2022, and invited interested persons to submit protests, motions to intervene, notices of intervention, and/or comments addressing the Application no later than June 13, 2022.<sup>39</sup> In response to the Notice of Application, DOE received one comment submitted by Anonymous that is not responsive to the Application.<sup>40</sup>

## B. Standard of Review

Section 3(a) of the NGA sets forth the applicable standard for DOE's review of Cove

Point's requested non-FTA authorization. Section 3(a) provides:

[N]o 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

<sup>&</sup>lt;sup>36</sup> *Id.* at 12-13 (citing, e.g., U.S. Dep't of Energy, Study on Macroeconomic Outcomes of LNG Exports; Notice of Availability of the 2018 LNG Export Study and Request for Comments, 83 Fed. Reg. 27,314 (June 12, 2018)). <sup>37</sup> *Id.* at 13-14 (citing U.S. Energy Info. Admin., *Annual Energy Outlook 2022 with projections to 2050* (Mar. 3, 2022), <u>https://www.eia.gov/outlooks/aeo/pdf/AEO2022\_Narrative.pdf</u>).

<sup>&</sup>lt;sup>38</sup> *Id.* at 13-15.

<sup>&</sup>lt;sup>39</sup> See supra note 13.

<sup>&</sup>lt;sup>40</sup> See supra note 14 at 1.

order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless after opportunity for hearing, [she] finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by [the Secretary's] order grant such application, in whole or part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate.<sup>41</sup>

This provision creates a rebuttable presumption that a proposed export of natural gas is in the public interest.<sup>42</sup> DOE must grant such an application unless the presumption is overcome by an affirmative showing of inconsistency with the public interest.<sup>43</sup>

In evaluating an export application under this standard, DOE applies the principles described in DOE Delegation Order No. 0204-111<sup>44</sup>—which focus primarily on domestic need for the natural gas to be exported, as described in DOE's 1984 Policy Guidelines<sup>45</sup>—and any other matters determined to be appropriate to a determination of the public interest. In addition, the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*, requires DOE to give appropriate consideration to the environmental effects of its proposed decisions.

## C. Domestic Need

Cove Point requests authorization to export LNG that was previously imported into the

United States from foreign sources. Exporting this proposed volume of LNG will not reduce the availability of domestically produced natural gas. On the other hand, exporting previously imported LNG could affect the domestic natural gas market because, for the requested two-year

<sup>&</sup>lt;sup>41</sup> 15 U.S.C. § 717b(a).

<sup>&</sup>lt;sup>42</sup> See, e.g., Sierra Club v. U.S. Dep't of Energy, 867 F.3d 189, 203 (D.C. Cir. 2017) (citations omitted).

<sup>&</sup>lt;sup>43</sup> See id. (citations omitted).

<sup>&</sup>lt;sup>44</sup> DOE Delegation Order No. 0204-111 (Feb. 22, 1984), at  $1(\P (b))$ . DOE Delegation Order No. 0204-111 was later rescinded by DOE Delegation Order No. 00-002.00 ( $\P 2$ ) (Dec. 6, 2001), and DOE Redelegation Order No. 00-002.04 ( $\P 2$ ) (Jan. 8, 2002).

<sup>&</sup>lt;sup>45</sup> U.S. Dep't of Energy, New Policy Guidelines and Delegation Orders from Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to Regulation of Imported Natural Gas, 49 Fed. Reg. 6684, 6690 (Feb. 22, 1984) (incorporating DOE Delegation Order No. 0204-111).

period, the proposed exports will reduce the volume of natural gas potentially available for consumption within the United States.

DOE has issued numerous blanket authorizations to export previously imported LNG in other proceedings.<sup>46</sup> These orders were based, in part, on authoritative data indicating that United States consumers have access to substantial quantities of natural gas sufficient to meet domestic demand from other competitively-priced sources. For this proceeding, DOE takes administrative notice of the most recent analysis prepared by EIA in the AEO 2022.<sup>47</sup> AEO 2022 projects annual domestic dry natural gas production in 2023 of 36.05 trillion cubic feet (Tcf), with total natural gas consumption projected to be 30.54 Tcf in the same year.<sup>48</sup>

Because domestic natural gas production levels are projected to reach an amount that well exceeds the amount of natural gas proposed for short-term export in Cove Point's Application, we find that United States consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the previously imported LNG that Cove Point seeks to export.

#### D. Other Public Interest Factors

Domestic need is the only explicit public interest consideration identified by DOE in Delegation Order No. 0204-111. Consistent with DOE's Policy Guidelines and DOE precedent, DOE considers the potential effects of proposed exports on other aspects of the public interest. In this proceeding, those considerations include the public comments received on the Application

<sup>&</sup>lt;sup>46</sup> See supra at 5. DOE maintains a list of its authorizations at: <u>https://www.energy.gov/fecm/articles/electronic-docket-room-e-docket-room</u>.

 <sup>&</sup>lt;sup>47</sup> U.S. Energy Info. Admin., *Annual Energy Outlook 2022 with projections to 2050* (Mar. 3, 2022), <a href="https://www.eia.gov/outlooks/aeo/pdf/AEO2022\_Narrative.pdf">https://www.eia.gov/outlooks/aeo/pdf/AEO2022\_Narrative.pdf</a>. See also supra note 37.
 <sup>48</sup> See AEO 2022 Reference Case, Table 13: Natural Gas Supply, Disposition, and Prices,

https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2022&cases=ref2022&sourcekey=0.

and environmental factors (discussed below). As noted above, DOE received one Anonymous comment in response to the Notice of Application. The Anonymous comment was generalized and vague and therefore not responsive to the Application.

#### **Environmental Review**

DOE's NEPA procedures provide for a categorical exclusion if neither an environmental assessment (EA) nor an environmental impact statement (EIS) is required—specifically, categorical exclusion B5.7, *Export of natural gas and associated transportation by marine vessel*.<sup>49</sup> On July 8, 2022, DOE issued a categorical exclusion for the non-FTA portion of Cove Point's Application under this provision.<sup>50</sup>

#### E. <u>Conclusion</u>

Upon review of the record, DOE finds that a grant of the non-FTA portion of Cove Point's Application is not inconsistent with the public interest. In particular, the record shows that there is a sufficient supply of domestic natural gas to satisfy domestic demand from multiple other sources at competitive prices without drawing on Cove Point's proposed exports of previously imported LNG during the two-year authorization period. Further, the proposed exports qualify for a categorical exclusion under NEPA, such that no EA or EIS will be required. DOE therefore grants Cove Point's Application, as set forth below.

## VI. FINDINGS

(1) 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 the export of natural gas, including LNG, to a nation with which there is in effect an FTA requiring national treatment

<sup>&</sup>lt;sup>49</sup> See 10 C.F.R. Part 1021, Subpt. D, App. B, Categorical Exclusion B5.7.

<sup>&</sup>lt;sup>50</sup> U.S. Dep't of Energy Categorical Exclusion Determination, Cove Point LNG, LP, Docket No. 22-22-LNG (Jul. 8, 2022) [hereinafter Categorical Exclusion Determination].

for trade in natural gas shall be deemed consistent with the public interest and granted without modification or delay.<sup>51</sup> The FTA portion of Cove Point's Application falls within section 3(c), as amended, and therefore, DOE grants the requested authorization without modification or delay.<sup>52</sup>

(2) With respect to the non-FTA portion of the Application, and after due consideration based on all facts and evidence of record, DOE finds that a grant of the export application is not inconsistent with the public interest under NGA section 3(a), 15 U.S.C. § 717b(a).

(3) Cove Point requests authorization to export LNG on its own behalf and as agent for other entities who will hold title to the LNG at the time of export. DOE previously addressed the issue of Agency Rights in DOE/FE Order No. 2913,<sup>53</sup> which granted Freeport LNG Expansion, L.P., *et al.* (collectively, FLEX) authority to export LNG to FTA countries. In that order, DOE approved a proposal by FLEX to register each LNG title holder for whom FLEX sought to export LNG as agent. DOE found that this proposal was an acceptable alternative to the non-binding policy adopted by DOE in *The Dow Chemical Company*, which established that the title for all LNG authorized for export must be held by the authorization holder at the point of export.<sup>54</sup> We find that the same policy considerations that supported DOE's acceptance of the alternative registration proposal in DOE/FE Order No. 2913 apply here as well.

<sup>&</sup>lt;sup>51</sup> 15 U.S.C. § 717b(c).

 <sup>&</sup>lt;sup>52</sup> DOE 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.
 <sup>53</sup> Freeport LNG Expansion, L.P., et al., DOE/FE Order No 2913, Docket No. 10-160-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations (Feb. 10, 2011).

<sup>&</sup>lt;sup>54</sup> *The Dow Chemical Company*, DOE/FE Order No. 2859, Docket No. 10-57-LNG, Order Granting Blanket Authorization to Export Liquefied Natural Gas, at 7-8 (Oct. 5, 2010), discussed in *Freeport LNG*, DOE/FE Order No. 2913, at 7-8.

DOE reiterated its policy on Agency Rights procedures in other authorizations, including *Cameron LNG, LLC*, DOE/FE Order No. 3680.<sup>55</sup> In that order, DOE determined that, in LNG export orders in which Agency Rights have been granted, DOE shall require registration materials filed for, or by, an LNG title-holder (Registrant) to include the same company identification information and long-term contract information of the Registrant as if the Registrant had filed an application to export LNG on its own behalf.<sup>56</sup>

To ensure that the public interest is served, this authorization shall require that where Cove Point proposes to export LNG as agent for other entities who hold title to the LNG (Registrants), Cove Point must register with DOE those entities on whose behalf it will export LNG in accordance with the procedures and requirements described herein.

## <u>ORDER</u>

Pursuant to section 3 of the NGA it is ordered that:

A. Cove Point LNG, LP (Cove Point) is authorized to export LNG previously imported from foreign sources by vessel in a volume equivalent to 70 Bcf of natural gas, pursuant to transactions that have terms of not greater than two years. This authorization shall be effective for a two-year term beginning on July 8, 2022, and extending through July 7, 2024.

B. This LNG may be exported by vessel from the Cove Point LNG Terminal to any country with the capacity to import ocean-going LNG carriers and with which trade is not prohibited by U.S. law or policy.

<sup>&</sup>lt;sup>55</sup> Cameron LNG, LLC, DOE/FE Order No. 3680, Docket No. 15-36-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel from the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Free Trade Agreement Nations (July 10, 2015).
<sup>56</sup> See id. at 8-9.

C. Cove Point shall ensure that all transactions authorized by this Order are permitted and lawful under U.S. laws and policies, including the rules, regulations, orders, policies, and other determinations of the Office of Foreign Assets Control of the United States Department of the Treasury and Federal Energy Regulatory Commission. Failure to comply with this requirement could result in rescission of this authorization and/or other civil or criminal remedies.

D. Cove Point, or others for whom Cove Point acts as agent, shall include the following provision in any agreement of other contract for the sale or transfer of LNG exported pursuant to this Order:

Customer or purchaser acknowledges and agrees that it will resell or transfer LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FECM Order No. 4849, issued July 8, 2022, in Docket No. 22-22-LNG, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Cove Point LNG, LP that identifies the country (or countries) into which the exported LNG was actually delivered, and to include in any resale contract for such LNG the necessary conditions to ensure that Cove Point LNG, LP is made aware of all such countries.

E. Cove Point is permitted to use its authorization in order to export previously

imported LNG as agent for other entities, after registering the other entities with DOE.

Registration materials shall include an acknowledgement and agreement by the

Registrant to supply Cove Point with all information and copies of contracts necessary in

order to permit Cove Point to register that person or entity with DOE, including: (1) the

Registrant's agreement to comply with this Order and all applicable requirements of

DOE's regulations at 10 C.F.R. Part 590, including but not limited to destination

restrictions; (2) the exact legal name of the registrant, state/location of

incorporation/registration, primary place of doing business, and the Registrant's

ownership structure, including the ultimate parent entity if the Registrant is a subsidiary

or affiliate of another entity; (3) the name, title, mailing address, e-mail address, and telephone number of a corporate officer or employee of the Registrant to whom inquiries may be directed; and (4) an acknowledgement and agreement by the Registrant to include the provision in Ordering Paragraph E in any contract for the sale or transfer of LNG exported pursuant to this Order.

F. Each registration submitted pursuant to this Order shall have current information on file with DOE. Any changes in company name, contact information, or other relevant modifications, shall be filed with DOE within 30 days of such change(s).

G. Cove Point shall ensure that all persons required by this Order to register with DOE have done so.

H. Monthly Reports: With respect to the exports authorized by this Order, Cove Point shall file with the Office of Regulation, Analysis, and Engagement, within 30 days following the last day of each calendar month, a report on Form FE-746R indicating whether exports have been made. The first monthly report required by this Order is due not later than the 30th day of the month following the month of first export. In subsequent months, if exports have not occurred, a report of "no activity" for that month must be filed. If exports have occurred, the report must provide the information specified for each applicable activity and mode of transportation, as set forth in the Guidelines for Filing Monthly Reports. These Guidelines are available at: <a href="https://www.energy.gov/fecm/guidelines-filing-monthly-reports.">https://www.energy.gov/fecm/guidelines-filing-monthly-reports</a>. (Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

I. The first monthly report required by this Order is due not later than August 30, 2022, and should cover the reporting period from July 8, 2022, through July 31, 2022.

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J. All monthly report filings on Form FE-746R shall be made to the U.S. Department of

Energy (FE-34), Office of Fossil Energy and Carbon Management, Office of Regulation,

Analysis, and Engagement, according to the methods of submission listed on the Form FE-746R

reporting instructions available at https://www.energy.gov/fecm/regulation.

Issued in Washington, D.C., on July 8, 2022.

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