

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

Lake Charles Exports, LLC)))	FE Docket Nos.	11-59-LNG 16-110-LNG
Lake Charles LNG Export Company, LLC)		13-04-LNG 16-109-LNG

ANSWER OF LAKE CHARLES EXPORTS, LLC AND LAKE CHARLES LNG EXPORT COMPANY, LLC TO THE PROTESTS OF THE INDUSTRIAL ENERGY CONSUMERS OF AMERICA AND SIERRA CLUB

Pursuant to Section 590.304(f) of the Department of Energy's ("DOE") regulations, 10 C.F.R. § 590.304(f) (2022), Lake Charles Exports, LLC ("LCE") and Lake Charles LNG Export Company, LLC ("Lake Charles LNG Export", and together with LCE, "Lake Charles LNG") hereby submit this Answer to the (i) Notice of Intervention, Protest and Comment by the Industrial Energy Consumers of America ("IECA"), and (ii) Motion to Intervene and Protest of Sierra Club, Louisiana Bucket Brigade and Healthy Gulf (collectively, "Sierra Club"), each filed on August 11, 2022 in the above-captioned proceedings. In support of this Answer, Lake Charles LNG states as follows:

I. PROCEDURAL BACKGROUND

On June 21, 2022, LCE and Lake Charles LNG Export each filed applications to amend the existing long-term authorizations to provide that the construction deadlines be amended to December 16, 2028, to coincide with the in-service deadline established by the Federal Energy Regulatory Commission ("FERC") for the Liquefaction Project. On May 6, 2022, FERC granted

a three-year extension of time, until December 16, 2028, to complete construction and make available for service the Liquefaction Project.¹ In granting such extension, FERC found:

The companies request only to change the timing, not the nature, of the project. Extending the deadline to construct the project and place it into service by 2028 will not undermine the Commission's findings in the Authorization Order that the project is required by the public convenience and necessity and is not inconsistent with the public interest.²

On July 27, 2022, DOE gave notice in the Federal Register of Lake Charles LNG's Applications with respect to amending the authorizations to export LNG to non-FTA countries ("Notices") and established August 11, 2022 as the deadline for comments on and protests to the Applications.³ On August 11, 2022, IECA and Sierra Club (collectively, the "Protestors") each filed protests.

II. ANSWER TO PROTESTS

The DOE explicitly stated in the Notices that protestors were limited to protesting the requested extension of the construction deadlines set out in the Applications but were not permitted to continue to protest Lake Charles LNG's underlying authorizations to export LNG to non-FTA countries. In the Notices, DOE reminded prospective protestors that they previously were given an opportunity to intervene in, protest and comment on Lake Charles LNG's original long-term non-FTA applications.⁴ DOE warned prospective protestors that "[t]herefore, DOE will not consider comments or protest that do not bear directly on the Application [for the extension of construction deadlines]."⁵

¹ Lake Charles LNG Co., LLC, et al., 179 FERC ¶ 61,086 (2022).

² *Id.* at P 10.

³ Lake Charles Exports, LLC; Application to Amend Existing Long-term Authorizations to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries, 87 FR 45091 (issued Jul. 27, 2022); Lake Charles LNG Export Company, LLC; Application to Amend Existing Long-term Authorizations to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries, 87 FR 45093 (issued Jul. 27, 2022).

⁴ Notice, 87 FR 45092; Notice, 87 FR 45094.

⁵ *Id*.

Protestors completely disregard such limitations set out by the DOE. Rather than limiting their protests to the requested extension of the construction deadlines, they argue that Lake Charles LNG's existing authorizations to export LNG to non-FTA countries are not, or are no longer, in the public interest.

- Sierra Club argues that Lake Charles LNG reopened DOE's initial public interest determinations in the original applications by requesting an amendment to the construction deadlines.⁶ Sierra Club claims that "DOE still must revisit numerous findings underlying its initial public interest determination ... [and] determine whether the extension would alter the public interest determination underlying the export authorizations." In addition, Sierra Club argues that "significant factual changes have undermined DOE's initial public interest analysis."
- Sierra Club then sets out substantially the same arguments and exhibits it filed in its July 6, 2022 protest to Lake Charles LNG's applications to extend the export terms to December 31, 2050. This data dump of duplicative arguments and exhibits is evidenced by the fact that the certificate of service and verification for the August 11, 2022 protest are dated July 6, 2022. 10
- IECA advocates for overturning Lake Charles LNG's existing authorizations by arguing that "once an application is approved", it is not "in the public interest forever ... [and] the NGA public interest ... mean[s] that export volumes must 'always' be in the public interest and not a one and done."¹¹
- IECA then sets out in its August 11, 2022 protest the same comments and arguments from its July 6, 2022 protest to Lake Charles LNG's applications to extend the terms to December 31, 2050, including its July 27, 2018 comments to DOE's study titled "Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports". While IECA correctly dates the certificate of service August 11, 2022, it does not bother to file the required verification with its August 11, 2022 protest.

⁶ Sierra Club protest at 10 ("But where, as here, a developer asks that the initial authorization be reopened for purposes of changing the commencement of operations deadline, it is appropriate to reopen it for other purposes as well.").

⁷ *Id.* at 9-10.

⁸ *Id.* at 10.

⁹ See Motion to Intervene and Protest of the Sierra Club, FE Docket Nos. 13-04-LNG and 16-109-LNG (filed Jul. 6, 2022).

¹⁰ Sierra Club protest at 36-37.

¹¹ IECA protest at 6.

¹² See Notice of Intervention, Protest and Comment by the Industrial Energy Consumers of America, FE Docket Nos. 13-04-LNG and 16-109-LNG (filed Jul. 6, 2022).

Clearly, Protestors did not take seriously DOE's warnings to limit their protests to the requested extensions. Instead, they argue that Lake Charles LNG's existing authorizations issued by the DOE are not in the public interest. Therefore, Sierra Clubs and IECA's protests should be rejected.

In the Applications, Lake Charles LNG demonstrated that the amendments to the construction deadlines are not inconsistent with the public interest. Accordingly, DOE should grant the amendments pursuant to section 3 of the Natural Gas Act. Protestors raise no arguments and provide no evidence showing that Lake Charles LNG's requested amendments will be inconsistent with the public interest, as would be required for the DOE to deny the Applications.¹³

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¹³ See, e.g., Rio Grande LNG, LLC, DOE/FE Order No. 4492-A (issued Oct. 21, 2020) at 8 ("Insofar as Mr. Young raises new arguments in this proceeding, DOE/FE does not find that his arguments demonstrate that Rio Grande LNG's requested term extension will be inconsistent with the public interest, as would be required to deny Rio Grande LNG's Application.").

III. CONCLUSION

For the foregoing reasons, Lake Charles Exports, LLC and Lake Charles LNG Export Company, LLC respectfully request that the DOE (i) reject the IECA protest and Sierra Club protest and (ii) approve the Applications to amend the construction deadlines to December 16, 2028, as requested.

Respectfully submitted,

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Dated: August 23, 2022

VERIFICATION

Washington, D.C.

BEFORE ME, the undersigned authority, on this day personally appeared Jennifer Brough, who, having been by me first duly sworn, on oath says that she is an Attorney for Lake Charles Exports, LLC and Lake Charles LNG Export Company, LLC, and is duly authorized to make this Verification on behalf of Lake Charles Exports, LLC and Lake Charles LNG Export Company, LLC; that she has read the foregoing instrument and that the facts therein stated are true and correct to the best of her knowledge, information and belief.

Jenniter Brough

SWORN TO AND SUBSCRIBED before me on the 23rd day of August, 2022.

OTARY ALOCALIST

My Commission expires: VALEAIE J. CLARK NOTARY PUBLIC DISTRICT OF COLUMBIA My Commission Expires January 1, 2027 Name: Valerie Clark Title: Notary Public **CERTIFICATE OF SERVICE**

Pursuant to 10 C.F.R. § 590.107, I hereby certify that I have this day served the Answer

of Lake Charles Exports, LLC and Lake Charles LNG Export Company, LLC to the Protests of

the Industrial Energy Consumers of America and Sierra Club (FE Docket Nos. 11-59-LNG, 16-

110-LNG, 13-04-LNG and 16-109-LNG) upon each person designated on the official service list

for those proceedings.

Dated: August 23, 2022.

/s/ Jennifer L. Brough

Jennifer L. Brough