

By Docket Room at Thu 9/15/2022 1:50 PM

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

In the Matter of:

FECM Docket No. 22-123-LNG

OTTER INDUSTRIES, LLC.

APPLICATION OF OTTER INDUSTRIES, LLC.
FOR LONG-TERM AND SHORT-TERM
MULTI-CONTRACT AUTHORAIZATION TO EXPORT
SMALL-SCALE LIQUEFIED NATURAL GAS TO
FREE TRADE AGREEMENT AND
NON-FREE TRADE AGREEMENT NATIONS

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. Section 717b, and Part 590 of the Department of Energy's ("DOE") regulations, 10 C.F.R. Part 590 (2021), Otter Industries, LLC. ("Otter") submits this application to the Office of Fossil Energy and Carbon Management ("FE") for an order granting it authorization for small-scale liquefied natural gas ("LNG") exports to both nations with which there is, and with nations with which there is not, in effect a free trade agreement with the United States requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy. Specifically, Otter seeks authorization to export LNG in a volume equivalent of 51.75 billion cubic feet ("Bcf") per year for a term ending December 31, 2050, to commence on the date that an order granting the requested authorization is issued. In support of this application, Otter respectfully submits the following:

I. COMMUNICATIONS

All communications regarding this application should be addressed to the following:

Adam Pollack Otter Industries, LLC. 102 Third Street Mineola, NY 11501

Phone: 516 580 9678

Email: adam@theottercompany.com

Or

Nickolas Friedman Otter Industries, LLC **102 Third Street** Mineola, NY 11501

Phone: 706 339 7257

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Ħ. **DESCRIPTION OF APPLICANT**

Otter is a U.S. limited liability company organized under the laws of the State of Delaware, with its principal place of business located at 102 Third Street, Mineola, NY 11501. Otter provides full-service LNG fuel solutions to customers, including the purchase and of LNG and fuel management and delivery to customers. Otter is registered to do business in the state of New York. Otter commits to ensuring that the applicable registration requirements of any state in which it does business relating to the small-scale LNG export permit requested here will be satisfied.

III. **AUTHORIZATION REQUESTED**

Otter is filing this application pursuant to the final rule issued by DOE/FE on July 25, 2018 to revise regulations to facilitate the approval of small-scale exports of natural gas, including LNG, effective August 24, 2018. Small-scale natural gas exports are deemed to be considered to be consistent with the public interest under Section 3(a) of

¹ Small-Scale Natural Gas Exports, 83 Fed. Reg. 35106 (Jul. 25, 2018).

the NGA, 15 U.S.C. § 717b(a).² The final rule provides that DOE/FE will issue an export authorization upon receipt of any complete application that seeks to export natural gas, including LNG, to countries with which the United States has not entered into a free trade agreement ("FTA") requiring national treatment for trade in natural gas and with which trade is not prohibited by United States law or policy ("non-FTA countries") if the application satisfies the following two criteria: (i) the application proposes to export natural gas in a volume up to and including 51.75 Bcf per year, which is equivalent to 0.14 Bcf per day; and (ii) DOE's approval of the application does not require an environmental impact statement ("EIS") or an environmental assessment ("EA") under the National Environmental Policy Act of 1969 ("NEPA").³

The instant application satisfies both of these criteria. First, Otter seeks authorization to export LNG from the United States up to a volume equivalent of 51.75 Bcf of natural gas per year, which is equivalent to 0.14 Bcf per day. Second, the LNG proposed to be exported will be sourced from manufacturing facilities in existence as of the date of this application. The source of the proposed exports will be the vast natural gas supply produced throughout the United States and delivered to the existing facilities though the integrated pipeline grid. No new facilities or facility expansions will be constructed in the United States for the proposed exportation of LNG, and, should

² 10 C.F.R. § 590.208(a) (2021).

³ 10 C.F.R. § 590.102(p) (2021).

⁴Otter is, in Appendix C to this application, providing a list of thrity-seven LNG manufacturing facilities that are currently in place in the United States. For each facility, Otter is also providing the current rated production capacity, the respective port(s) through which Otter anticipates exporting the LNG sourced from that facility, and the producing basin from which the LNG in question is assumed to have been produced. This pairing of source facilities and export locations is based on Otter's best information to date.

Otter, during the effective term of its export permit, desire to add any LNG source facility to the list set forth on Appendix C, Otter will seek to amend its export permit in that regard. Consequently, granting this application will qualify for a categorical exclusion from NEPA, and, as such, will not be a federal action significantly affecting the quality of the human environment within the meaning of the NEPA. An EA or EIS is not required under these circumstances.

Otter will commit to comply with all DOE/FE-imposed reporting requirements for export activity carried out pursuant to this permit, including notice of initial use and monthly reporting thereafter. Further, and also consistent with export authorizations issued to other applicants under the small scale LNG export program, Otter will undertake to file or cause to be filed any long term (having a primary term of more than one year) commercial agreements associated with the supply and delivery of natural gas to be exported pursuant to this blanket authorization, in redacted and (under seal) unredacted forms, and will take appropriate steps to insure that any such contracts contain language prohibiting the landing of such LNG cargoes in countries with which United States trade in energy is prohibited.

Otter requests that it be accorded "agency rights" under its small-scale LNG export permit, by means of which it may, but is not required to, utilize a portion of its annual 51.75 Bcf allowance to facilitate the (likely short-term) export of LNG for one or more third parties. Otter understands and accepts that it will be required (i) to register the names of any such third parties, (ii) to satisfy the same reporting obligations for

⁵ See DOE/FE Order No. 4461, FE Docket No. 19-104-LNG (Nov. 8, 2019) ("SpotX"); DOE/FE Order No. 4671, FE Docket No. 20-167-LNG (Mar. 23, 2021) ("Nopetro").

these third party-owned volumes as it does for its own export volumes, and (iii) to insure that any third parties on behalf of which Otter uses its agency rights in this regard will be made subject to the same requirement as is Otter to include in any resale contract a provision preventing the landing of such LNG in any country with which United States trade in energy is prohibited.

Otter is looking at an array of vehicles by which to apply its requested small scale LNG export authorization. Although conventional International Organization for Standardization ("ISO") containers should play a leading role in that regard, 6 Otter is also considering use of smaller LNG carriers, e.g., those having a maximum capacity of between 5,000 and 50,000 cubic meters. In terms of potential markets for the LNG to be exported, Western hemisphere venues remain attractive, but recent world events strongly support a broader view. Otter believes that prompt approval of this LNG export application will allow it to move forward with one or more projects in the very near term that can make a meaningful contribution to easing the natural gas challenges that the European market is currently facing. Specifically, Otter has already identified several customers in Western Europe that are looking to receive LNG shipments via ISO containers as soon as Otter can deliver and export LNG to Europe. Accordingly, Otter expects to leverage its export authorization within six months of receiving approval to export LNG. To that end, Otter requests that DOE act on this application as soon as practicable, and, in any event, within ninety (90) days of its filing date.

⁶ Otter will utilize ISO containers that have been specified as ASME tanks and have been approved by the U.S. Department of Transportation for the transportation of LNG.

Otter requests that the small-scale natural gas export authorization be granted through December 31, 2050, to commence on the date that an order granting the requested authorization is issued. Otter has determined this term will afford it sufficient flexibility to design its short-term and long-term commercial arrangements for the international markets it intends to serve.

IV. <u>APPENDICES</u>

The following appendices are included with this application:

Appendix A: Verification

Appendix B: Opinion of Counsel

Appendix C: List of Liquefaction Facilities and Ports

V. CONCLUSION

WHEREFORE, for the foregoing reasons Otter respectfully requests that the DOE/FE expeditiously issue an order granting its application for small-scale authorization to export LNG in a volume equivalent of 51.75 Bcf per year to FTA countries and non-FTA countries for a term ending December 31, 2050.

Respectfully submitted

Martin Pollack, Esq.

102 THIRD STREET

MINEOLA, NEW YORK 11501

(516) 739-2229

FAX (516) 739-2277

Appendix A

Verification

VERIFICATION

STATE OF COLORADO

SS:

COUNTY OF DENVER

BEFORE ME, the undersigned authority, on this day personally appeared Adam Pollack, who having been by me first duly sworn, on oath says that he is Managing Member for Otter Industries, LLC.; that he is familiar with the contents of the foregoing application; and that the matters set forth therein are true and correct to the best of his knowledge, information and belief.

Adam Pollack

Sworn to and subscribed before me, a Notary Public, this <u>21</u> day of August, 2022.

(NOTAIRAL SEAL)

Notary Public

My Commission Expires: 05/27/25

DOMINICK CELLA NOTARY PUBLIC STATE OF COLORADO NOTARY ID 20214020917 MY COMMISSION EXPIRED 08/27/2028

Appendix B

Opinion of Counsel

LAW OFFICES OF

MARTIN H. POLLACK

MAIN OFFICE * 102 THIRD STREET

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MINEOLA, NEW YORK 11501 FAX (516) 739-2277

BY APPOINTMENT: 16 COURT STREET SUITE 2810 BROOKLYNI, NY 11242 ONE BLUE MILL PLAZA 11™ FLOOFR PEARL RIVER, NY 10956 245 GLEN COVE AVENUE SEA CUFF, INY 11579

August 30, 2022

Office of Fuels Program Fossil Energy, U.S. Department of Energy Docket Room 3F-056, FE-50 Forrestal Building 1000 Independence Avenue, S.W. Washington, D.C. 20585

Re: Otter Industries, LLC. Application for Small-Scale Natural Gas Export Authorization

Dear Sir or Madam:

MARTINH. POLLACK

ANA M. GONCALVES 1

USA J. BUCHSBAUM *

OF COUNSEL

MERYL Z. KATZ

JOSEPH MURE +

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This opinion of counsel is provided in accordance with the requirements of Section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2021), 1 have examined the certificate of formation for Otter Industries, LLC. ("Otter") and other authorities as necessary and have concluded that the proposed exportation of liquefied natural gas by Otter is within its corporate powers. Further, Otter is authorized to do business in New York and will receive appropriate authorizations in new states should it choose to expand.

Martin Pollack **Counsel for Otter**

Appendix C

List of Liquefaction Facilities and Ports

IG Supply Plants/Locations for Small Scale Export

<u>#</u> 1	<u>Supplier</u> Stabilis Solutions	<u>Plant Name</u> George West	<u>Location</u> George West, TX	Capacity [g/d] 120,000	Export Port(s) Corpus Christi, TX	Primary Gas Supply Basin Eagle Ford
2	Stabilis Solutions	Port Allen	Baton Rouge, LA	30,000	Baton Rouge, LA New Orleans, LA Beaumont, TX Port Arthur, TX Oakland, CA	Haynesville
3	Exxon	Shute Creek	Kemmemer, WY	80,000	Portland, OR Tacoma, WA Houston, TX Galveston, TX	Green River
4	XTO (Exxon)	Hawkins	Hawkins, TX	60,000	Beaumont, TX Port Arthur, TX	Haynesville
5	Harvest Midstream	Ignacio	Durango, CO	100,000	Houston, TX Galveston, TX Corpus Christi, TX	San Juan
6	Philadelphia Gas Works	Port Richmond	Philadelphia, PA	170,000	Philadelphia, PA Wilmington, DE	Marcellus
	Time desprisa des vvoires	T SIT INCHINIONG	Timade pind, 171	170,000	vviiinington, DE	Marcellas
7	Philadelphia Gas Works	Passyunk	Philadelphia, PA	120,000	Philadelphia, PA Wilmington, DE	Marcellus
8.	UGI Energy Services	Temple	Wyomissing, PA	120,000	Philadelphia, PA Wilmington, DE	Marcellus
9	UGI Energy Services	Manning	Archbald, PA		New Jersey, NJ Philadelphia, PA Wilmington, DE Toledo, OH	Marcellus
10	Kinetrex Energy	North Plant	Indianapolis, IN	75,000	Cleveland, OH Detroit, MI Toledo, OH	Woodford
11	Kinetrex Energy	South Plant	Indianapolis, IN		Cleveland, OH Detroit, MI	Woodford
					Mobile, AL Gulfport, MS New Orleans, LA	
12	Pivotal LNG	Trussville	Trussville, AL	60,000	Panama City, FL Savannah, GA	Gulf of Mexico
13	Southern Company / Pivotal LNG	i Chattanooga	Chattanooga, TN	100,000	Charleston, SC Mobile, AL Houston,TX Galveston, TX Beaumont, TX	Gulf of Mexico
14	Clean Energy Fuels	Pickens	Willis, TX		Port Arthur, TX	Haynesville
					Mobile, AL Gulfport, MS New Orleans, LA	

16	Applied LNG	Topock	Needles, AZ	160,000	Long Beach, CA	Permian
17	Applied LNG	Midlothian	Midlothian, TX	80,000	Houston, TX Galveston, TX Corpus Christi, TX Duluth, MN	Barnett
18	Eagle LNG	Maxville	Maxville, FL	90,000	FL San Diego, CA	. Gulf of Mexico
19	Spectrum Energy	Ehrenburg	Ehrenburg, AZ	60,000	Los Angeles, CA Long Beach, CA	Permian
20	Alkane Midstream	Seminole	Seminole, TX	80,000	Corpus Christi, TX Houston, TX Galveston, TX Jacksonville, FL Savannah, GA	Permian
21	JaxLNG / Pivotal LNG	Jacksonville	Jacksonville, FL	120,000	Port Canaveral, FL Savannah, GA Charleston, SC Jacksonville, FL	Gulf of Mexico
22	Southern Company / Pivotal LNC	3 Riverdale	Riverdale, GA	100,000	Panama City, FL Mobile, AL Savannah, GA Charleston, SC	Gulf of Mexico
23	Southern Company / Pivotal LNC	6 Cherokee	Ball Ground, GA	100,000	Jacksonville, FL Panama City, FL Mobile, AL Savannah, GA Charleston, SC Jacksonville, FL	Gulf of Mexico
24	Southern Company / Pivotal LNG	3 Масоп	Macon, GA	100,000	Panama City, FL Mobile, AL	Gulf of Mexico
25	Duke Energy	Huntersville	Hunterville, NC	100,000	Wilmington, NC Charleston, SC	Haynesville
26	Duke Energy	Four Oaks	Four Oaks NC	100,000	Wilmington, NC Norfolk, VA	Haynesville
27	Duke Energy	Robeson	Robeson, NC	100,000	Wilmington, NC Charleston, SC Savannah, GA Charleston, SC Jacksonville, FL	Haynesville
28	Duke Energy	Nashville	Nashville, TN	50,000		Haynesville
29	Transfuels	Plymouth	Plymouth, WA	120,000	Portland, OR Tacoma, WA Duluth, MN	Montney
30	MUD	Omaha	Omaha, NE	62,000	Green Bay, WI Chicago, IL	Niobara

					New Jersey, NJ New Haven, CT	
31	Williams	Carlstadt	Carlstadt, NJ	100,000	Wilmington, DE Miami, FL	Marcellus
					Tampa, FL Port Canaveral,	
32	New Fortress Energy	Miami	Miami, FL	100,000	FL Chicago, IL Green Bay, WI	Gulf of Mexico
33	South Jersey Gas	McKee City	McKee City, NJ	50,000	ilmington, Di Marcellus	E
					New Jersey, NJ Philadelphia, PA Wilmington, DE	
34	Niche LNG // Pivotal LNG	Towanda	Towanda, PA	50,000	Rochester, NY Erie, PA Tacoma, WA	Marcellus
35	Puget Sound Energy	Puget LNG	Tacoma, WA	225,000	Seattle, WA Portland, OR	Montney
36	Eagle LNG	Talleyrand	Jacksonvile, FL	60,000	FL	Gulf of Mexico
37	Eagle LNG	Jax Export	Jacksonville, FL	1,500,000	FL	Gulf of Mexico