

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

PIERIDAE ENERGY (USA) LTD)
) FE DOCKET NO. 14-179-LNG
)

REQUEST OF PIERIDAE ENERGY (USA) LTD FOR EXTENSION FOR LONG-TERM, MULTI-
CONTRACT AUTHORIZATION TO EXPORT U.S. SOURCED NATURAL GAS BY PIPELINE TO
CANADA FOR LIQUEFACTION AND RE-EXPORT IN THE FORM OF LIQUEFIED NATURAL GAS

Pursuant to Section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. §717b, and Part 590 of the regulations of the Department of Energy (“DOE”), 10 C.F.R. pt 590, Pieridae Energy (USA) Ltd (“PEUSA”) submits this request to the DOE Office of Fossil Energy and Carbon Management (“FECM”) for an extension of the deadline applicable to the authorization issued to PEUSA in Order No. 3768 in FE Docket No. 14-179-LNG. Specifically, PEUSA requests that the deadline to commence re-export operations under the authorization and the latest term start date be extended to February 5, 2028, such that the term of the authorization would begin on the earlier of the date of first commercial export or February 5, 2028. PEUSA submits that good cause exists to grant the request and that such extension is consistent with the public interest.

I. Background

On May 22, 2015, the DOE/FECM issued Order No. 3639 in FE Docket No. FE 14-179-LNG. This order granted Pieridae Energy (USA) Ltd (“PEUSA”) long term, multi-contract authorization to export natural gas to Canada and to other free trade agreement countries¹.

On February 5, 2016, the DOE/FECM issued Order No. 3768 in FE Docket No. FE 14-179-LNG. This opinion and order granted PEUSA long-term, multi-contract authorization to export U.S. sourced natural gas by pipeline to Canada for liquefaction and re-export in the form of liquefied natural gas to non-free trade agreement (“NFTA”) countries². The DOE/FECM conducted a public interest analysis in relation to the NFTA authorization as required under NGA Section 3(a) and the National Environmental

¹ Pieridae Energy (USA) Ltd, DOE/FE Order No. 3639, FE Docket No. 14-179-LNG (May 22, 2015).

² Pieridae Energy (USA) Ltd, DOE/FE Order No. 3768, FE Docket No. 14-179-LNG (February 5, 2016).

Policy Act, in which it considered economic and environmental studies “to ensure that the proposal [was] not inconsistent with the public interest³.

II. Communication

All correspondence and communications concerning this amendment application should be directed to the following persons:

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III. Request for Extension of Time

A. Request for Modification

Ordering paragraph (D) of Order No. 3768 requires PEUSA to commence re-export operations no later than seven years from the date of the order. PEUSA hereby requests that the date be changed to February 5, 2028.

B. Good Cause Exists to Grant this Extension Request

In the period since the issuance of Order No. 3768, the Goldboro LNG Project (“Project”) has faced a multitude of unexpected hurdles yet remains committed to seeing LNG being exported from the east coast of Canada.

To date the Project has engaged three internationally regarded LNG engineering, procurement and construction companies to undertake such steps necessary to enter into a lump sum turnkey engineering, procurement, construction and commissioning contract. In two such

³ Id at 202.

instances a corporate decision resulted in their inability to enter into the required lump sum turnkey contracts. As it is a fundamental imperative for the Project, it was forced, in each instance, to engage others, whilst not only a costly exercise, it also pushed back the Project's timeline by approximately twelve months in each instance. Included in this was the unprecedented COVID-19 pandemic which offered its own additional and significant impacts on the Project's ability to move forward. In and of itself, the pandemic introduced issues such as new cost uncertainty, delays in service performance and logistics issues. All of which have impacted the Project, yet through which the Project is working.

2022 saw Russia invade the Ukraine and the consequences of this have been felt globally and in almost all industries. The demand for energy security again became paramount amongst the European countries and the drive to build regasification terminals and secure LNG contracts rose dramatically. It has been noted that "there has been evidence that of an increase in demand for LNG."⁴ Uniper Global Commodities SE is and remains a partner in the Project and an offtaker of LNG from the Project. As a leading German utility they have aggressively embarked on the construction of regasification facilities to secure LNG supplies directly into the German market. With the German Government's financing and expeditious permitting support, Germany now has two LNG terminals operating from November, 2022 with a further six floating storage and regasification units expected to come online in 2023⁵.

PEUSA has continued to seek a path forward. In attempts to find ways to mitigate these logistics and cost issues, the Project engaged a further engineering, procurement and construction company to review and revise the design of the Project. This exercise was concluded in January 2023 with the results being a more modularised Project. This approach is in line with the many recent US LNG export projects that have been designed based on a smaller scale modularised approach. The Project is now following this concept. Further detailed design, engineering and costing work is required in order to proceed with the

⁴ *Corpus Christi Liquefaction Stage III*, 179 FERC P 61,087 at P 11 (2022) ("We note that since the companies filed the request there has been evidence of an increase in demand for LNG, demonstrated, for example, by the recently announced partnership with the European Union seeking to ensure additional LNG volumes for the E.U. import market of at least 15 billion cubic metres in 2022, with expectations of increased demand going forward.").

⁵ Reuters, December 15, 2022: "Factbox: German's LNG import project plans."

construction, however PEUSA is ready to progress with this next phase in the realisation of the Project. The only change to the Project will be the use of ten smaller modularised liquefaction trains versus the two larger liquefaction trains. The Project's footprint, feed gas requirement and all other aspects of the design remain unchanged.

The Project's proponents have continued to achieve the milestones they are required to in order for an engineering, procurement and construction company to commence the construction of the LNG facility. These include, amongst others, (i) readiness to award the camp construction and ongoing operations contract to a selected First Nations partnership, (ii) readiness to award the contract for the construction of all marine facilities to a selected contractor, and (iii) readiness to award the site preparation contract. These key components are outside the scope of the engineering, procurement and construction contractor. This progress is indicative of the commitment to realise the Project. To date the Project has expended more than CAD \$41 million.

PEUSA respectfully requests that this application for an extension be approved at the earliest opportunity as the authorization remains a fundamental requirement in the Project's success.

With respect to this application, PEUSA submits that the public interest determination set forth in Order No. 3768 will not be affected by, and that the public interest continues to be served by, the extension request. Therefore, the public interest analysis and the environmental analysis in the NFTA authorization continues to be applicable and no new analysis need be completed. PEUSA submits there will be no change from the DOE/FECM's original determination. DOE/FECM limits any comments on a request for extension to the extension itself and not the underlying authorization⁶. DOE/FECM should do so here. As demonstrated herein, good cause exists to grant this request.

⁶ Cameron LNG, LLC, 85 Fed. Reg. 20993, 20994 (Apr. 15, 2020).

IV. Conclusion

PEUSA submits that this request is not inconsistent with the public interest and that good cause exists to grant this request. PEUSA respectfully requests that the NFTA authorization be modified as forth herein. PEUSA respectfully requests that DOE/FECM act on this request at its earliest opportunity.

Respectfully submitted,

/s/ Thomas Dawson

Thomas Dawson

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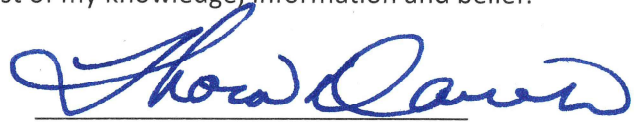
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justine.davis@pieridaeenergy.com

Dated: 2 February, 2023

VERIFICATION

I, Thomas Dawson, declare that I am President, Pieridae Energy (USA) Ltd, and am duly authorised to make this Verification; that I have read the foregoing instrument and that the facts herein stated are true and correct to the best of my knowledge, information and belief.



Thomas Dawson
President, Pieridae Energy (USA) Ltd

PROVINCE OF ALBERTA

Subscribed and sworn to before me on this 2nd day of February, 2023, Thomas Dawson proved to me on the basis of satisfactory evidence to be the person who appeared before me.



Thomas E. Valentine
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