

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

MEXICO PACIFIC LIMITED LLC

)
)
) DOCKET NO. 22-167-LNG

ORDER GRANTING LONG-TERM
AUTHORIZATION TO EXPORT NATURAL GAS TO MEXICO
AND TO OTHER FREE TRADE AGREEMENT NATIONS

DOE/FECM ORDER NO. 4995

April 28, 2023

I. DESCRIPTION OF REQUEST

On December 28, 2022, Mexico Pacific Limited LLC (MPL) filed an application (Application)¹ with the Office of Fossil Energy and Carbon Management (FECM)² of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA).³ MPL supplemented the Application with additional information on January 24, 2023.⁴ MPL states that it is submitting this Application in connection with development of the proposed liquefied natural gas (LNG) production, storage, and offtake facility to be located in the State of Sonora, Mexico (MPL Facility).⁵ In light of increased peak liquefaction production capacity anticipated by improvements to the design in technology and operating efficiencies of the proposed LNG trains, MPL requests long-term, multi-contract authorization to export an additional quantity of U.S.-sourced natural gas to Mexico, and after liquefaction in Mexico, to other countries as described below, in a combined total volume equivalent to 425.57 billion cubic feet (Bcf) per year (Bcf/yr) of natural gas (1.17 Bcf per day (Bcf/d)), for a total approved export volume of 1046.57 Bcf/yr.⁶ MPL requests this authorization to export the additional volume of natural gas for the following purposes:

- (i) To use approximately 134.35 Bcf/yr (0.37 Bcf/d) in Mexico as “fuel for pipeline transportation or liquefaction in Mexico;”⁷

¹ Mexico Pacific Limited, LLC, Application for Additional Long-Term, Multi-Contract Authorization to Export Natural Gas to Mexico and to Re-Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Nations, Docket No. 22-167-LNG (Dec. 28, 2022) [hereinafter MPL App.].

² The Office of Fossil Energy changed its name to the Office of Fossil Energy and Carbon Management on July 4, 2021.

³ 15 U.S.C. § 717b. 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 FECM in Redelegation Order No. S4-DEL-FE1-2023, issued on April 10, 2023.

⁴ Mexico Pacific Limited, LLC, Letter Supplementing Application, Docket No. 22-167-LNG (Jan. 23, 2023) [hereinafter MPL App. Supp.].

⁵ See MPL App. at 4, 6.

⁶ MPL App. at 3-4, 8-9.

⁷ *Id.* at 3.

- (ii) To use approximately 291.22 Bcf/yr of natural gas (0.80 Bcf/d) of natural gas in the proposed MPL Facility, where the U.S.-sourced natural gas will be liquefied, then re-exported⁸ as LNG by vessel to:
 - (a) Any country with which the United States has entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries), under NGA section 3(c);⁹ and
 - (b) Any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), under NGA section 3(a).¹⁰

MPL states that the U.S.-sourced natural gas will be exported to Mexico at the United States-Mexico border via existing and, potentially, future cross-border natural gas transmission pipelines.¹¹ According to MPL, it plans initially to receive the natural gas produced in the United States and exported to Mexico through existing cross-border natural gas transmission pipelines, including an interstate pipeline owned by Sierrita Gas Pipeline LLC, and intrastate natural gas pipelines owned by Comanche Trail Pipeline, LLC, Roadrunner Gas Transmission, LLC and Trans Pecos Pipeline, LLC, all located in west Texas.¹² MPL adds, if granted FERC authorization and related Presidential Permit, it would expect to add the proposed border crossing pipeline owned by Saguaro Connector Pipeline, L.L.C. to transport natural gas from the United States to Mexico for delivery to the MPL Facility.¹³ MPL states that it will not source natural gas for the MPL Facility from Mexico.¹⁴

⁸ For purposes of this Order, “re-export” means to ship or transmit U.S.-sourced natural gas in its various forms (gas, compressed, or liquefied) subject to DOE’s jurisdiction under the NGA, 15 U.S.C. § 717b, from one foreign country (*i.e.*, a country other than the United States) to another foreign country.

⁹ 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.

¹⁰ 15 U.S.C. § 717b(a); *see* MPL App. at 3, 4, 10.

¹¹ *See* MPL App. at 9; *see also* MPL App. Supp. at 1-2.

¹² *See* MPL App. at 9; *see also infra* at 7-8.

¹³ MPL App. Supp. at 2.

¹⁴ *See* MPL App. at 9.

In the Application, MPL states that the site of the future MPL Facility is situated on the Gulf of California adjacent to Puerto Libertad, approximately 160 miles south of the United States-Mexico border in the State of Sonora, Mexico.¹⁵ Once completed, the MPL Facility will be capable of receiving, processing, and liquefying the U.S.-sourced natural gas, storing the resulting LNG, and loading the LNG onto ocean-going LNG carriers for re-export to other countries and potentially, for delivery to markets elsewhere in Mexico.¹⁶

MPL requests separate FTA and non-FTA authorizations (which would be on a non-additive basis) for a term to be effective on the earlier of the date of first export or seven years from the date of the final order granting export authorization, extending through December 31, 2050.¹⁷ Additionally, MPL requests these authorizations on its own behalf and as agent for other entities that hold title to the U.S.-sourced natural gas at the time it is exported to Mexico and/or at the time it is re-exported as LNG from Mexico.¹⁸

MPL is currently authorized under Docket No. 18-70-LNG, DOE/FE Order Nos. 4248¹⁹ and 4312,²⁰ in each case, as amended, to export domestically produced natural gas by pipeline and/or to re-export the natural gas in the form of LNG in a total volume equivalent to 621 Bcf/yr

¹⁵ *Id.* at 6.

¹⁶ *See id.* at 4.

¹⁷ MPL App. at 10, 12. *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, 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).

¹⁸ MPL App. at 11.

¹⁹ *Mexico Pacific Limited LLC*, DOE/FE Order No. 4248, Docket No. 18-70-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Natural Gas to Mexico and to Other Free Trade Agreement Nations (Sept. 19, 2018), *amended by* DOE/FECM Order No. 4248-A (Jun. 3, 2022) (extending export term).

²⁰ *Mexico Pacific Limited LLC*, DOE/FE Order No. 4312, Docket No. 18-70-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export U.S.-Sourced Natural Gas by Pipeline to Mexico for Liquefaction and Re-Export in the Form of Liquefied Natural Gas to Non-Free Trade Agreement Countries (Dec. 14, 2018) *amended by* DOE/FECM Order No. 4312-A (Jun. 3, 2022) (extending export term).

of natural gas from the MPL Facility to FTA and non-FTA countries, respectively. As relevant here, MPL states that it is requesting authorization from DOE to export an additional volume of 425.57 Bcf/yr to FTA countries to align its export volumes (currently 621 Bcf/yr) with the increased peak liquefaction production capacity of the planned MPL Facility as designed, under optimal conditions, and including fuel gas requirements plus lost and unaccounted for gas.²¹ According to MPL this capacity optimization involves no need for construction of any additional facilities.²²

Pursuant to NGA section 3(c), this Order grants the FTA portion of MPL’s Application. MPL is authorized to export natural gas to Mexico in the total requested volume of 425.57 Bcf/yr of natural gas, which includes export by pipeline (134.35 Bcf/yr) and re-export after liquefaction in Mexico to FTA countries (291.22 Bcf/yr).²³

The non-FTA portion of the Application—seeking authorization to re-export the U.S.-sourced natural gas in the form of LNG to non-FTA countries—will be reviewed pursuant to NGA section 3(a) and addressed in a separate order.²⁴

II. BACKGROUND

Applicant. MPL is a Delaware limited liability company with its principal place of business in Houston, Texas. MPL states that Q-LNG Holdings, LLC and AVAIO MPL Special, LP are its two largest equity owners. None of the ownership interests in MPL of other entities and individuals in individual percentages exceeds 10%.²⁵

²¹ MPL App. at 4-5.

²² *Id.* at 15.

²³ *See infra* note 45.

²⁴ *See* Mexico Pacific Limited LLC, Application for Additional Long-Term, Multi-Contract Authorization to Export U.S.-Sourced Natural Gas to Mexico and to Re-Export Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Countries, 88 Fed. Reg. 6,716 (Feb. 1, 2023).

²⁵ MPL App. at 5.

Procedural History. MPL holds long-term export authorizations from DOE to export U.S.-sourced natural gas by pipeline from the United States to Mexico for end use in Mexico, and/or, after liquefaction in Mexico, to re-export the U.S.-sourced natural gas in the form of LNG by vessel from the proposed MPL Facility as follows:

- DOE/FE Order No. 4248,²⁶ as amended, Docket No. 18-70-LNG, authorizing MPL to export 621 Bcf/yr to FTA countries for a term extending through December 31, 2050; and
- DOE/FE Order No. 4312,²⁷ as amended, Docket No. 18-70-LNG, authorizing MPL to export 621 Bcf/yr to non-FTA countries for a term extending through December 31, 2050.

Under the terms of these authorizations, the FTA and non-FTA volumes are not additive to one another.

Proposed Liquefaction Facility. MPL states that the proposed MPL Facility will be located in the State of Sonora, Mexico. The proposed location, adjacent to Puerto Libertad, Mexico, is a coastal site that has been permitted for LNG storage and related marine activities for more than a decade.²⁸ MPL states that, through its affiliates, MPL owns in fee in excess of 1,000 acres surrounding the MPL Facility project site.²⁹ Approximately 300 acres of this total have been designated for LNG development and originally were permitted for a LNG import facility. MPL states that it has obtained from the appropriate Mexican authorities an Environmental Permit (MIA) and a shoreline concession permit and is in the process of securing final supporting permits that will authorize the construction and operation of the liquefaction facility

²⁶ See *supra* § I.

²⁷ *Id.*

²⁸ MPL App. at 6.

²⁹ *Id.* at 7.

and exports of LNG from the MPL Facility. These permits are held by Mexico Pacific Assets Holding S. de R.L. de C.V. through two subsidiaries.³⁰

In the Application, MPL states that its original export application in Docket No. 18-70-LNG “had planned to install liquefaction trains capable of producing a quantity of LNG equal to 4 mtpa, or 207 Bcf/year, and MPL envisioned increasing its production capacity by increments of 4 mtpa (or by tranches of three trains each), to yield total liquefaction capacity of at least 12 mtpa, or 621 Bcf/year.”³¹ MPL states that it has since determined that “it could achieve significant improvements to facility efficiency and operational flexibility through improvements to the design of the MPL Facility’s liquefaction trains” and will be capable of producing an additional 5.6274 mtpa of LNG, for a total productive capacity of 17.6274 mtpa of LNG (912.22 Bcf/yr), excluding fuel for pipeline transportation or liquefaction requirements.³² The resulting U.S.-sourced natural gas in the form of LNG will be loaded onto ocean-going LNG carriers for re-export to other countries.³³

MPL states that it expects to receive first gas into the MPL Facility in 2026, with re-exports from the MPL Facility expected to occur in 2027.³⁴

Planned Pipelines. MPL states that it plans initially to receive natural gas produced in the United States and exported to Mexico via existing cross-border natural gas transmission pipelines interconnecting the United States and Mexico, including an interstate natural gas pipeline owned by Sierrita Gas Pipeline LLC, and intrastate natural gas pipelines owned by Comanche Trail Pipeline, LLC, Roadrunner Gas Transmission, LLC and Trans Pecos Pipeline,

³⁰ *See id.*

³¹ *See id.* at 8.

³² *Id.* at 8-9.

³³ *See id.* at 4.

³⁴ *See id.* at 10.

LLC, all located in west Texas.³⁵ MPL further states that, if granted a FERC authorization and related Presidential Permit, it would expect to add the recently proposed border crossing pipeline owned by Saguaro Connector Pipeline, L.L.C. to transport natural gas from the United States to Mexico, for delivery to the MPL Facility.³⁶ MPL states that more than 12 Bcf/d of pipeline capacity is available to export natural gas from the South Central region of the United States, which includes Texas, to Mexico, as of 2021, such that there is “more than adequate [existing cross-border capacity] to support exports” of the quantities of U.S.-sourced natural gas to the MPL Facility to liquefy.³⁷ Additionally, MPL requests authorization to export from new or expanded U.S. pipeline facilities that may become available in the future.³⁸

MPL states that it will engage its affiliate Mexico Pacific LNG Exports, S. de R.L. de C.V. (Mexico Pacific Exports) to purchase natural gas from third party producers in the United States and contract for its transportation from sources of supply to the U.S. border and onward in Mexico to the MPL Facility.³⁹ According to MPL, under MPL’s agreement with Mexico Pacific Exports, Mexico Pacific Exports will receive natural gas, liquefy it and deliver the LNG to an affiliate. MPL states that Mexico Pacific Exports will transfer title to the LNG to its affiliate Mexico Pacific LNG Markets Pte Ltd (Mexico Pacific Markets) in accordance with the terms of an LNG Sale and Purchase Agreement (SPA) between Mexico Pacific Exports and Mexico Pacific Markets dated as of December 16, 2020.⁴⁰

Source of Supply. MPL states that it plans to obtain U.S.-sourced natural gas from a

³⁵ MPL App. at 9.

³⁶ MPL App. Supp. at 2-3.

³⁷ MPL App. at 9-10.; *see also id.* at 9 n.11 (*citing* Vista Pacifico LNG S.A.P.I. de C.V., DOE/FECM Order No. 4929 at 44, Docket No. 20-153-LNG, (Dec. 20, 2022) (Environmental Assessment indicating nearly 15 Bcf/d of existing physical cross-border pipeline capacity between the United States and Mexico)).

³⁸ MPL App. Supp. at 2-3.

³⁹ MPL App. at 10.

⁴⁰ *Id.*; *see also id.* n.12 (noting the SPA agreement was filed with DOE in Docket No. 18-70-LNG on April 27, 2022).

variety of U.S. producing basins.⁴¹ MPL further adds that it expects “much of the natural gas it plans to export [will come] from the Permian Basin.”⁴² MPL states that MPL will not source natural gas for the MPL Facility from Mexico.⁴³

Business Model. MPL requests this authorization on its own behalf and as agent for other entities that hold title to the natural gas and/or LNG at the time of export or re-export, respectively.⁴⁴ MPL further states that, when acting as agent, it will register with DOE each natural gas or LNG title holder for which it seeks to export natural gas or re-export LNG as agent, and will comply with other registration requirements as set forth in recent DOE orders.⁴⁵ MPL states that, consistent with DOE’s practice, it will file any transaction-specific long-term contracts with DOE as they are finalized.⁴⁶

III. 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 (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 FTA portion of MPL’s Application —requesting authorization to

⁴¹ MPL App. at 9.

⁴² *Id.* at 26.

⁴³ *Id.* at 9.

⁴⁴ *See* MPL App. at 11.

⁴⁵ *See id.* To the extent MPL purchases (and acquires title) to U.S.-sourced natural gas in Mexico for re-export, MPL will also be required to comply with the registration requirements established in this Order (including associated filing and information requirements regarding long-term agreements) with respect to any such volumes exported to Mexico by a person or entity other than MPL pursuant to a different DOE authorization. Registration is only required of the upstream supplier that exports the U.S.-sourced natural gas to Mexico. Registration is not required for purchases of natural gas produced in Mexico. *See* NFE Altamira FLNG, S. de R.L. de C.V., DOE/FECM Order No. 4960, Docket No. 22-110-LNG, Order Granting Long-Term Authorization to Export Natural Gas to Mexico and to Other Free Trade Agreement Nations, at 10 (Mar. 3, 2023).

<https://www.energy.gov/sites/default/files/2023-03/ord4960.pdf>.

⁴⁶ *Id.*

export natural gas from the United States to Mexico and, after liquefaction in Mexico, to re-export a portion of the U.S.-sourced natural gas in the form of LNG to other FTA countries—falls within section 3(c), as amended. Therefore, DOE grants the requested FTA authorization without modification or delay.⁴⁷

(2) In light of DOE’s statutory obligation to grant the FTA portion of this Application without modification or delay, there is no need for DOE to review other arguments asserted by MPL in support of the Application. The instant grant of authority should not be read to indicate DOE’s views on those arguments or on MPL’s pending request for non-FTA export authorization.

(3) The countries with which the United States has a FTA requiring national treatment for trade in natural gas currently are: Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore.

(4) MPL requests authorization to export natural gas and re-export LNG from U.S.-sourced natural gas on its own behalf and as agent for other entities that hold title to the natural gas or LNG at the time of export or re-export, respectively. DOE previously addressed the issue of Agency Rights in DOE/FE Order No. 2913,⁴⁸ 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-

⁴⁷ 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.

⁴⁸ *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).

binding policy adopted by DOE in *The Dow Chemical Company*,⁴⁹ which established that the title for all LNG authorized for export must be held by the authorization holder at the point of export. DOE finds 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.

DOE has reiterated its policy on Agency Rights procedures in other authorizations, including *Cameron LNG, LLC*, DOE/FE Order No. 3680.⁵⁰ 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.⁵¹

To ensure that the public interest is served, the authorization granted herein shall require that, where MPL proposes to export natural gas as agent for other entities (Registrants) that hold title to the natural gas at the time of export to Mexico and/or to the U.S.-sourced natural gas at the time it is re-exported from Mexico as LNG, MPL must register those entities with DOE in accordance with the procedures and requirements described herein.⁵²

(5) Section 590.202(b) of DOE's regulations requires applicants to supply transaction-specific factual information "to the extent practicable."⁵³ Additionally, DOE regulations at 10 C.F.R. § 590.202(e) allow confidential treatment of the information supplied in support of or in opposition to an application if the submitting party requests such treatment, shows why the

⁴⁹ *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.

⁵⁰ *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).

⁵¹ *Id.* at 8-9.

⁵² See *supra* note 45.

⁵³ 10 C.F.R. § 590.202(b).

information should be exempted from public disclosure, and DOE determines it will be afforded confidential treatment in accordance with 10 C.F.R. § 1004.11.

(6) DOE will require that MPL file or cause to be filed with DOE any relevant long-term commercial agreements or contracts pursuant to which MPL exports natural gas or re-exports U.S.-sourced natural gas as LNG as agent for a Registrant once those agreements or contracts have been executed. DOE finds that the submission of all such agreements or contracts within 30 days of their execution using the procedures described below is consistent with the “to the extent practicable” requirement of section 590.202(b). By way of example and without limitation, a “relevant long-term commercial agreement” would include an agreement with a minimum term of two years.

(7) DOE also will require MPL to file any long-term contracts MPL enters into providing for the long-term export (or re-export) of U.S.-sourced natural gas as LNG on its own behalf from the proposed MPL Facility. DOE finds that the submission of these contracts within 30 days of their execution using the procedures described below will be consistent with the “to the extent practicable” requirement of section 590.202(b).

(8) DOE finds that section 590.202(c) of DOE’s regulations⁵⁴ requires that MPL file, or cause to be filed, all long-term contracts associated with the long-term supply of U.S.-sourced natural gas to the MPL Facility, whether signed by MPL or any Registrant, within 30 days of their execution.

(9) DOE recognizes that some information in MPL’s or a Registrant’s long-term commercial agreements associated with the export of U.S.-sourced natural gas and/or the re-export of such natural gas as LNG, and/or long-term contracts associated with the long-term

⁵⁴ *Id.* § 590.202(c).

supply of U.S.-sourced natural gas to the MPL Facility, may be commercially sensitive. DOE therefore will provide MPL the option to file or cause to be filed either unredacted contracts, or in the alternative: (A) MPL may file, or cause to be filed, long-term contracts under seal, but it also will file either: (i) a copy of each long-term contract with commercially sensitive information redacted, or (ii) a summary of all major provisions of the contract(s) including, but not limited to, the parties to each contract, contract term, quantity, any take or pay or equivalent provisions/conditions, destination, re-sale provisions, and other relevant provisions; and (B) the filing must demonstrate why the redacted or non-disclosed information should be exempted from public disclosure.⁵⁵

To ensure that DOE destination and reporting requirements included in the Order are conveyed to subsequent title holders, DOE will include as a condition of this authorization that future contracts for the sale or transfer of LNG exported pursuant to the Order shall include an acknowledgement of these requirements.

ORDER

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

A. Mexico Pacific Limited LLC (MPL) is authorized to export U.S.-sourced natural gas by pipeline from the United States to Mexico for end use in Mexico, and/or, after liquefaction in Mexico, to re-export the U.S.-sourced natural gas in the form of LNG by vessel from the proposed MPL Facility, to be located in the State of Sonora, Mexico, to FTA countries. The volume authorized in this Order is equivalent to 425.57 Bcf/yr of natural gas for a term to commence on the date of first export following the commencement of commercial operation of the MPL Facility and extending through December 31, 2050. MPL is authorized to export this

⁵⁵ *Id.* § 590.202(e) (allowing confidential treatment of information in accordance with 10 C.F.R. § 1004.11).

LNG on its own behalf and as agent for other entities that hold title to the natural gas or LNG, pursuant to one or more contracts of any duration.⁵⁶

B. This natural gas may be re-exported as LNG to Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore, and to any nation with which the United States subsequently enters into a FTA requiring national treatment for trade in natural gas, provided that the destination nation has the capacity to import LNG via ocean-going vessels. FTA countries are currently identified by DOE at:

<https://www.energy.gov/fecm/how-obtain-authorization-import-and-or-export-natural-gas-and-lng>.

C. MPL 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. Failure to comply with this requirement could result in rescission of this authorization and/or other civil or criminal remedies.

D. (i) MPL shall file, or cause others to file, with the U.S. Department of Energy, Office of Fossil Energy and Carbon Management, Office of Resource Sustainability, Office of Regulation, Analysis, and Engagement (FE-34) a non-redacted copy of all executed long-term contracts associated with the long-term re-export of U.S.-sourced natural gas in the form of LNG from the MPL Facility on MPL's own behalf or as agent for other entities. If MPL enters an agreement to sell U.S.-sourced natural gas in the form of LNG through an affiliated entity, all

⁵⁶ 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. 2,243 (Jan. 12, 2021).

long-term contracts entered into by that affiliated entity shall also be subject to the requirements of this paragraph. The non-redacted copies must be filed within 30 days of their execution and may be filed under seal, as described above.

(ii) MPL shall file, or cause others to file, with the Office of Regulation, Analysis, and Engagement a non-redacted copy of all executed long-term contracts associated with the long-term supply of U.S.-sourced natural gas to the MPL Facility. The non-redacted copies must be filed within 30 days of their execution and may be filed under seal, as described above.

E. MPL is permitted to use its authorization to re-export U.S.-sourced natural gas in the form of LNG as agent for other LNG title-holders (Registrants), after registering those entities with DOE.⁵⁷ Registration materials shall include an acknowledgement and agreement by the Registrant to supply MPL with all information necessary to permit MPL 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) within 30 days of execution, a copy of any long-term contracts not previously filed with DOE, described in Ordering Paragraph D of this Order.

F. Each registration submitted pursuant to this Order shall have current information on file with DOE. Any change in the registration materials—including changes in company name,

⁵⁷ See *supra* note 45.

contact information, length of the long-term contract, termination of the long-term contract, or other relevant modification—shall be filed with DOE within 30 days of such change(s).G. As a condition of this authorization, MPL shall ensure that all persons required by this Order to register with DOE have done so.⁵⁸

H. MPL, or others for whom MPL acts as agent, shall include the following provision in any agreement or other contract for the sale or transfer of U.S.-sourced natural gas exported or re-exported in the form of LNG pursuant to this Order:

Customer or purchaser acknowledges and agrees that it will resell or transfer U.S.-sourced natural gas, including in the form of LNG, purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FECM Order No. 4995, issued April 28, 2023, in Docket No. 22-167-LNG, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of the natural gas or LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Mexico Pacific Limited LLC that identifies the country (or countries) into which the natural gas or re-exported LNG was actually delivered, and to include in any resale contract for such LNG the necessary conditions to ensure that Mexico Pacific Limited LLC is made aware of all such actual destination countries.

I. Within two weeks after the first export of U.S.-sourced natural gas authorized in Ordering Paragraph A occurs, MPL shall provide written notification of the date of first export to DOE.

J. MPL shall file with the Office of Regulation, Analysis, and Engagement, on a semi-annual basis, written reports describing the status of the proposed MPL Facility. The reports shall be filed on or by April 1 and October 1 of each year, and shall include information on the status of the proposed MPL Facility, including but not limited to the following: (i) the status of permits required under Mexican state and federal laws for the siting, construction, and operation

⁵⁸ *See id.*

of the MPL Facility and for the re-exports of the LNG subject to this authorization; (ii) the date the MPL Facility is expected to be operational, and (iii) the status of any associated long-term supply and re-export contracts.

K. With respect to any change in control of the authorization holder, MPL must comply with DOE's Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas.⁵⁹ For purposes of this Ordering Paragraph, a "change in control" shall include any change, directly or indirectly, of the power to direct the management or policies of MPL, whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.⁶⁰ A rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.

L. Monthly Reports: With respect to the export of U.S.-sourced natural gas authorized by this Order, MPL 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 of U.S.-sourced natural gas 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 of natural gas have occurred, the report must provide the information specified for each applicable activity and mode of transportation, as set forth in the Guidelines

⁵⁹ See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014).

⁶⁰ See *id.* at 65,542.

for Filing Monthly Reports. These Guidelines are available at:

<https://www.energy.gov/fecm/guidelines-filing-monthly-reports>.

With respect to the re-export of U.S.-sourced natural gas as LNG authorized by this Order, MPL 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 FE746R indicating whether re-exports of this LNG to FTA countries 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 re-export. In subsequent months, if re-exports have not occurred, a report of “no activity” for that month must be filed. If re-exports of LNG 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: <https://www.energy.gov/fecm/guidelines-filing-monthly-reports>.

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

M. All monthly report filings on Form FE-746R shall be made to the 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>.

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Office of Resource Sustainability