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December 20, 2024

VIA EMAIL (FERGAS@HQ.DOE.GOV)

Amy Sweeney
Director, Office of Regulation, Analysis and Engagement (FE-34)
Office of Resource Sustainability
Office of Fossil Energy and Carbon Management
1000 Independence Ave., S.W.
Washington, DC 20585

Re: **Port Arthur LNG, LLC, FE Docket Nos. 15-53-LNG, 15-96-LNG & 18-162-LNG
Long-Term Contract Summaries—Equity Sale and Purchase Agreement**

Dear Ms. Sweeney:

Port Arthur LNG, LLC (“PALNG”) has received from the Department of Energy, Office of Fossil Energy and Carbon Management (“DOE/FECM”): (1) long-term, multi-contract authorization to export liquefied natural gas (“LNG”) to nations with whom the United States has entered into a Free Trade Agreement requiring the national treatment for trade in natural gas, *see* DOE/FECM Order Nos. 3698, 3698-A 3698-B1 and 3698-C in Docket Nos. 15-53-LNG and 18-162-LNG; and (2) long-term, multi-contract authorization to export LNG to nations with whom the United States has not entered into a Free Trade Agreement requiring the national treatment for trade in natural gas, *see* DOE/FECM Order Nos. 4372, 4372-A, and 4372-B in Docket No. 15-96-LNG (collectively, “Export Authorizations”).

PALNG submits herewith for filing a public summary of an Equity Sale and Purchase Agreement (“SPA”) it has executed with ConocoPhillips Marketing & Trading International LLC.¹

¹ *See Port Arthur LNG, LLC*, DOE/FECM Order No. 3698, Docket No. 15-53-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel From the Proposed Port Arthur LNG Project in Port Arthur, Texas, to Free Trade Agreement Nations, at Ordering Para. (D) (Aug. 20, 2015); *Port Arthur LNG, LLC*, DOE/FECM Order No. 4372, Docket No. 15-96-LNG, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, at Ordering Para. (I) (May 2, 2019); *see also Filing of Contracts and Purchase Agreements Associated with the Export of Natural Gas*, 83 Fed. Reg. 65111 (Dec. 19, 2018).

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PALNG is separately filing an unredacted copy of the SPA with DOE/FECM under seal.

PALNG makes this filing without waiver of the position taken by Sempra LNG & Midstream, LLC in the proceedings regarding the Proposed Interpretative Rule in *Filing of Contracts and Purchase Agreement Associated with the Export of Natural Gas*, 83 Fed. Reg. 65111 (Dec. 19, 2018), which remains pending.²

Please contact the undersigned with any questions regarding this submission.

Respectfully submitted,

/s/ Brett A. Snyder

Brett A. Snyder
Counsel for Port Arthur LNG, LLC

BAS:lnr
Enclosures

² See Comments of Sempra LNG & Midstream, LLC, Natural Gas Contract Guidance, *Filing of Contracts and Purchase Agreements Associated with the Export of Natural Gas* (Jan. 18, 2019).

**LONG TERM CONTRACT-LNG EXPORTS
MAJOR PROVISIONS SUMMARY**

- 1. DOE/FECM Order No(s):** DOE/FECM Order Nos. 3698, 3698-A, 3698-B, 3698-C, 4372, 4372-A, 4372-B

DOE/FECM Docket No(s): Docket Nos. 15-53-LNG. 15-96-LNG & 18-162-LNG

- 2. LNG Liquefaction/Export Facility and Location:**

Port Arthur LNG facility located in Port Arthur, Texas.

- 3. Describe affiliation with LNG Liquefaction Export Facility (e. g., owner, capacity holder, etc.):**

The contract has been entered into by the owner of the Port Arthur LNG liquefaction and export facility located in Port Arthur, Texas.

- 4. Exact Legal Name of Parties/Counterparties to Contract:**

Port Arthur LNG, LLC (“Seller”)

ConocoPhillips Marketing & Trading International LLC (“Buyer”)

- 5. 5a. Contract Type (e.g., Purchase and Sale Agreement; Liquefaction Tolling Agreement, etc.):**

Equity LNG Sale and Purchase Agreement (FOB)

- 5b. Firm or Interruptible Contracts:**

ADP Excess Quantities sold to Buyer under the agreement are variable and represent quantities that Seller, in its sole discretion, elects to produce in excess of Aggregate Annual Firm Quantities as defined in the agreement.

Firm quantities may be provided to Buyer the extent Buyer becomes entitled to Debottlenecking Quantities and Post-Term Firm Quantities as defined in the agreement.

- 6. Date of the Contract:**

March 20, 2023

- 7. Contract Term:**

The agreement enters into full force and effect when the conditions precedent set forth in Section 2.2.1 of the agreement are satisfied, after which the contract shall continue in full force and effect until: the twentieth (20th) anniversary of the date on which T2 DFCD has occurred under the

agreement;¹ or if an Associated Equity Investor, as defined in the agreement, holds at least a five percent (5%) membership interest in Port Arthur Holdings under the LLC Agreement immediately following the end of the Initial Equity SPA Term, the earlier of (i) the date on which such Associated Equity Investor (or any Associated Equity Investor of any transferee of Buyer) ceases to hold or does not hold at least a five percent (5%) membership interest in Port Arthur Holdings pursuant to the LLC Agreement for any reason; and (ii) the date on which Seller permanently ceases commercial operations of and decommissions the Seller Initial Facilities.²

8. *Quantity (Annual and Total, if appropriate, include +/-% flexibility):*

The agreement entitles Buyer to an Annual AEQ Entitlement, consisting of: 30% of ADP Excess Quantities; Buyer's scheduled Debottlenecking Entitlement; and 30% of Buyer's scheduled Post-Term Firm Quantities. This amount may be zero in any given Contract Year.

ADP Excess Quantities mean, in respect of each Contract Year, any quantities that Seller elects, in its sole discretion, to produce from the Seller Initial Facilities during such Contract Year in excess of the Aggregate Annual Firm Quantities, as defined in the agreement, to be scheduled for such Contract Year; provided, that ADP Excess Quantities shall not include any Excluded Quantities, as defined in the agreement.

Debottlenecking Entitlements is defined in the agreement and refers to an allocation of quantities resulting from modifications to the Seller Initial Facilities to enhance the production capacity of Trains 1 and/or 2.

Post-Term Firm Quantities is defined in the agreement and refers to quantities that may become available to Buyer following expiration of a Foundation SPA.

9. *Take or Pay (or equivalent) Provisions/Conditions (please describe):*

The agreement provides that Seller shall sell and make available for delivery, or compensate Buyer if not made available for delivery, LNG in cargoes at the Delivery Point. The agreement further provides that Buyer shall take and pay for, or compensate Seller if not taken, such LNG, in the quantities and at the prices set forth in and otherwise in accordance with and subject to the provisions of the agreement.

¹ "T2 DFCD" is defined as the day notified by Seller to Buyer on which Seller anticipates that Train 2 will become commercially operable.

² Seller Initial Facilities are defined as the Gas liquefaction facility, to be located in Jefferson County, Texas, in the vicinity of Port Arthur, Texas, that Seller and its Affiliates and its owners are developing and intend to construct, own and operate, consisting of Train 1, Train 2 and associated facilities, both inside and outside the plant, Gas pretreatment and processing facilities, LNG storage tanks, utilities, substations, meters, a jetty, berthing and marine facilities and all other related common facilities, and including, for purposes of the Equity SPAs, any Debottlenecking Modifications.

10. Supplier (title holder) of Natural Gas to Liquefaction Facility (include whether long or short-term supply, or both), if appropriate. If this does not include the Purchase or Sale of Natural Gas, please mark this Section “Not Applicable”:

Not Applicable.

11. Legal Name of Entity(ies) that has(have) Title of the Natural Gas and LNG through the LNG Facility until Export (at the Flange of the Vessel):

Port Arthur LNG, LLC

12. Export Destination Restrictions in the Contract:

The contract restricts exports of LNG received by the customer from the Port Arthur LNG facility to destination countries permitted under (i) the applicable DOE/FECM export authorizations and (ii) U.S. law.

13. Resale Provisions:

Buyer acknowledges and agrees that it will resell or transfer LNG purchased under the agreement for delivery only to the countries identified in the relevant DOE/FECM orders and/or to purchases that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries.

14. Other Major Non-proprietary Provisions, if Applicable:

None.

I affirm that the foregoing is true and accurate to the best of my knowledge.

DATED: December 20, 2024

SUBMITTED BY:

Jerrod L. Harrison

/s/ Jerrod L. Harrison

Port Arthur LNG, LLC