

**From:** [Wade, Jennifer L.](#)  
**To:** [Patrick.Nevins@lw.com](mailto:Patrick.Nevins@lw.com); [Bernstein, Cassandra \(Cass\)](#)  
**Cc:** [Sweeney, Amy](#); [Ulrey, Peri](#); [George.Flugrad@bhegts.com](mailto:George.Flugrad@bhegts.com); [FERGAS](#)  
**Subject:** RE: JAX LNG, LLC Request for clarifications of Order No. 5233 in Docket No. 24-73-LNG  
**Date:** Thursday, January 16, 2025 7:14:01 PM  
**Attachments:** [image001.png](#)

---

Hello,

Thank you for your email below, entitled “Request for Clarifications of Order No. 5233.”

In **Question 2**, you stated, “Please confirm that DOE’s ruling in this regard is only prospective and that there are no issues, concerns, or need for reporting with respect to JAX’s prior bunkering activities.” DOE confirms that the ruling in DOE/FECM Order No. 5233, and any limitations or obligations it creates for JAX, are prospective only. Specifically, JAX is not required to report to DOE any bunkering activities that took place prior to the issuance of the Order on December 23, 2024.

We appreciate the additional information you provided, and we are continuing to review the other requested areas of clarification.

Regards,  
Jennifer

Jennifer Wade (she/her/hers)  
Director, Division of Regulation  
Office of Regulation, Analysis, and Engagement  
Office: 202-586-4749



---

**From:** Patrick.Nevins@lw.com <Patrick.Nevins@lw.com>  
**Sent:** Wednesday, January 15, 2025 5:27 PM  
**To:** Wade, Jennifer L. <jennifer.wade@hq.doe.gov>; Bernstein, Cassandra (Cass) <cassandra.bernstein@hq.doe.gov>  
**Cc:** Sweeney, Amy <amy.sweeney@hq.doe.gov>; Ulrey, Peri <peri.ulrey@hq.doe.gov>; George.Flugrad@bhegts.com  
**Subject:** [EXTERNAL] JAX LNG, LLC Request for clarifications of Order No. 5233 in Docket No. 24-73-LNG  
**Importance:** High

Following up on our January 13, 2025, call with DOE Staff, JAX LNG, LLC requests certain clarifications of Order No. 5233 issued on Dec. 23, 2024, in Docket No. 24-73-LNG. These clarifications will enable JAX to ensure compliance with the Order. To provide added context regarding JAX’s questions, we are also providing further description of JAX’s current marine-loading and bunkering operation in the

southeast U.S.

As described in the July 25, 2025, application, JAX has existing operations in which it produces, stores and then loads LNG as marine fuel onto bunkering vessels for the transportation and delivery of the LNG marine fuel to its domestic and international customers in US ports. Contractually, JAX hires bunkering vessels to transport LNG from the JAX facility for delivery to its domestic and international customer vessels in a US port on behalf of JAX. The bunkering vessels are US-flagged and Jones Act compliant and are owned by Polaris New Energy, an affiliate of Seaside LNG (the 50% owner of JAX). Once the bunkering vessels are alongside the customer's vessel, the bunker vessel transfers the LNG marine fuel into the receiving vessel's fuel tanks. As the LNG passes the receiving vessel's fuel manifold so does the title of the LNG. Our customers have a variety of ships registered both domestically and internationally that require LNG as marine fuel. These include cruise ships, car carriers, petroleum tankers, and container ships. As noted during our call, the global use of LNG as a marine fuel is in high demand and customers are asking JAX to deliver LNG in ports outside the US. As a result of our customers' requests, we asked DOE in our application for clarification if LNG transfer by a bunker vessel at an international port constitutes an export.

With that further background, JAX requests clarification in the following areas:

1. The order at pages 8-9 states that "DOE's practice to date" has been that a ship-to-ship transfer of LNG from a bunkering vessel to another ship does not constitute an "export" under NGA section 3 if the receiving ship is registered in the United States, but that ship-to-ship transfers to foreign-registered ships constitute DOE-jurisdictional exports regardless of where the transfer occurs. Has that practice been articulated in any prior DOE orders or pronouncements? Has any other company engaged in similar bunkering activity obtained export authorization for it?
2. Please confirm that DOE's ruling in this regard is only prospective and that there are no issues, concerns, or need for reporting with respect to JAX's prior bunkering activities.
3. If JAX were to transfer US-sourced LNG onto a foreign-registered vessel directly at its facility rather than by bunkering vessel, does DOE consider that activity an export?
4. Ordering Paragraph A authorizes export of natural gas "loaded into bunkering vessels for transfer as marine fuel to ships in foreign ports," though with a footnote reference to the earlier discussion in the order. Please confirm that the order authorizes transfer onto foreign-registered vessels wherever it occurs.
5. Ordering Paragraph F requires JAX to file long-term contracts associated with LNG export (interpreted to include transfer to foreign-registered vessels as a marine fuel) as well as gas supply within 30 days of execution. For any pre-existing contracts, please confirm that they may be filed in the future (within 30 days after the order, or this clarification).
6. Ordering Paragraph H requires language regarding restrictions on the purchaser reselling or transferring the LNG to others, which seem inappropriate where the purchaser of the LNG will utilize the LNG itself as a marine fuel and will not sell or transfer it to others. Is this language needed in such contracts and, if so, must it be added through amendment to pre-existing contracts?

7. For Monthly Reporting pursuant to Ordering Paragraph K, in the case of transfer to a foreign-flagged vessel for marine fuel, should the “destination” be the nation in which the ship is registered? If JAX were to use a foreign flagged intermediary bunkering vessel, would the export be reported as to the country of registration of the bunker vessel or the country of registration of the ultimate customer vessel?
8. In one existing case, title to the LNG on a bunkering vessel is transferred to another (affiliated) entity prior to loading the LNG onto the customer’s ship that will utilize it as marine fuel. Under the order, JAX may use its authorization as agent for another party that holds title to the LNG provided that it is “registered” in accordance with the order. For purposes of determining whether JAX is using the authorization on its own behalf or as agent for the intermediary, where is the determining point for title transfer – e.g., if JAX has title to the LNG as it leaves its facility and is loaded onto the vessel, is the export on its own behalf, even if another entity holds title prior to the ship-to-ship transfer? If registration is required for pre-existing activity, please confirm that it may also occur within 30 days after the order or receipt of this clarification.

We would very much appreciate it if the DOE could provide clarification on some or all of these points promptly. Please feel free to contact me with any questions. I will also note that, as discussed, this request for clarification does not in any way limit or replace JAX’s right to request rehearing of Order No. 5233 – which it will likely do.

Thanks,

**J. Patrick Nevins**

**LATHAM & WATKINS LLP**  
555 Eleventh Street, NW  
Suite 1000  
Washington, D.C. 20004-1304  
Direct Dial: +1.202.637.3363  
Email: [patrick.nevins@lw.com](mailto:patrick.nevins@lw.com)  
<https://www.lw.com>

---

This email may contain material that is confidential, privileged and/or attorney work product for the sole use of the intended recipient. Any review, disclosure, reliance or distribution by others or forwarding without express permission is strictly prohibited. If you are not the intended recipient, please contact the sender and delete all copies including any attachments.

Latham & Watkins LLP or any of its affiliates may monitor electronic communications sent or received by our networks in order to protect our business and verify compliance with our policies and relevant legal requirements. Any personal information contained or

referred to within this electronic communication will be processed in accordance with the firm's privacy notices and Global Privacy Standards available at [www.lw.com](http://www.lw.com).

\*\*\*\*\*

This message does not originate from a known Department of Energy email system. Use caution if this message contains attachments, links or requests for information.

\*\*\*\*\*