

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

**Bear Head LNG Corp.
Bear Head LNG (USA), LLC**

)

FE Docket No. 15-33-LNG

**MOTION TO INTERVENE OF
SAINT JOHN GAS MARKETING COMPANY**

Pursuant to the Department of Energy's ("DOE") Administrative Procedures With Respect to the Import and Export of Natural Gas, 10 C.F.R. §§ 590.302, 590.303 (2014) and the notice published in the Federal Register on April 16, 2015,¹ Saint John Gas Marketing Company ("SJGM") hereby moves to intervene in FE Docket No. 15-33-LNG, which concerns the application of Bear Head LNG Corp. and Bear Head LNG (USA), LLC (together, "Bear Head") to export domestically produced natural gas to Canada for subsequent liquefaction and export to Free Trade Agreement ("FTA") countries and non-FTA countries.

I. COMMUNICATIONS

Communications concerning this motion should be addressed as follows, and the following should be included on the official service list in this proceeding:

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¹ *Bear Head LNG Corp and Bear head LNG (USA), LLC.; Application for Long-term, Multi-Contract Authorization to Export Domestically Produced Natural Gas Through Canada to Non-Free Trade Agreement Countries After Liquefaction to Liquefied Natural Gas for a 25-Year Period*, 80 Fed. Reg. 20482 (Apr. 16, 2015).

II. BACKGROUND

On February 25, 2015, Bear Head filed an application with DOE seeking long-term (25-year) authorization to engage in exports of up to (1) 440 Bcf per year of natural gas by pipeline to Canada; and (2) 8 million tons per annum (“mtpa”), which is the equivalent of 397.6 Bcf per year, of LNG from Nova Scotia, Canada to (a) any country with which the U.S. has or will have a Free Trade Agreement requiring national treatment for trade in natural gas and LNG, and (b) any nation with which trade is not prohibited by U.S. law or policy and that has to will have the capacity to import LNG.² Bear Head also seeks authorization to export natural gas and LNG on its own behalf and as agent for third parties.³

Bear Head seeks the foregoing authorizations in connection with the development of its LNG export terminal to be located near Port Hawksbury, Nova Scotia, Canada. Once constructed, the terminal will be capable of receiving, processing, and liquefying North American natural gas, storing LNG, and loading LNG onto ocean-going vessels, and Bear Head intends to commence operations at the LNG terminal in 2019.⁴ Major components of the project include four liquefaction trains (each with a capacity of 2 mtpa), ship berthing facilities, and two LNG storage tanks, each with a capacity of 180,000 cubic meters.⁵

Bear Head states that its LNG export project will bring numerous benefits, including increased U.S. economic activity, tax revenues, and job creation, both during the construction and operation phases of the project.⁶ Bear Head estimates the total economic gains to the U.S. to

² Application at 1-2.

³ *Id.* at 2.

⁴ *Id.*

⁵ *Id.* at 12.

⁶ *Id.* at 9

be over \$1.1 billion in gross product, and due to construction of project materials in Louisiana, Bear Head estimates that the Louisiana gross product will increase by \$0.4 billion.⁷ Bear Head anticipates its proposed exports will have a limited impact on natural gas prices in the U.S., and a study commissioned by Bear Head indicates its proposed exports will increase Henry Hub prices by 0.8 percent over the base case analyzed for the first 15 years of exports.⁸ Thereafter, Bear Head expects the price impact to be even less, 0.1 percent over the base case analyzed.⁹

Bear Head explains that there will be no cognizable environmental impacts in the U.S. because the project will not require construction of any U.S.-based facilities.¹⁰ Bear Head states that the project facilities will all be constructed within Canada, and Bear Head will rely on existing natural gas pipelines to deliver U.S.-sourced natural gas to the Bear Head terminal.¹¹ Bear Head acknowledges that modification and possible expansion of the Maritimes and Northeast pipeline, the pipeline by which Bear Head proposes to route U.S.-sourced natural gas to its terminal, is likely required to enable feedstock gas deliveries to its proposed terminal, although the precise nature of those changes is unknown, states Bear Head.¹² Bear Head requests that DOE grant a categorical exclusion for its Application because the project does not involve the construction of any U.S. facilities, there are no connected actions that have been improperly segmented, and the project is not expected to have individual or cumulative significant environmental impacts in the United States.¹³

⁷ *Id.* at 9.

⁸ *Id.* at 26,

⁹ *Id.*

¹⁰ *Id.* at 10.

¹¹ *Id.*

¹² *Id.*

¹³ *Id.* at 41-42

III. INTERVENTION

Saint John Gas Marketing Company is a Delaware corporation with its principal place of business in The Woodlands, TX. SJGM is a wholly-owned subsidiary of Repsol St. John LNG, S.L. (“RSJLNG”). RSJLNG is a Spanish corporation with its principal place of business in Madrid, Spain.

Good cause exists to grant SJGM leave to intervene in this proceeding. Affiliates of SJGM are considering a natural gas liquefaction and LNG export project to be located at the existing Canaport LNG terminal in Saint John, New Brunswick, Canada.¹⁴ Like Bear Head, this project also is considering exporting natural gas by pipeline to Canada for subsequent export as LNG. DOE’s regulatory approach to adjudicating applications to export natural gas by pipeline to an adjacent FTA country for subsequent export as LNG is an issue of first impression.¹⁵ As such, SJGM has a direct interest in both the public interest analysis to be conducted by DOE for Bear Head’s application and in the outcome of this proceeding.¹⁶ Thus, SJGM has a direct, substantial, and vital interest in this proceeding and desires to intervene in order to protect that

¹⁴ SJGM may act the U.S.-marketing agent for procuring potential U.S.-sourced natural gas.

¹⁵ These regulatory issues of first impression are also presented by an application to DOE submitted by Pieridae Energy (USA), LTD in FE Docket No. 14-179-LNG. On May 22, 2015, DOE/FE issued an order on the FTA aspects of Pieridae’s application and stated that it would not treat Pieridae’s application entirely as an application to export natural gas to an FTA country, Canada, because DOE/FE “must look to the trade status of the country in which the natural gas or LNG is delivered for end use.” *Pieridae Energy (USA), LTD, Order Granting Long-Term, Multi-Contract Authorization to Export Natural Gas to Canada and to Other Free Trade Agreement Nations*, DOE/FE Order No. 3639 at 3-4 (May 22, 2015). DOE/FE stated that to do otherwise “would allow exporters to evade the public interest review and opportunity for public participation afforded in non-FTA export proceedings under NGA section 3(a), simply by transiting the natural gas or LNG through a FTA country en route to a non-FTA country.” *Id.* at 4.

¹⁶ The outcome of the proceeding could affect SJGM’s economic interests. *See Cameron LNG, LLC*, DOE/FE Order No. 3391, *Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Cameron LNG Terminal in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations*, at 125-6 (Feb. 11, 2014) (stating “...the economic consequences of granting the Application could be far-reaching and could affect the interests of the movants and their members. This fact alone is good cause to permit their intervention.”).

interest. SJGM is not now, and will not be, adequately represented by any other party in these proceedings, and may be affected by DOE's action on Bear Head's application.

WHEREFORE, in consideration of the foregoing, Saint John Gas Marketing Company respectfully requests that it be permitted to intervene in the captioned docket and be made a party for all purposes.

Respectfully submitted,

/s/ Kirstin E. Gibbs

Kirstin E. Gibbs

Tyler S. Johnson

Bracewell Giuliani LLP

2000 K St. NW Suite 500

Washington, DC 20006

Attorneys for Saint John Gas Marketing Co.

June 15, 2015

CERTIFIED STATEMENT OF AUTHORIZED REPRESENTATIVE

Pursuant to 10 C.F.R. § 590.103(b) (2014), I, Kirstin E. Gibbs, hereby certify that I am a duly authorized representative of Saint John Gas Marketing Company, and that I am authorized to sign and file with the Department of Energy's Office of Fossil Energy, on behalf Saint John Gas Marketing Company, the foregoing document in the above-reference proceeding.

/s/ Kirstin E. Gibbs
Kirstin E. Gibbs
Bracewell Giuliani LLP
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kirstin.gibbs@bgllp.com

Attorney for Saint John Gas Marketing Co.

Dated in Washington, D.C.: June 15, 2015

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document on the applicant and the Department of Energy's Office of Fossil Energy in accordance with the requirements of 10 C.F.R. § 590.107(b) (2014).

/s/ Tyler S. Johnson
Tyler S. Johnson

June 15, 2015

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VERIFICATION

SEATTLE

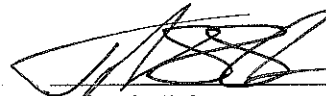
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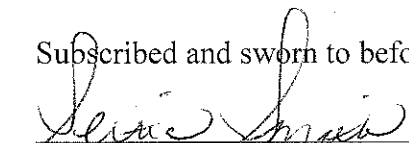
Pursuant to 10 C.F.R. § 590.103(b) (2014), Tyler S. Johnson, being duly sworn, affirms that he is authorized to execute this verification, that he has read the foregoing document, and that all facts stated herein are true and correct to the best of his knowledge, information, and belief.



Tyler S. Johnson
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Attorney for Saint John Gas Marketing Co.

Subscribed and sworn to before me this 15 day of June, 2015.



Notary Public

My Commission Expires: 10-27-2015

