

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

TRANSFUELS, LLC d/b/a/ BLU LNG

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) DOCKET NO. 15-121-LNG

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS
BY ISO CONTAINERS LOADED ON VESSELS
TO FREE TRADE AGREEMENT NATIONS

DOE/FE ORDER NO. 3728

OCTOBER 14, 2015

I. DESCRIPTION OF REQUEST

On August 3, 2015, Transfuels, LLC d/b/a/ Blu LNG (Blu LNG) filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)¹ for blanket authorization (both single and multi-contract) to export liquefied natural gas (LNG) up to a volume equivalent to 10 billion cubic feet (Bcf) of natural gas. Blu LNG seeks authorization to export this LNG to any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (FTA countries).² Blu LNG states that the proposed exports of LNG typically will be loaded into approved ISO IMO7/TVAC-ASME LNG (ISO) containers (truck mounted), then transported to and loaded onto container ships or roll-on/roll-off ocean-going carriers for export at one or more export points in the United States capable of exporting LNG. Blu LNG requests the authorization be granted for a two-year term beginning on the date this Order is signed. Blu LNG is a Delaware limited liability company with its principal place of business in Houston, Texas.

II. FINDING

The application has been evaluated to determine if the proposed import and/or export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import and export of natural gas, including liquefied natural gas (LNG), from and to a nation with which

¹ The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-006.02 issued on November 17, 2014.

² 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.

there is in effect a free trade agreement requiring national treatment for trade in natural gas and the import of LNG from other international sources are deemed to be consistent with the public interest, and applications for such imports and exports must be granted without modification or delay. The authorization sought by Blu LNG to export LNG to FTA countries, meets the section 3(c) criterion and, therefore, is consistent with the public interest. This Order authorizes transactions with terms of no longer than two years.

ORDER

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

A. Blu LNG is authorized to export LNG to FTA countries by ISO containers loaded on vessels, up to a volume equivalent to 10 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. This authorization shall be effective for a two-year term beginning on October 14, 2015, and extending through October 13, 2017.

B. This LNG may be exported 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/FE at:

<http://www.fossil.energy.gov/programs/gasregulation/index.html>

C. **Monthly Reports:** With respect to the LNG exports authorized by this Order, Blu LNG shall file with the Office of Oil and Gas Global Security and Supply, within 30 days following the last day of each calendar month, a report indicating whether exports of LNG 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 LNG in ISO containers by vessel have occurred, the report must give the following details of each LNG cargo: (1) the name(s) of the authorized exporter registered with DOE/FE; (2) the name of the U.S. export terminal; (3) the name of the LNG tanker; (4) the date of departure from the U.S. export terminal; (5) the country (or countries) into which the LNG is actually delivered and/or received for end use; (6) the name of the supplier/seller; (7) the volume in Mcf; (8) the price at point of export per million British thermal units (MMBtu); (9) the name and location (city/state) of the facility where the ISO container is loaded with LNG; (10) the mode(s) of transport used to move the loaded ISO container from the loading facility to the export port or terminal; (11) the duration of the supply agreement (indicate spot sales); and (12) the name(s) of the purchaser(s). (Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

D. The first monthly report required by this Order is due not later than November 30, 2015, and should cover the reporting period from October 14, 2015, through October 31, 2015.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Oil and Gas Global Security and Supply, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Natural Gas Reports. Alternatively, reports may be e-mailed to ngreports@hq.doe.gov, or may be faxed to Natural Gas Reports (202) 586-6050.

Issued in Washington, D.C., on October 14, 2015.



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Office of Oil and Natural Gas