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

**In The Matter Of:** ) **Docket No. 15-190-LNG**  
 )  
**RIO GRANDE LNG, LLC** )  
 )

**AMENDMENT OF APPLICATION FOR LONG-TERM, MULTI-CONTRACT  
AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)<sup>1</sup> and Section 590.204(a) of the Department of Energy’s (“DOE”) regulations<sup>2</sup> (“Section 590.204(a)”), Rio Grande LNG, LLC (“Rio Grande LNG”) hereby amends its Application for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas, as originally filed with the DOE’s Office of Fossil Energy (“DOE/FE”) on December 23, 2015 in DOE/FE Docket No. 15-190-LNG (“Application”).

In its Application, Rio Grande is seeking a long-term multi-contract authorization to export domestically produced liquefied natural gas (“LNG”) up to the equivalent of 1,318 billion cubic feet (“Bcf”) of natural gas per year to both Free Trade Agreement countries and to Non-Free Trade Agreement countries. The Application sought authorization tied to individual 20-year terms for each of the Rio Grande LNG export project’s (“Project”) 6 liquefaction trains with separate make-up periods of 3 years for each train. Rio Grande LNG hereby amends its Application in the following respects, as described in greater detail below:

(a) Rio Grande LNG seeks permission to export LNG to countries lacking a Free Trade Agreement with the U.S. requiring national treatment of trade in natural gas (“FTA”) under an

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<sup>1</sup> 15 U.S.C. § 717b (2012).

<sup>2</sup> 10 C.F.R. § 590.204(a) (2014).

authorization with a single term of 20 years applicable to the entire Project, albeit with a longer (five-year) make-up period, such term to commence the earlier of (1) the date of first commercial exports from the Project, or (2) 7 years from the date of issuance of the export authorization order;

(b) Rio Grande LNG seeks permission to export LNG to countries having a FTA (“FTA Countries”) under an authorization with a single term of 30 years applicable to the entire Project, with no make-up period, such term to commence the earlier of (1) the date of first commercial exports from the Project, or (2) 10 years from the date of issuance of the export authorization order;

(c) Rio Grande LNG requests that the DOE/FE issue, without delay, the requested authorization permitting Rio Grande LNG to export LNG to FTA Countries under the terms specified by the Application as amended herein; and

(d) Rio Grande LNG amends the persons identified for the purposes of communications and correspondence.

All other aspects of the Application remain unchanged.

## I.

### **COMMUNICATIONS AND CORRESPONDENCES**

Rio Grande LNG requests that all communications and correspondence regarding this Application, including all service of pleadings and notices, be directed to the persons listed below.<sup>3</sup> These are the same individuals with the same contact information as in the Application,

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<sup>3</sup> Rio Grande LNG requests waiver of Section 590.202(a) of the DOE regulations to the extent necessary to include outside counsel on the official service list in this proceeding. 10 C.F.R. § 590.202(a). Pursuant to 10 C.F.R. §

except that Ms. Alisa Chunephisal in Norton Rose Fulbright US LLP's DC office has been substituted for Ms. Islara U. Irgit in Norton Rose Fulbright US LLP's Houston office.

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**II.**  
**DESCRIPTION OF THE APPLICANT**

The exact legal name of the applicant in this proceeding remains Rio Grande LNG, LLC as previously stated in the Application. All other information pertaining to the applicant presented in the Application continues to be current.

**III.**  
**AMENDMENT TO APPLICATION/AUTHORIZATION REQUESTED**

With regard to exports to countries without FTAs (“Non-FTA Countries”), the DOE/FE recently has begun to routinely grant LNG export projects authorizations with 20 year primary terms that allow the projects an additional 3 years beyond the expiration of the applicable primary term to export a total volume equal to the maximum allowable export volumes times the number of years in the primary term.<sup>4</sup> The additional period (“Make-Up Period) does not affect

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<sup>4</sup> See Sabine Pass Liquefaction, LLC, Order Amending DOE/FE Order Nos. 2961-A and 2961-B, Ordering Paragraph A, DOE/FE Order No. 2961-C, FE Docket No. 10-111-LNG (May 4, 2016); Sabine Pass Liquefaction, LLC, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations, Ordering Paragraph C, DOE/FE Order No. 3669, FE Docket Nos. 13-30-LNG, 13-42-LNG & 13-121-LNG (June 26, 2015); Cheniere Marketing, LLC & Corpus Christi Liquefaction, LLC, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Corpus Christi Liquefaction Project to be Located in Corpus Christi, Texas, to Non-Free Trade Agreement Nations, Ordering Paragraph C, DOE/FE Order No. 3638, FE Docket No. 12-97-LNG (May 12, 2015); Dominion Cove Point LNG, LP, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cove Point LNG Terminal in Calvert County, Maryland, to Non-Free Trade Agreement Nations, Ordering Paragraph C, DOE/FE Order No. 3331-A, FE Docket No. 11-128-LNG (May 7, 2015); Freeport LNG Expansion, L.P. et al., Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas, to Non-Free Trade Agreement Nations, Ordering Paragraph C, DOE/FE Order No. 3357-B, FE Docket No. 11-161-LNG (Nov. 14, 2014); Freeport LNG Expansion, L.P. et al., Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas, to Non-Free Trade Agreement Nations, Ordering Paragraph C, DOE/FE Order No. 3282-C, FE Docket No. 10-161-LNG (Nov. 14, 2014); Cameron LNG, LLC, Final Opinion and Order 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, Ordering Paragraph C, DOE/FE Order No. 3391-A, FE Docket No. 11-162-LNG (Sept. 10, 2014).

or modify the total volume of LNG authorized to be to be exported, rather it merely provides some assurance that the authorized volume will be exported in the face of delays of an export terminal reaching full capacity or temporary deratings or interruptions during the term of authorized exports. In the case of projects (or project expansions) involving fewer trains (and smaller volumes) than being proposed by Rio Grande LNG, three years appears to have been a workable solution that adequately provides for the staggered commissioning of trains and other contingencies.

However, due to the larger number of trains being proposed by Rio Grande LNG to be covered under a single authorization from DOE/FE (6 versus the 2 to 3 that has been typical for previous applications), a single 20 year primary term coupled with a Make-Up Period limited to 3 years does not represent a commercially workable approach here. In particular, as explained in the original application, the expected commissioning dates for the six trains proposed for the Project will be staggered over a period in excess of three years, even without any delays or interruptions. As such, the use of a single 20 year term paired to a 3 year Make-Up Period would have guaranteed that Rio Grande LNG would not be physically able to export a volume of LNG equal to the quantity requested in the Application (which is based on each train of the Project exporting at its rated capacity for a full 20 years).

Rio Grande LNG's Application proposed an approach that preserved the previously utilized 20 year primary term and 3 year Make-Up Period, but made it workable for Rio Grande LNG by requesting a separate primary term and Make-Up Period for each train, with the individual primary terms commencing no later than the earlier of (a) the first commercial exports from each train, and (b) a specific date for each train tied to the issuance date of the export authorization order. Such an approach would prevent the exhaustion of the Make-Up Period for

later stage trains before such trains had entered into service. However, that approach also would increase the administrative burdens on both Rio Grande LNG and the DOE/FE because the volume and duration of exports from each train would have to be tracked separately, even though the output of the trains would be commingled in common tanks and be exported through facilities at just two marine berths.

Rio Grande LNG has reviewed this situation and determined that there is an alternative approach that would be easier to implement from an administrative standpoint, but still meet Rio Grande LNG's needs. Specifically, with regard to exports to Non-FTA Countries, Rio Grande LNG amends its Application to request (a) a single 20 year primary term applicable to the entire Project and commencing with the earlier of (1) the first commercial exports from the first of the Project's trains to be commissioned, or (2) 7 years from the date of the DOE/FE's order authorizing such exports, coupled with (b) a 5 year long Make-Up Period at the conclusion of the primary term. The 20 year primary term and a deadline for starting the export term of no later than 7 years from issuance of the relevant DOE/FE order is consistent with other DOE/FE authorizations for exports to Non-FTA Countries.<sup>5</sup> While the Make-Up Period requested is five years, not three as previously granted to others, the longer time required to build out six LNG trains justifies the longer duration Make-Up Period. Moreover, as with other Make-Up Periods provided for by the DOE/FE in orders for other projects, the LNG to be exported during the Make-Up Period would be limited to any make-up volume (*i.e.*, the difference between (a) no more than (1) the rated annual production capacity of the full Project as applied for with the

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<sup>5</sup> See, e.g., Sabine Pass Liquefaction, LLC, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations, Ordering Paragraph A, DOE/FE Order No. 3669, FE Docket Nos. 13-30-LNG, 13-42-LNG & 13-121-LNG (June 26, 2015)

Federal Energy Regulatory Commission (“FERC”)<sup>6</sup> times, (2) the export authorization period approved by the DOE/FE, and (b) the amount of LNG that was actually exported from the Project during the primary export authorization term) that Rio Grande LNG was unable to export during the primary export authorization term. Thus, the longer Make-Up Period would not contribute to an increase in the authorized volumes to be exported or exports in excess of the authorized volumes.

With regard to exports to FTA Countries, Rio Grande LNG amends its application to request a 30 year export authorization term, commencing the earlier of (a) the first commercial exports from the first of the Project’s trains to be commissioned, or (b) 10 years from the date the DOE/FE’s order authorizing such exports.<sup>7</sup> In light of the longer term of such authorization, Rio Grande LNG is not requesting a Make-Up Period with respect to exports to FTA countries. Further, as in the Application, Rio Grande LNG is not requesting that the amounts exported to FTA countries under any authorization issued by the DOE/FE be additive to the amount of LNG to be exported under any DOE/FE authorization granted with respect to exports to Non-FTA Countries; provided that, to the extent that the authorization to export to Non-FTA Countries expires prior to the authorization to export to FTA Countries, Rio Grande LNG would be permitted to continue to export any authorized amounts to FTA Countries until the 30 year term of such authorization also expires.

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<sup>6</sup> Rio Grande LNG applied to the FERC on May 5, 2016 for authorization to construct a six-train natural gas liquefaction and LNG export facility corresponding to the Project described in the Application. The application filed with the FERC has been assigned FERC Docket No. CP16-454.

<sup>7</sup> An export authorization with these terms was recently granted to G2 LNG LLC. *See*, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed G2 LNG Terminal in Cameron Parish, Louisiana to Free Trade Agreement Nations, Ordering Paragraph A, DOE/FE Order No. 3682, FE Docket No. 15-44-LNG (July 17, 2015).

Rio Grande LNG is not seeking a change in any other aspect of the export authorization requested by the Application.

**IV.**  
**DESCRIPTION OF THE PROJECT**

The description of the Project provided in the Application remains current, except that natural gas used as feedstock for the Project is likely to be owned, in whole or in part, by an affiliate of Rio Grande LNG, which is expected to contract for natural gas transportation to the Project on the Rio Bravo Pipeline Company LLC pipeline system.

**V.**  
**APPLICABLE LEGAL STANDARD**

The standard of review remains unchanged by the current amendment to the Application.

**VI.**  
**PUBLIC INTEREST ANALYSIS**

The public interest analysis presented by the Application remains unchanged given that (a) the amount of LNG to be exported to Non-FTA Countries remains unchanged, and (b) the proposed exports to FTA Countries, while increased, are in the public interest as a matter of law. Assuming the DOE/FE finds Rio Grande LNG's request for authorization to export LNG to be not inconsistent with the public interest, then the proposed simplification of the export authorization term, as set forth herein, will be beneficial to the public by virtue of reducing administrative burdens on the government and commerce.



**VII.**  
**RELATED AUTHORIZATIONS AND ENVIRONMENTAL IMPACTS**

On May 5, 2016, Rio Grande LNG completed the FERC pre-filing process previously reported to DOE/FE as in progress at the time of the original Application filing.<sup>8</sup> Rio Grande LNG is now in the formal application process at FERC (FERC Docket No. CP16-454), which Rio Grande LNG hopes to complete in 2017. The other details of this process remain as stated in the Application.

**VIII.**  
**CONCLUSION**

For the foregoing reasons, Rio Grande LNG respectfully amends its existing application for authorization to export LNG to reflect the changes set forth above. Because of current customer interest in exports to FTA Countries, Rio Grande LNG also requests the DOE/FE issue the authorization covering exports to FTA Countries without delay as required by the Natural Gas Act.

Respectfully submitted,



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Alisa Chunephisal  
*Attorneys for Rio Grande LNG, LLC*

Dated: June 7 , 2016

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<sup>8</sup> Rio Grande LNG's pre-filing process was assigned FERC Docket No. PF15-20-000.