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

In The Matter Of:

SABINE PASS LIQUEFACTION, LLC

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FE Docket No. 17-161-LNG

**APPLICATION OF SABINE PASS LIQUEFACTION, LLC
FOR BLANKET AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS**

Pursuant to Section 3 of the Natural Gas Act (“NGA”),¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Sabine Pass Liquefaction, LLC (“Sabine Pass”) hereby requests that DOE, Office of Fossil Energy (“DOE/FE”) issue an order granting blanket authorization for Sabine Pass to engage in short-term exports of liquefied natural gas (“LNG”), from the Sabine Pass Liquefaction Project (“Liquefaction Project”) in Cameron Parish, Louisiana.³ Sabine Pass is herein seeking authorization to export volumes in an amount up to 600 billion cubic feet (“Bcf”) cumulatively over a two-year period commencing the later of the date of first short-term export or January 16, 2018 to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

In support of its application, Sabine Pass states as follows:

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. Part 590 (2017).

³ The Liquefaction Project is being developed by Sabine Pass and its affiliate, Sabine Pass LNG, L.P., at the existing Sabine Pass LNG import, storage and vaporization terminal in Cameron Parish, Louisiana. The Federal Energy Regulatory Commission (“FERC”) authorized the construction and operation of Stages 1 and 2 of the Liquefaction Project consisting of four LNG production trains (*i.e.*, Trains 1, 2, 3 and 4). *See Sabine Pass Liquefaction, LLC & Sabine Pass LNG, L.P.*, 139 FERC ¶ 61,039 (2012), *reh’g & stay denied*, 140 FERC ¶ 61,076 (2012); *Sabine Pass Liquefaction, LLC & Sabine Pass LNG, L.P., Order Amending Section 3 Authorization*, 144 FERC ¶ 61,099 (2013); *Sabine Pass Liquefaction, LLC & Sabine Pass LNG, L.P., Order Amending Section 3 Authorization*, 146 FERC ¶ 61,117 (2014), *reh’g denied*, 148 FERC ¶ 61,200 (2014) [collectively, hereinafter *FERC Liquefaction Project Orders*].

I.
DESCRIPTION OF THE APPLICANT

The exact legal name of Sabine Pass is Sabine Pass Liquefaction, LLC. Sabine Pass is authorized to do business in Louisiana and Texas, and has its principal place of business in Houston, Texas. Sabine Pass is an indirect subsidiary of Cheniere Energy, Inc. (“Cheniere Energy”), a Delaware corporation with its primary place of business in Houston, Texas. Cheniere Energy is a developer of LNG import and export terminals and natural gas pipelines on the Gulf Coast, including the Liquefaction Project.

II.
COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this application, including all service of pleadings and notices, should be directed to the following persons:⁴

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Cheniere Energy, Inc.
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51 West 52nd Street
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Pursuant to Section 590.103(b) of DOE’s regulations,⁵ Sabine Pass hereby certifies that the persons listed above and the undersigned are the duly authorized representatives of Sabine Pass.

III.
BACKGROUND

To date, DOE/FE has issued four final long-term orders under NGA Section 3 authorizing Sabine Pass to export LNG from Stages 1 and 2 of the Liquefaction Project.⁶ In this

⁴ Sabine Pass requests waiver of Section 590.202(a) of DOE’s regulations, to the extent necessary to include outside counsel on the official service list in this proceeding. *Id.* § 590.202(a).

⁵ *Id.* § 590.103(b).

regard, Sabine Pass is currently authorized to export up to the equivalent of 1,006 Bcf per year of natural gas, for a twenty-year term, to Non-Free Trade Agreement Nations. Additionally, Sabine Pass LNG currently holds a short-term blanket authorization to export 600 Bcf of natural gas over a two year period, which expires on January 15, 2018.⁷

IV. **AUTHORIZATION REQUESTED**

Sabine Pass is requesting blanket authorization to engage in short-term exports of LNG in an amount up to 600 Bcf cumulatively over a two-year period commencing the later of the date of first short-term export or January 16, 2018 to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy.

Sabine Pass is requesting authorization to export LNG for itself and as agent for third parties who themselves may hold title to the LNG at the time of export. Sabine Pass will comply with all DOE/FE requirements for exporters and agents, including the registration requirements as first established in *Freeport LNG Expansion, L.P.*, DOE/FE Order No. 2913, and recently

⁶ *Sabine Pass Liquefaction, LLC, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Free Trade Nations*, DOE/FE Order No. 2833, FE Docket No. 10-85-LNG (Sept. 7, 2010); *Sabine Pass Liquefaction, LLC, Final Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Non-Free Trade Agreement Nations*, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG (Aug. 7, 2012), *reh'g and stay denied*, *Sabine Pass Liquefaction, LLC, Opinion and Order Denying Request for Rehearing of Order Denying Motion for Late Intervention, Dismissing Request for Rehearing of Order No. 2961-A, and Dismissing Motion for a Stay Pendente Lite*, DOE/FE Order No. 2961-B, FE Docket No. 10-111-LNG (Jan. 25, 2013); *Sabine Pass Liquefaction, LLC, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal in Cameron Parish, Louisiana, to Free Trade Agreement Nations*, DOE/FE Order No. 3595, FE Docket No. 14-92-LNG (Feb. 12, 2015), *Errata Notice*, DOE/FE Order Nos. 3595 & 3384, FE Docket Nos. 14-92-LNG & 13-121-LNG (Feb. 24, 2015); *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*, DOE/FE Order No. 3792, FE Docket No. 15-63-LNG (Mar. 11, 2016) [collectively, hereinafter, *Stages 1 & 2 Orders*].

⁷ *Sabine Pass Liquefaction, LLC, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana*, DOE/FE Order No. 3767, FE Docket No. 15-171-LNG (Jan. 13, 2016) [hereinafter *Sabine Blanket Order*].

confirmed in the Sabine Blanket Order.⁸ In this regard, Sabine Pass, when acting as agent, will register with DOE/FE each LNG title holder for whom it seeks to export as agent, and will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to: (1) comply with all requirements in Sabine Pass' export authorization; and (2) include those requirements in any subsequent purchase or sale agreement entered into by the title holder. No additional modifications to the Liquefaction Project are required to accommodate the export authorization requested herein. There are no other proceedings related to this application currently pending before any other federal agency.

V. PUBLIC INTEREST

Pursuant to Section 3 of the NGA, DOE/FE is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”⁹ Section 3 thus creates a statutory presumption in favor of approving this application, which opponents bear the burden of overcoming.¹⁰ Further, in evaluating an export application, DOE/FE applies the principles described in DOE Delegation Order No. 0204-111 (which focuses primarily on domestic need for the gas to be exported) and the Secretary's natural gas policy guidelines.¹¹ As detailed below, Sabine Pass' proposal to export LNG on a short-term blanket

⁸ See *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations*, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 10, 2011), Errata Notice, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG (Feb. 17, 2011); *Sabine Blanket Order*, *supra* note 7.

⁹ 15 U.S.C. 717b.

¹⁰ In *Panhandle Producers & Royalty Owners Ass'n v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987), the court found that Section 3 of the NGA “requires an affirmative showing of inconsistency with the public interest to deny an application” and that a “presumption favoring ... authorization ... is completely consistent with, if not mandated by, the statutory directive.” See also *Indep. Petroleum Ass'n v. ERA*, 870 F.2d 168, 172 (5th Cir. 1989); *Panhandle Producers and Royalty Owners Ass'n v. ERA*, 847 F.2d 1168, 1176 (5th Cir. 1988).

¹¹ See *New Policy Guidelines and Delegation Orders From Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

basis to those countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with Section 3 of the NGA and DOE/FE policy.

DOE/FE undertook a robust public interest analysis in granting Sabine Pass' request for long-term multi contract export authorization from Stages 1 and 2 of the Liquefaction Project.¹² Granting the short-term blanket export authorization as requested herein would provide Sabine Pass, the first entity authorized to construct and place-in service a liquefaction and export facility in the lower-48, with enhanced operational flexibility and the ability to export produced LNG cargoes that may be rejected by customers under one or more long-term contracts.

In granting recent applications for short-term blanket export authorization from projects that have previously received long-term export authorizations, and therefore undergone an extensive public interest review, DOE/FE has concluded that “no additional public interest review beyond that conducted in the earlier non-FTA export proceedings is warranted.”¹³

Nevertheless, the most recent U.S. Energy Information Administration (“EIA”) projections confirm the adequacy of domestic natural gas supplies to meet demand during the two-year term for which Sabine Pass seeks blanket export authorization. Specifically, the EIA’s December 2017 Short-Term Energy Outlook forecasts that “natural gas production in 2018 will be 6.1 Bcf/d higher than the 2017 level.”¹⁴ Similarly, the EIA’s 2017 Annual Energy Outlook states that in the reference case, “natural gas production over the 2016–20 period is projected to

¹² See *Stages 1 & 2 Orders*, *supra*, note 6.

¹³ *Dominion Cove Point LNG, LP, Order Granting Blanket Authorization to Export Liquefied Natural Gas by Vessel from the Cove Point Terminal Located in Calvert County, Maryland to Free Trade Agreement and Non-Free Trade Agreement Nations*, DOE/FE Order No. 4046, FE Docket No. 16-205-LNG (June 2, 2017) [hereinafter *Dominion Blanket Order*]; *Sabine Blanket Order*, *supra* note 7.

¹⁴ EIA, December 2017 Short-Term Energy Outlook (December 12, 2017) available at <https://www.eia.gov/outlooks/steo/>.

grow at about the same rapid rate (nearly 4% annual average) as it has since 2005.”¹⁵ As such, the requested export authorization is consistent with the public interest.

VI. **ENVIRONMENTAL IMPACT**

No changes to the Liquefaction Project facilities would be required for the short-term exports for which blanket authorization is requested herein. Therefore, consistent with DOE/FE precedent, granting this application would be categorically excluded from National Environmental Policy Act review.¹⁶

VII. **APPENDICES**

The following appendices are attached hereto and incorporated by reference herein:

Appendix A: Verification

Appendix B: Opinion of Counsel

¹⁵ EIA, 2017 Annual Energy Outlook (January 5, 2017) available at [https://www.eia.gov/outlooks/aeo/pdf/0383\(2017\).pdf](https://www.eia.gov/outlooks/aeo/pdf/0383(2017).pdf).

¹⁶ See, e.g., *Dominion Blanket Order* at 14, *supra* note 13; *Sabine Blanket Order* at 13, *supra* note 7.

VIII.
CONCLUSION

For the foregoing reasons, Sabine Pass respectfully requests that DOE/FE grant its request for blanket authorization, as discussed herein, to enable it to export LNG on a short-term basis in an amount up to 600 Bcf cumulatively over a two-year period commencing the later of the date of first short-term export or January 16, 2018 from the Liquefaction Project to any country with the ability to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. Sabine Pass respectfully requests that DOE/FE grant such authorization as expeditiously as possible but in any event no later than January 10, 2018.

Respectfully submitted,

/s/ Lisa M. Tonery
Lisa M. Tonery
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Attorneys for
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Dated: December 19, 2017

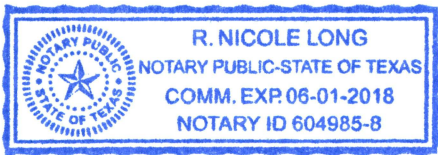
VERIFICATION

State of TEXAS)
County of HARRIS)

BEFORE ME, the undersigned authority, on this day personally appeared Tim Wyatt, who, having been by me first duly sworn, on oath says that he is the Vice President, Commercial Operations, for Cheniere Energy, Inc. and is duly authorized to make this Verification; that he has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

Tim Wyatt OCT
Vice President, Commercial Operations

SWORN TO AND SUBSCRIBED before me on the 19th day of December, 2017.



Name: R. Nicole Long

Title: Notary Public

My Commission expires:

6-1-18

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December 19, 2017

U.S. Department of Energy
Office of Fossil Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

**Re: In the Matter of Sabine Pass Liquefaction, LLC
FE Docket No. 17 ____-LNG
Application for Blanket Authorization to Engage in
Short-Term Exports of LNG**

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2017). I have examined the Limited Liability Company Agreement of Sabine Pass Liquefaction, LLC ("Sabine Pass") and other authorities as necessary, and have concluded that the proposed exportation of LNG is within Sabine Pass' corporate powers. Further, Sabine Pass is authorized to do business in Louisiana and Texas, and to engage in foreign commerce.

Respectfully submitted,

Sabine Pass Liquefaction, LLC



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