



Department of Energy
Washington, DC 20585

March 11, 2019

Thomas D. Ciz
General Counsel
Pieridae Energy (USA) Ltd.
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RE: Change of Control for Long-Term Export Authorizations
Pieridae Energy (USA) Ltd.
FE Docket No. 14-179-LNG

Dear Mr. Ciz:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy (FE), to your letter filed on August 31, 2018, on behalf of Pieridae Energy (USA) Ltd. (Pieridae US) in the above-referenced proceeding.¹ In the letter, you provide information regarding changes to the equity ownership of Pieridae Energy Limited, the parent company of Pieridae US, in light of DOE/FE's Change in Control Procedures.²

I. BACKGROUND

Pieridae US currently holds two long-term export authorizations issued by DOE/FE:

First, in DOE/FE Order No. 3639,³ Pieridae US is authorized to export natural gas from the United States to Canada for consumption in Canada, and, after liquefaction in Canada, to re-export the U.S.-sourced natural gas in the form of liquefied natural gas (LNG) to any country with which the United States has entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries).⁴

¹ Pieridae Energy (USA) Ltd., FE Docket No. 14-179-LNG, Notice of Change of Control (Aug. 31, 2018) [Pieridae US Ltr.].

² See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014) [hereinafter DOE/FE Change in Control Procedures].

³ *Pieridae Energy (USA) Ltd.*, DOE/FE Order No. 3639, FE Docket No. 14-179-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Natural Gas to Canada and Other Free Trade Agreement Nations (May 22, 2015).

⁴ 15 U.S.C. § 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador,

Second, in DOE/FE Order No. 3768, Pieridae US is authorized to export natural gas from the United States to Canada, and, after liquefaction in Canada, to re-export the U.S.-sourced natural gas in the form of LNG to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries).⁵

II. DESCRIPTION OF CHANGE IN CORPORATE OWNERSHIP

On August 31, 2018, Pieridae US filed a Notice of Change in Control (Notice) in the above-referenced docket. The Notice states that Pieridae US is wholly-owned by Pieridae Energy Limited (Pieridae). During July 2018, Electron Capital Partners, LLC (a Delaware corporation), either alone or together with Electron Global Master Fund, L.P. (collectively, Electron), acquired beneficial ownership of, or exercised control or direction over, 10% or more of all issued and outstanding common shares of Pieridae. As of July 31, 2018, Electron beneficially owned, or exercised control or direction over 7,127,775 common shares of Pieridae, representing approximately 14.1% of Pieridae's issued and outstanding common shares.

The details of this change of control are set forth in Pieridae US's letter.⁶

III. DISCUSSION AND CONCLUSIONS

DOE/FE construes a change in control to mean a change, directly or indirectly, of the power to direct the management or policies of an entity whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.⁷ A rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.⁸

A. FTA Authorization (DOE/FE Order No. 3639)

DOE/FE's Change in Control Procedures provide that, upon receipt of a statement of change in control relating to existing FTA long-term natural gas export authorizations, DOE will give immediate effect to the change in control and will take no further action.⁹ Accordingly, the change in control described above has taken effect insofar as it relates to the FTA authorization issued to Pieridae US in DOE/FE Order No. 3639.

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.

⁵ 15 U.S.C. § 717b(a). *See Pieridae Energy (USA) Ltd.*, DOE/FE Order No. 3768, FE Docket No. 14-179-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export U.S.-Sourced Natural Gas by Pipeline to Canada for Liquefaction and Re-Export in the Form of Liquefied Natural Gas to Non-Free Trade Agreement Countries (Feb. 5, 2016).

⁶ *See* Pieridae US Ltr. at 1-2.

⁷ *See* DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

⁸ *See id.*

⁹ *See id.*

B. Non-FTA Authorization (DOE/FE Order No. 3768)

DOE/FE's Change in Control Procedures state that, with respect to existing non-FTA authorizations, DOE/FE will give effect to the change in control and will publish a notice of the change in the *Federal Register*.¹⁰ If no interested person protests the change in control and DOE takes no action on its own motion, the amendment to the existing non-FTA authorization will be deemed granted 30 days after publication in the *Federal Register*.¹¹

Consistent with these procedures, DOE published a notice of the change in control described above in the *Federal Register* on December 11, 2018.¹² DOE/FE invited protests, motions to intervene, and written comments to be filed no later than December 26, 2018.¹³ DOE/FE received no filings in response to the notice. Because more than 30 days have passed since the notice was published in the *Federal Register*, the amendment to Pieridae US's non-FTA authorization (DOE/FE Order No. 3768) has been deemed granted.

No further action is required.

Sincerely,

Amy R. Sweeney
Director, Division of Natural Gas Regulation

¹⁰ *See id.*

¹¹ *See id.*

¹² U.S. Dep't of Energy, Notice of Change in Control, Pieridae Energy (USA) Ltd., LLC, 83 Fed. Reg. 63,635 (Dec. 11, 2018).

¹³ *See id.*