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

Energía Costa Azul, S. de R.L. de C.V.	)	FE Docket No. 19-__-CIC
ECA Liquefaction, S. de R.L. de C.V.	)	
	)	
Energía Costa Azul, S. de R.L. de C.V.	)	FE Docket No. 18-144-LNG
	)	

**APPLICATION TO TRANSFER LONG-TERM, MULTI-CONTRACT  
AUTHORIZATIONS TO EXPORT NATURAL GAS TO MEXICO AND TO EXPORT  
LIQUEFIED NATURAL GAS FROM MEXICO TO FREE TRADE AGREEMENT AND  
NON-FREE TRADE AGREEMENT NATIONS**

Pursuant to section 3 of the Natural Gas Act (“NGA”)<sup>1</sup> and section 590.405 of the regulations of the Department of Energy (“DOE”),<sup>2</sup> Energía Costa Azul, S. de R.L. de C.V. (“ECA”) and ECA Liquefaction, S. de R.L. de C.V. (“Liquefaction”) (ECA and Liquefaction, collectively, “Applicants”) submit this application (“Transfer Application”) seeking an order from the DOE’s Office of Fossil Energy (“DOE/FE”) permitting the transfer by ECA to Liquefaction of the following:

- (1) the long-term, multi-contract authorization granted by the DOE/FE to ECA to export natural gas to Mexico and/or, after liquefaction in Mexico, to export liquefied natural gas (“LNG”) to nations with which there is in effect a free trade agreement requiring national treatment for trade in natural gas (“FTA”) issued in DOE/FE Order No. 4317 (“FTA Authorization”);<sup>3</sup> and

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<sup>1</sup> 15 U.S.C. § 717b (2018).

<sup>2</sup> 10 C.F.R. § 590.405 (2019).

<sup>3</sup> *Energía Costa Azul, S. de R.L. de C.V.*, DOE/FE Order No. 4317, FE Docket No. 18-144-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Natural Gas to Mexico and to Other Free Trade Agreement Nations (ECA Mid-Scale Project) (Jan. 25, 2019).

(2) the long-term, multi-contract authorization granted by the DOE/FE to ECA to export LNG to nations with which there is not in effect an FTA issued in DOE/FE Order No. 4364 (“Non-FTA Authorization”)<sup>4</sup> (the FTA Authorization and the Non-FTA Authorization, collectively “Authorizations”).

Approval of the Applicants’ request to transfer the Authorizations as stated herein is required to align the ownership of the permits for the proposed LNG liquefaction project to be located north of Ensenada, Baja California, Mexico, approximately 31 miles south of the San Diego-Tijuana/San Ysidro border between the United States and Mexico (“Mid-Scale Project”) and to move forward with the arrangements that will allow the owners of the Applicants to reach a final investment decision for the Mid-Scale Project.

In support of this Transfer Application, the Applicants state as follows:

#### **I. COMMUNICATIONS AND CORRESPONDENCE**

All communications and correspondence regarding this Transfer Application, including all service of pleadings and notice, should be directed to the following persons:<sup>5</sup>

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<sup>4</sup> *Energía Costa Azul, S. de R.L. de C.V.*, DOE/FE Order No. 4364, FE Docket No. 18-144-LNG, Opinion and Order Granting Long-Term Authorization to Re-Export U.S.-Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Countries (ECA Mid-Scale Project) (Mar. 29, 2019).

<sup>5</sup> ECA 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. *See* 10 C.F.R. § 590.202(a).

## II. DESCRIPTION OF THE APPLICANTS

The legal name of ECA is Energía Costa Azul, S. de R.L. de C.V. ECA is a variable-capital, limited liability company organized under the laws of Mexico. The principal place of business of ECA is Paseo de la Reforma # 342 Piso 24, Col. Juárez, Alc. Cuauhtémoc, Ciudad de México 06600. ECA is owned by Infraestructura Energética Nova, S.A.B. de C.V. (“IEnova”) and IEnova’s subsidiaries. IEnova is one of the largest natural gas infrastructure developers in Mexico and was the first publicly-traded energy infrastructure company listed on the Mexican Stock Exchange (*Bolsa Mexicana de Valores*). A majority of the ownership interests in IEnova (66.43%) is held by indirect, wholly-owned subsidiaries of Sempra Energy (“Sempra”), a publicly-traded California corporation.<sup>6</sup>

The legal name of Liquefaction is ECA Liquefaction, S. de R.L. de C.V. Liquefaction is a variable-capital, limited liability company organized under the laws of Mexico. The principal place of business of ECA is Paseo de la Reforma # 342 Piso 24, Col. Juárez, Alc. Cuauhtémoc, Ciudad de México 06600. Liquefaction is owned approximately 99.9% by ECA LNG Holdings B.V., with the remainder owned by ECA Minority, S. de R.L. de C.V. ECA LNG Holdings B.V. is a joint venture owned 50% by Sempra and 50% by IEnova. Charts reflecting the ownership structure of ECA and Liquefaction are attached as Appendix C.

The Applicants note that ECA has sought and received long-term, multi-contract authorizations to export LNG from another, independent set of facilities to be located at the site of the existing terminal (*i.e.*, the ECA Large-Scale Project).<sup>7</sup> However, this request does not pertain

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<sup>6</sup> The remaining shares of IEnova are publicly traded.

<sup>7</sup> *Energía Costa Azul, S. de R.L. de C.V.*, DOE/FE Order No. 4318, FE Docket No. 18-145-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Natural Gas to Mexico and to Other Free Trade Agreement

to the authorizations associated with the ECA Large-Scale Project, and ECA plans to continue to hold those authorizations in its own right at this time.

### **III. DESCRIPTION OF THE MID-SCALE PROJECT**

As described more fully in the September 27, 2018 application submitted by ECA in FE Docket No. 18-144-LNG,<sup>8</sup> the Mid-Scale Project will permit the exportation of U.S. natural gas from various sources to Mexico for liquefaction and re-export to foreign markets. The Mid-Scale Project will be constructed at the existing 67.85-acre brownfield LNG import terminal site owned by ECA and located approximately 19 miles north of the city of Ensenada, Baja California, Mexico, along the Pacific coast, approximately 31 miles south of the San Diego-Tijuana/San Ysidro border between the United States and Mexico. The major components that will be constructed as part of the Mid-Scale Project include: (a) one (1) new APCI liquefaction train with a combined gas pre-treatment unit; (b) new ground flare equipment; (c) piping & utility tie-ins to existing LNG regasification, subject to certain modifications.

### **IV. DESCRIPTION OF THE AUTHORIZATIONS**

On September 27, 2018, ECA filed the Mid-Scale Application with the DOE/FE for long-term, multi-contract authorization to export up to 182 billion cubic feet (“Bcf”) per year (“Bcf/yr”) of natural gas by pipeline to Mexico. The Mid-Scale Application also requested authorization to export the equivalent of 161 Bcf/yr of LNG (equivalent to approximately 0.44 Bcf per day

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Nations (ECA Large-Scale Project) (Jan. 25, 2019); *Energía Costa Azul, S. de R.L. de C.V.*, DOE/FE Order No. 4365, FE Docket No. 18-145-LNG, Opinion and Order Granting Long-Term Authorization to Re-Export U.S-Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Countries (ECA Large-Scale Project) (Mar. 29, 2019).

<sup>8</sup> *Energía Costa Azul, S. de R.L. de C.V.*, Application for Long-Term, Multi-Contract Authorizations to Export Natural Gas to Mexico and to Export Liquefied Natural Gas From Mexico to Free Trade Agreement and Non-Free Trade Agreement Nations (ECA Mid-Scale Project), FE Docket No. 18-144-LNG at 5-6, 15 (Sept. 27, 2018) (“Mid-Scale Application”).

("Bcf/d") of natural gas or 3.3 million tons per annum of LNG) to FTA and Non-FTA countries. The Mid-Scale Application explained that 21 Bcf/yr (0.06 Bcf/d) of the natural gas exported to Mexico, an FTA country, would be used for consumption as fuel in pipeline transportation and the liquefaction process. The Mid-Scale Application requested these authorizations for a period of twenty (20) years, commencing on the earlier of the date of first export or seven years from the date the authorizations are granted. Additionally, the Mid-Scale Application requested that ECA be permitted to export natural gas and re-export LNG under the authorization on its own behalf and as agent for other entities that hold title to the natural gas and/or LNG at the time of export/re-export. On January 25, 2019 and March 29, 2019, the DOE/FE issued the FTA Authorization and the Non-FTA Authorization, respectively, granting the authorities requested in the Mid-Scale Application.

## **V. REQUEST FOR TRANSFER OF AUTHORIZATIONS**

### **A. Request and Basis for the Transfer**

The Applicants seek an order from the DOE/FE transferring: (i) the FTA Authorization from ECA to Liquefaction with Liquefaction becoming the sole Authorization holder under the FTA Authorization; and (ii) the Non-FTA Authorization from ECA to Liquefaction with Liquefaction becoming the sole Authorization holder under the Non-FTA Authorization.

As discussed more fully in Appendix C to the Mid-Scale Application, the construction and operation of the Mid-Scale Project will require several local, state, and federal permits in Mexico. When the Mid-Scale Application was filed on September 27, 2018, all of the permit applications were submitted by ECA and all the permits were issued to ECA. Subsequent to the filing of the Mid-Scale Application, Liquefaction was formed for the purpose of owning the Mid-Scale Project separately from ECA's existing LNG regasification terminal facilities. Accordingly, the

Applicants are in the process of transferring the project permits and permit applications to Liquefaction. This Transfer Application is being submitted as part of that process. The proposed transfer of the Authorizations will permit the Mid-Scale Project to be owned by an entity distinct from ECA's existing LNG receiving and regasification terminal with a different upstream ownership structure. The separate ownership structure will facilitate financing and allow ownership of the Mid-Scale Project apart from ECA.

The transfer of the Authorizations requested in this Transfer Application will not modify facilities or operations of the proposed Mid-Scale Project or any of the relevant factors that DOE/FE previously considered in granting the Authorization. The total volume of natural gas and LNG to be exported will remain unchanged, and Liquefaction proposes to be subject to the same conditions applicable to ECA in the FTA Authorization and Non-FTA Authorization, respectively. There are no facts that would alter the DOE/FE's previous public interest determination in granting the Authorizations. The Applicants submit that the proposed transfer of the Authorizations is not inconsistent with the public interest and is consistent with section 3 of the NGA and DOE/FE's regulations and precedent.

## **B. Applicable Legal Standards**

DOE/FE reviews requests to transfer or assign an import or export authorization pursuant to its authority under section 3 of the NGA. The DOE's regulations have codified a requirement that parties seeking to transfer or assign an import or export authorization must first seek and obtain DOE/FE approval. Specifically, Section 590.405 of DOE's regulations provides:

Authorizations by the [DOE/FE] to import or export natural gas shall not be transferable or assignable, unless specifically authorized by the Assistant Secretary.<sup>9</sup>

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<sup>9</sup> 10 C.F.R. § 590.405.

In addition to the restrictions on transfers of NGA section 3 authorizations found in section 590.405 of the DOE's regulations, the language conditioning the Authorizations provides further restrictions on the Authorization holder's ability to effectively transfer the respective Authorizations by regulating the upstream ownership of the Authorization holder. Specifically, Ordering Paragraph K of the FTA Authorization states:

With respect to any change in control of the authorization holder, ECA must comply with DOE/FE's Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas. For purposes of this Ordering Paragraph, a "change in control" shall include any change, directly or indirectly, of the power to direct the management or policies of ECA, 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.<sup>10</sup>

Likewise, Ordering Paragraph M of the Non-FTA order states:

With respect to any change in control of the authorization holder, ECA must comply with DOE/FE's Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas.<sup>11</sup>

The Applicants note that the action for which DOE/FE approval is being sought in this Transfer Application is not a change in control of the Authorization holder in the sense of a change in the "power to direct the management or policies" of the entity (Liquefaction) that will hold the Authorizations upon the approval of the transfer. As reflected in Appendix C, the same entity

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<sup>10</sup> FTA Authorization at 16 (internal citations omitted).

<sup>11</sup> Non-FTA Authorization at 55 (citing U.S. Dep't of Energy, *Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas*, 79 Fed. Reg. 65541, 65541-42 (Nov. 5, 2014)); see also Non-FTA Authorization at 48-49.

(Sempra Energy) that exerts ultimate control over the management and policies of ECA will exert ultimate control over the management and policies of Liquefaction.<sup>12</sup>

### C. Public Interest Analysis

Pursuant to sections 301(b) and 402 of the Department of Energy Organization Act,<sup>13</sup> and delegations of authority issued thereunder, the DOE/FE is responsible for evaluating applications to export natural gas and LNG from the United States under section 3 of the NGA.<sup>14</sup> The DOE/FE reviews applications to transfer control of a DOE/FE export authorization under the public interest standard set forth in Section 3 of the NGA, and DOE/FE will approve an application unless it determines that the requested transfer or assignment is not consistent with the public interest.<sup>15</sup>

As discussed below, to the extent that this Transfer Application requests authority to transfer the FTA Authorization permitting the export of natural gas produced in the United States to Mexico for consumption in that country and for re-export to other FTA countries, that request should be deemed in the public interest and granted without modification or delay, as required by NGA section 3(c).<sup>16</sup> The applicable legal standard for the portion of the Transfer Application that

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<sup>12</sup> DOE/FE has stated that its Change in Control Procedures are “focused on a change in control of the authorization holder from one owner to another, not simply a reshuffling of wholly-owned subsidiaries within the same parent organization.” See, *Port Arthur LNG, LLC*, FE Docket Nos. 15-53-LNG, 18-162-LNG, and 15-96-LNG, DOE/FE Letter Responding to CIC Notification (Apr. 11, 2019).

<sup>13</sup> 42 U.S.C. §§ 7151(b), 7172 (2018).

<sup>14</sup> 15 U.S.C. § 717b. This authority is delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04G (June 4, 2019).

<sup>15</sup> See, e.g., *Nw. Pipeline Corp.*, DOE Opinion & Order No. 664, 1 FE ¶ 70,683, at 3-4 (1992), *reh'g denied*, DOE/FE Opinion & Order No. 664-A, 1 FE ¶ 70,656, *order terminating long-term authorization*, DOE/FE Order No. 664-B, 1 FE ¶ 71,047 (1994), *order amending authorization*, DOE/FE Order No. 664-C (1999); *Brooklyn Union Gas Co.*, DOE Opinion & Order No. 561, 1 FE ¶ 70,515, at 4, 8 (1991), *reh'g denied*, DOE/FE Opinion & Order No. 561-A (1992).

<sup>16</sup> 15 U.S.C. § 717b(c).



requests to transfer the Non-FTA Authorization to re-export U.S. natural gas from Mexico to Non-FTA countries is set forth in section 3(a) of the NGA.<sup>17</sup>

1. The FTA Authorization

Section 3(c) was added to the NGA by section 201 of the Energy Policy Act of 1992.<sup>18</sup> That section provides in relevant part that applications for authorization to export natural gas, including LNG, to FTA countries be deemed consistent with the public interest and granted without modification or delay. The DOE/FE has found that, in light of its statutory obligation to grant such applications without modification or delay, there is no need for the DOE/FE to engage in any analysis of factors affecting the public interest.<sup>19</sup>

2. The Non-FTA Authorization

The general standard for review of applications to export natural gas (including LNG) to Non-FTA countries is established by section 3(a) of the NGA, which provides that:

[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary] authorizing it to do so. The [Secretary] shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by its order grant such application, in whole or in part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate, and may from time to time, after opportunity for hearing, and for good cause shown, make such supplemental order in the premises as it may find necessary or appropriate.<sup>20</sup>

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<sup>17</sup> *Id.* § 717b(a).

<sup>18</sup> Energy Policy Act of 1992, Pub. L. No. 102-486, § 201, 106 Stat. 2776, 2866 (1992).

<sup>19</sup> *See, e.g., Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833, FE docket No. 10-85-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Free Trade Nations at 5 (Sept. 7, 2010).

<sup>20</sup> 15 U.S.C. § 717b(a).

In applying this provision, the DOE/FE has consistently found that section 3(a) creates a rebuttable presumption that proposed exports of natural gas are in the public interest.<sup>21</sup> The DOE/FE will grant a Non-FTA export application unless opponents of the application make an affirmative showing based on evidence in the record that the export would be inconsistent with the public interest.<sup>22</sup>

In the context of a request to transfer a previously-issued import or export authorization under NGA Section 3(a), entities opposing a request to transfer control must rebut DOE/FE's prior finding that the import or export authorization is not inconsistent with the public interest or establish that the proposed arrangement following the transfer is not consistent with the public interest.<sup>23</sup> This showing is difficult when the requests to transfer or assign an authorization will not result in changed circumstances or results only in non-substantive changes to the terms and conditions of an arrangement that the DOE/FE has already approved.<sup>24</sup> Absent a showing that the

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<sup>21</sup> See e.g., *Lake Charles Exports, LLC*, DOE/FE Order No. 3324-A, FE Docket No. 11-59-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel From the Lake Charles Terminal in Calcasieu Parish, Louisiana, to Non-Free Trade Agreement Nations, at 13 (July 29, 2016); *Lake Charles LNG Export Company, LLC*, DOE/FE Order No. 3868, FE Docket No. 13-04-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Lake Charles Terminal in Calcasieu Parish, Louisiana to Non-Free Trade Agreement Nations, at 11 (Jul. 29, 2016); *Cameron LNG, LLC*, DOE/FE Order No. 3846, FE Docket No. 15-90-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From Trains 4 and 5 of the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Non-Free Trade Agreement Nations, at 10 (July 15, 2016); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3792, FE Docket No. 15-63-LNG, 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, at 13 (Mar. 11, 2016).

<sup>22</sup> *Phillips Alaska Nat. Gas Corp. & Marathon Oil Co.*, DOE/FE Order No. 1473, FE Docket No. 96-99-LNG, Order Extending Authorization to Export Liquefied Natural Gas from Alaska, at 13 n.42 (Apr. 2, 1999) (citing *Panhandle Producers & Royalty Owners Ass'n v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987)); see also *Lake Charles Exports, LLC*, DOE/FE Order No. 3324-A, at 13.

<sup>23</sup> *Nw. Pipeline Corp.*, DOE Opinion & Order No. 664, 1 FE ¶ 70,683, at 6-7 (1992).

<sup>24</sup> See *Brooklyn Union Gas Co.*, DOE Opinion & Order No. 561, 1 FE ¶ 70,515, at 6-7 (1991); *Nw. Pipeline Corp.*, DOE/FE Opinion & Order No. 664, at 6-7 (1992); *Great Lakes Gas Transmission LP*, DOE Opinion & Order No. 424 (1990).

proposed transfer modifies the facts on which the DOE/FE previously relied in finding that the export authorizations was in the public interest, DOE/FE will approve the requested assignment or transfer of control.<sup>25</sup>

The requested transfer of the Authorizations from ECA to Liquefaction is in the public interest and is consistent with DOE/FE precedent. In DOE Opinion & Order No. 424, Great Lakes Gas Transmission Company (“Great Lakes”) and Great Lakes Transmission Limited Partnership (“Great Lakes LP”) filed an application for authorization permitting Great Lakes LP to succeed to all of Great Lakes' existing authorizations to import and export natural gas. Great Lakes formed Great Lakes LP to acquire Great Lakes' facilities and import and export authorizations and to “facilitate the financing of current expansions and encourage further expansion of the pipeline system to better serve the public interest.”<sup>26</sup> DOE determined that the request would not be inconsistent with the public interest and stated:

[Previous orders granting the applicants’ requested import and export authorizations] concluded Great Lakes' imports for resale and import/export, respectively, were consistent with the public interest based on the records in those proceedings. The only change represented by this uncontested joint petition is the proposed transfer of authority from Great Lakes to Great Lakes LP. The contractual terms and conditions of the import and export arrangements upon which the section 3 determinations were based would remain the same, and there is no other information in the record of this proceeding to support or compel reexamination under section 3.<sup>27</sup>

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<sup>25</sup> *Nw. Pipeline Corp.*, DOE Opinion & Order No. 664, 1 FE ¶ 70,683 at 6-7 (1992) (“[T]he burden of proof, however, belongs to [opponents] and they have failed to rebut DOE's previous finding of need . . . , a finding which was based on circumstances that will not change as a result of the proposed transfer.”).

<sup>26</sup> *Great Lakes Gas Transmission LP*, DOE Opinion & Order No. 424 (1990).

<sup>27</sup> *Id.*

Here, Liquefaction is a special purpose company that has been formed to facilitate the ownership and financing of the Mid-Scale Project, to construct the liquefaction facilities, and to hold the project's permits. Accordingly, the requested transfer is in the public interest.

To the extent a transfer or assignment will not result in a substantive change in the terms and conditions of the initial authorization, the DOE/FE has generally relied on its previous determination that the import or export is consistent with the public interest when evaluating the transfer or assignment.<sup>28</sup> For example, in *Brooklyn Union Gas Co.*, under the proposed transfer the total amount of gas authorized to be imported remained the same, as would all other terms of the underlying import arrangement, including "the scope of the . . . project, the total volume of gas to be imported, the date of commencement or completion of the [import] project, the source and security of the gas supply, the price and other terms of the transaction, or the proven need for the supply."<sup>29</sup> DOE approved the application and stated:

To the extent that the transfer does not effect [sic] the terms and conditions of the underlying import arrangement, the DOE can rely on its previous determinations regarding that arrangement when considering the transfer application.<sup>30</sup>

The proposed transfer of the Authorizations from ECA to Liquefaction would not affect the amount of gas authorized for export to FTA and Non-FTA countries, the scope of the Mid-Scale Project, or other characteristics of the project. Accordingly, consistent with its prior

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<sup>28</sup> E.g., *Brooklyn Union Gas Co.*, DOE Opinion & Order No. 561 (1991); *Consumer Power Co.*, DOE Opinion & Order No. 390 (1990), *order amending authorization*, DOE/FE Order No. 390-A (1994), *order terminating authorization*, DOE/FE Order No. 390-B (1995); *Great Lakes Gas Transmission LP*, DOE Opinion & Order No. 424 (1990); *Midwestern Gas Transmission Co.*, DOE Opinion & Order No. 318 (1989).

<sup>29</sup> *Brooklyn Union Gas Co.*, DOE Opinion & Order No. 561, 1 FE ¶ 70,515, at 2-3 (1991).

<sup>30</sup> *Id.* at 7. Although the situation in *Brooklyn Union* involved an import arrangement rather than an export arrangement, as is the case in this Transfer Application, the reasoning is the same for both an import and an export. The DOE/FE should be able to rely upon its previous public interest finding where a proposed transfer would not affect any of the circumstances upon which that public interest determination was made.

precedent and the standards set forth in Section 3(a) of the NGA, the Applicants submit that DOE/FE should approved their request to transfer the Non-FTA Authorization from ECA to Liquefaction.

## **VI. TIMING OF REQUEST FOR ORDER**

Consistent with Section 590.201 of the DOE's regulations,<sup>31</sup> the Applicants are requesting approval of the proposed transfer as soon as possible, but in any event by November 13, 2019, the date that is ninety days from the date of this Transfer Application. Good cause exists to issue the order requested in the Transfer Application in the time period requested. The transfer of the Authorizations is necessary to enable the commercial structure that the Applicants have determined is best positioned to move forward the development of the Mid-Scale Project and related investment decisions in a timely manner. In addition, prompt approval will facilitate the project's ability to seek and obtain long-term contracts with customers.

## **VII. ENVIRONMENTAL IMPACT**

No changes to the Mid-Scale Project or any other natural gas facilities would be required to effectuate the transfer of the Authorizations requested in this Transfer Application. Issuing the order sought in the Transfer Application would not be a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act ("NEPA"). Accordingly, the preparation of an environmental impact statement or environmental assessment is not required.<sup>32</sup>

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<sup>31</sup> 10 C.F.R. § 590.201(b).

<sup>32</sup> See 10 C.F.R. Part 1021, Subpart D, app. B § B5.7 (emphasis added) (generally exempting from NEPA review "[a]pprovals . . . of new authorizations . . . to . . . export natural gas under section 3 of the Natural Gas Act that involve minor operational changes (such as changes in natural gas throughput, transportation, and storage operations) but not new construction.").

## **VIII. APPENDICES**

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

- Appendix A Verifications of Energía Costa Azul, S. de R.L. de C.V. and ECA Liquefaction, S. de R.L. de C.V.
- Appendix B Opinion of Counsel Regarding ECA Liquefaction, S. de R.L. de C.V.
- Appendix C Ownership Structure of Energía Costa Azul, S. de R.L. de C.V. and ECA Liquefaction, S. de R.L. de C.V.

## **IX. CONCLUSION**

For the reasons set forth above, the Applicants respectfully request that the DOE/FE issue an order granting the requested transfer of the Authorizations from ECA to Liquefaction as described herein.

Respectfully submitted,

/s/ Jerrod L. Harrison

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ECA Liquefaction, S. de R.L. de C.V.*

Dated August 15, 2019

## **APPENDIX A**

**Verifications of  
Energía Costa Azul, S. de R.L. de C.V.  
and  
ECA Liquefaction, S. de R.L. de C.V.**

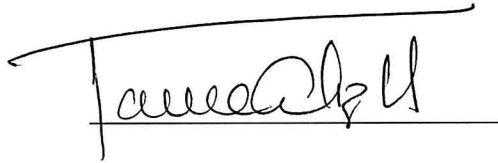


## VERIFICATION

I, Tania Ortiz Mena, declare that I am the Director General for Energía Costa Azul, S. de R.L. de C.V. and am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Mexico City, Mexico on August 13, 2019.

A handwritten signature in black ink, appearing to read 'Tania Ortiz Mena', is written over a horizontal line. A vertical line descends from the left side of the signature, and another horizontal line extends from the top of the signature to the right.

Tania Ortiz Mena  
Director General  
Energía Costa Azul, S. de R.L. de C.V.  
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Mexico D.F. 06600

## VERIFICATION

I, Elisa Valle, declare that I am the Manager for ECA Liquefaction, S. de R.L. de C.V. and am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Mexico City, Mexico on August 13, 2019.

A handwritten signature in black ink, appearing to read 'Elisa Valle', is written over a horizontal line.

Elisa Valle  
Manager  
Energía Costa Azul, S. de R.L. de C.V.  
Paseo de la Reforma # 342, Piso 24  
Col. Juarez, Del. Cuauhtémoc  
Mexico D.F. 06600

**APPENDIX B**

**Opinion of Counsel Regarding  
ECA Liquefaction, S. de R.L. de C.V.**

**OPINION OF COUNSEL**

August 13, 2019

Ms. Amy Sweeney  
Office of Fossil Energy  
U.S. Department of Energy  
FE-34  
Forrestal Building  
1000 Independence Avenue, S.W  
Washington, DC 20585

RE: *Energía Costa Azul, S. de R.L. de C.V.*  
**Application for Long-Term, Multi-Contract Authorizations to Export Natural Gas to Mexico and to Export Liquefied Natural Gas from Mexico to Free Trade Agreement and Non-Free Trade Agreement Nations**

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202( c) of the regulations of the United States Department of Energy, 10 C.F.R. § 590.202(c) (2018). I am in-house counsel to ECA Liquefaction, S. de R.L. de C.V. (“Liquefaction”).

I have reviewed the organizational and internal governance documents of Liquefaction and it is my opinion that the proposed export of natural gas as described in the Transfer Application filed by Liquefaction, to which this Opinion of Counsel is attached as Appendix B, is within the company powers of Liquefaction.

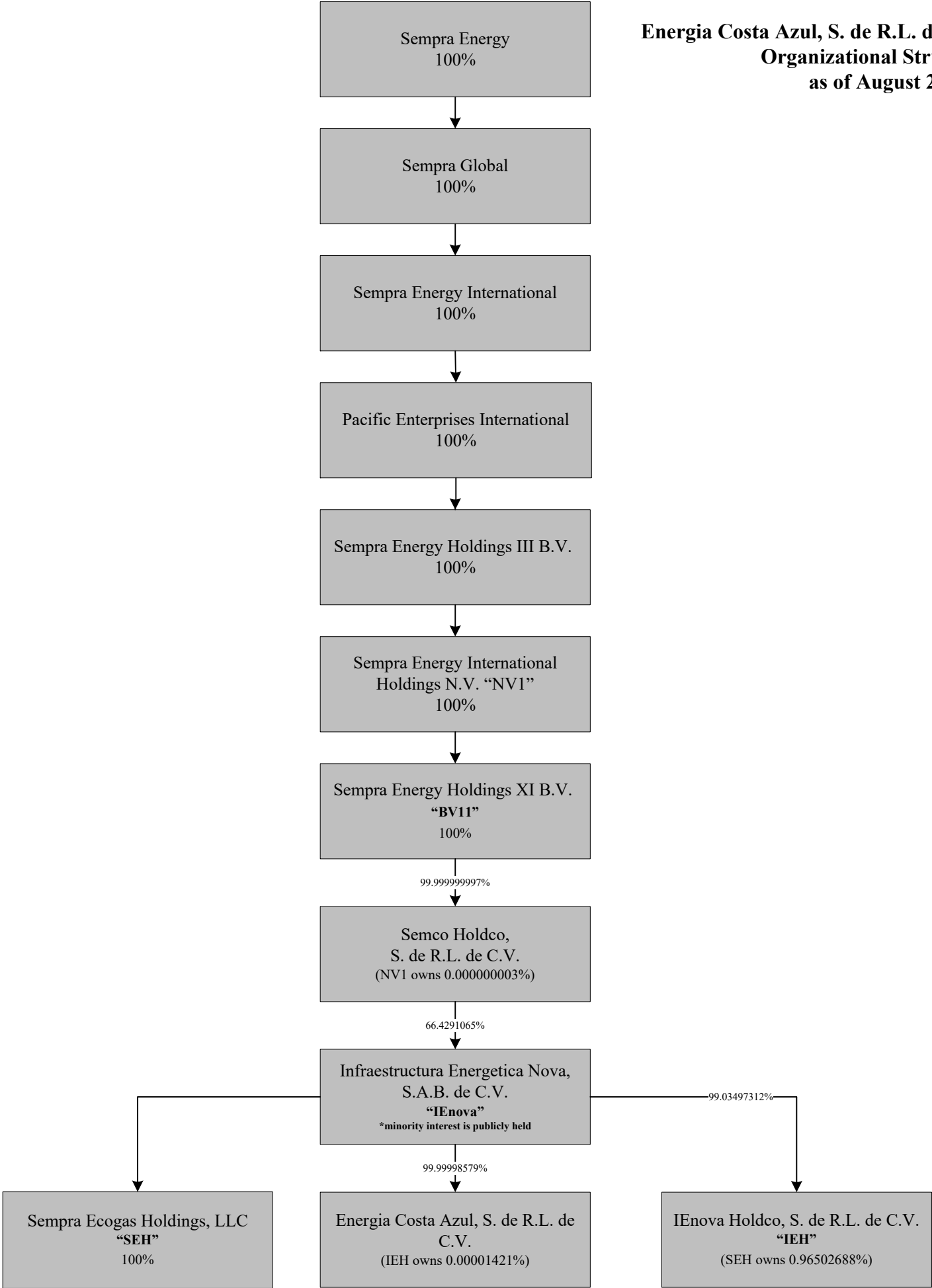
Respectfully submitted,

  
\_\_\_\_\_  
Rodrigo Cortina  
*Counsel for ECA Liquefaction, S. de R.L. de C.V.*

## **APPENDIX C**

**Ownership Structure of Energía Costa Azul, S. de R.L. de C.V. and  
ECA Liquefaction, S. de R.L. de C.V.**

**Energia Costa Azul, S. de R.L. de C.V.  
Organizational Structure  
as of August 2, 2019**

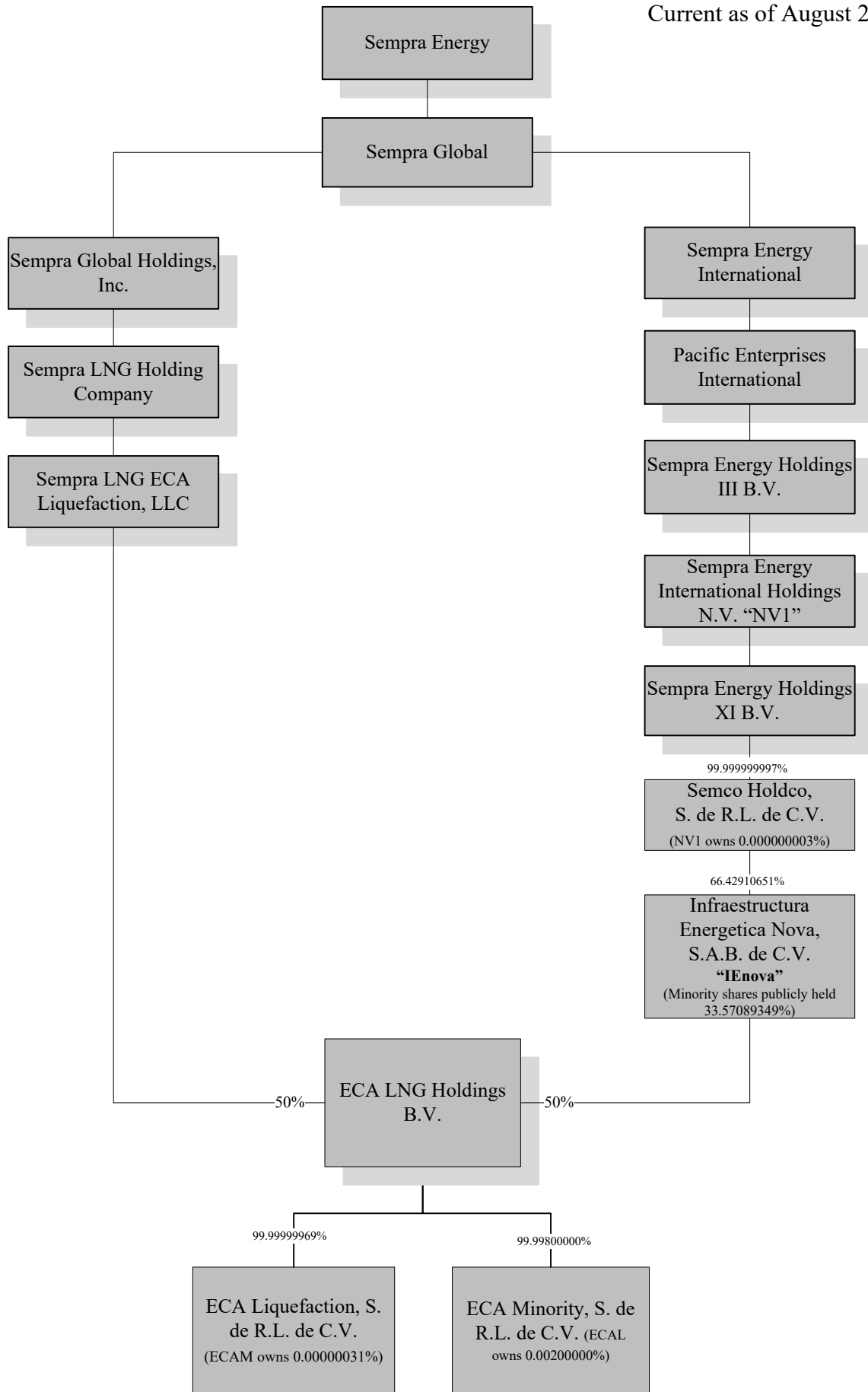


\* Ownership is 100% unless otherwise specified.

**ECA Liquefaction, S. de R.L. de C.V.**

Ownership structure

Current as of August 2, 2019



## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding.

Dated at Washington, DC this 15<sup>th</sup> day of August, 2019.

/s/ Lamiya Rahman

Lamiya Rahman  
Blank Rome LLP  
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Washington, DC 20006  
(202) 420-2662  
lrahman@blankrome.com