

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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BLUE WATER FUELS, LLC  
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FE DOCKET NO. 18-27-LNG

ORDER AMENDING LONG-TERM AUTHORIZATION  
TO EXPORT LIQUEFIED NATURAL GAS  
TO FREE TRADE AGREEMENT NATIONS

DOE/FE ORDER NO. 4202-A

OCTOBER 31, 2019

## **I. BACKGROUND AND DESCRIPTION OF REQUEST**

In DOE/FE Order No. 4202, issued on June 25, 2018,<sup>1</sup> DOE/FE granted an application by Blue Water Fuels, LLC (Blue Water Fuels) requesting long-term, multi-contract authorization under section 3(c) of the Natural Gas Act to export domestically produced liquefied natural gas (LNG).<sup>2</sup> Under that order, Blue Water Fuels is authorized to export 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 (FTA countries) in a volume equivalent to approximately 2.715 billion cubic feet (Bcf) per year (Bcf/yr), or 0.007 Bcf per day (Bcf/d), of natural gas.<sup>3</sup> Blue Water Fuels is authorized to export the LNG loaded in approved IMO7/TVAC-ASME LNG (ISO) containers or tanker trucks at the existing Port Allen NuBlu LNG Facility located in Port Allen, Louisiana,<sup>4</sup> and transported to ports to be exported by vessel or in ISO containers on vessels.<sup>5</sup> Order No. 4202 established a 25-year export term, beginning on the earlier of the date of first export or two years from the date the authorization was issued.<sup>6</sup>

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<sup>1</sup> *Blue Water Fuels, LLC*, DOE/FE Order No. 4202, FE Docket No. 18-27-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas in ISO Containers or in Bulk Loaded at the HR Nu Blu Energy, LLC Liquefaction Facility in Port Allen, Louisiana, and Exported by Vessel to Free Trade Agreement Nations (June 25, 2018).

<sup>2</sup> The authority to regulate the imports and exports of natural gas, including LNG, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redefinition Order No. 00-002.04G issued on June 4, 2019.

<sup>3</sup> 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, 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.

<sup>4</sup> The Port Allen NuBlu LNG Facility is owned by Blue Water Fuels' parent company, HR NuBlu Energy, LLC. In Order No. 4202, the Port Allen LNG Facility is referred to as the "Nu Blu Energy Facility." For purposes of this Order, the facility names are synonymous.

<sup>5</sup> See *Blue Water Fuels, LLC*, DOE/FE Order No. 4202, at 2, 8 (Ordering Para. A), and 12-13 (Ordering Para. L).

<sup>6</sup> See *id.* at 8-9 (Ordering Para. A).

On August 19, 2019, Blue Water Fuels filed a request to amend Order No. 4202 in three ways,<sup>7</sup> which it clarified on October 31, 2019.<sup>8</sup> First, Blue Water Fuels asks DOE/FE to include a second existing liquefaction facility as a source of LNG for the authorized exports: the Ehrenburg Spectrum LNG Facility (Ehrenberg Facility), located in Ehrenburg, Arizona, and owned by Spectrum LNG.<sup>9</sup> Second, as an additional mode of export, Blue Water Fuels asks for authority to export the LNG to FTA countries by tanker truck. Third, Blue Water Fuels asks DOE/FE to reset the 25-year export term.<sup>10</sup>

## **II. FINDINGS**

Section 3(c) of the NGA was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that applications requesting authority for (a) the import and export of natural gas, including LNG, from and to a nation with which there is in effect a FTA requiring national treatment for trade in natural gas, and/or (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay. Blue Water Fuels' request to amend DOE/FE Order No. 4202 falls within section 3(c), as amended, and therefore, DOE/FE is charged with granting the requested amendment without modification or delay.<sup>11</sup>

## **ORDER**

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

A. Blue Water Fuels' request to amend DOE/FE Order No. 4202 is granted.

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<sup>7</sup> Blue Water Fuels, LLC, Request to Amend DOE/FE Order No. 4202, FE Docket No. 18-27-LNG (Aug. 19, 2019) [hereinafter Request to Amend].

<sup>8</sup> Email from Cory Duck, CEO of NuBlu Energy, to Amy Sweeney, DOE/FE, FE Docket No. 18-27-LNG (Oct. 31, 2019) (clarifying Request to Amend).

<sup>9</sup> See Request to Amend (describing the Ehrenberg Facility).

<sup>10</sup> See *id.*

<sup>11</sup> 15 U.S.C. § 717b(c). DOE further finds that the requirement for public notice of applications and other hearing-type procedures in 10 C.F.R. Part 590, are applicable only to applications seeking to export natural gas, including LNG, to countries with which the United States does not have a FTA requiring national treatment for trade in natural gas.

B. Ordering Paragraph A in Order No. 4202 is amended to read as follows:

Blue Water Fuels, LLC (Blue Water Fuels) is authorized to export domestically produced LNG loaded at the Port Allen NuBlu LNG Facility in Port Allen, Louisiana, and at the Ehrenburg Spectrum LNG Facility in Ehrenburg, Arizona (collectively, the Facilities). Blue Water Fuels is authorized to export the LNG by truck and by vessel (including in ISO containers on vessels), in a total volume up to the equivalent to 3.4 Bcf/yr of natural gas (0.009 Bcf/d). This authorization is for a term of 25 years, beginning on the earlier of the date of first export or two years from the date the authorization is issued. Blue Water Fuels is authorized to export this LNG on its own behalf and as agent for other entities that hold title to the natural gas, pursuant to one or more long-term contracts (a contract greater than two years).

This amended Ordering Paragraph A supersedes Ordering Paragraph A in DOE/FE Order No. 4202 in its entirety. All other references to the Nu Blu Energy Facility in the remaining Ordering Paragraphs of Order No. 4202 now apply to both Facilities.

C. The “Monthly Reports” requirement, set forth in Ordering Paragraph L of Order No. 4202, is amended to add the following paragraph:

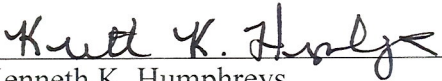
If exports of LNG by truck have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. departure facility; (2) the country of destination; (3) the point(s) of exit; (4) the name(s) of the supplier(s)/seller(s); (5) the name(s) of the LNG transporter(s); (6) the volume in Mcf; (7) the price per MMBtu at the point of exit; and (8) the duration of the supply agreement.

D. All other obligations, rights, and responsibilities established by DOE/FE Order No. 4202 remain in effect. Any other references to DOE/FE Order No. 4202 in the Ordering

Paragraphs should reflect this amended authorization (DOE/FE Order No. 4202-A) and this effective date.

E. This Order is effective immediately.

Issued in Washington, D.C., on October 31, 2019.

  
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Kenneth K. Humphreys  
Principal Deputy Assistant Secretary  
Office of Fossil Energy