

Phone: (202) 420-2656
Fax: (202) 379-9027
Email: bsnyder@blankrome.com

March 6, 2020

VIA EMAIL (FERGAS@HQ.DOE.GOV)

Amy Sweeney
Director, Division of Natural Gas Regulation
Office of Regulation, Analysis and Engagement
Office of Fossil Energy, FE-34
1000 Independence Ave., S.W.
Washington, DC 20585

**Re: Cameron LNG, LLC
FE Docket Nos. 15-36-LNG and 15-90-LNG
Request for Extensions of Time under Order Nos. 3680 and 3846**

Dear Ms. Sweeney:

Cameron LNG, LLC (“Cameron LNG”) hereby respectfully requests that the Office of Fossil Energy (“FE”) of the Department of Energy (“DOE”) grant Cameron LNG an extension of the deadlines applicable to the authorizations issued to Cameron LNG in Order Nos. 3680 and 3846 in FE Docket Nos. 15-36-LNG and 15-90-LNG. Specifically, Cameron LNG requests that the deadline to begin commercial export under each authorization be extended until May 5, 2026, such that the term of each authorization would begin on the earlier of the date of first commercial export or May 5, 2026. Cameron LNG submits that good cause exists to grant the requested extensions and that such extensions are consistent with the public interest. **Cameron LNG respectfully requests that DOE act on this request by June 1, 2020.**

Background

On May 5, 2016, the Federal Energy Regulatory Commission (“FERC”) issued an order granting authorization to Cameron LNG pursuant to section 3 of the Natural Gas Act (“NGA”)¹ to site, construct, and operate Trains 4 and 5 and certain additional facilities for the liquefaction and export of domestically produced natural gas at its existing LNG terminal in Cameron and Calcasieu Parishes, Louisiana (“Expansion Project”).² FERC’s order required the Expansion Project to be constructed and made available for service by May 5, 2020.

¹ 15 U.S.C. § 717b (2012).

² *Cameron LNG, LLC*, 155 FERC ¶ 61,141 (2016).

BLANKROME

Amy Sweeney
March 6, 2020
Page 2

On July 10, 2015, DOE/FE issued Order No. 3680 in FE Docket No. 15-36-LNG (“FTA Order”),³ granting authorization to Cameron LNG pursuant to section 3 of the NGA to export liquefied natural gas (“LNG”) by vessel from the Expansion Project to free trade agreement (“FTA”) nations.

On July 15, 2016, DOE/FE issued Order No. 3846 in FE Docket No. 15-90-LNG (“Non-FTA Order”),⁴ granting authorization to Cameron LNG pursuant to section 3 of the NGA to export LNG by vessel from the Expansion Project to non-free trade agreement (“non-FTA”) nations.

The Expansion Project will permit Cameron LNG to export up to an additional 515 billion cubic feet (“Bcf”) per year of domestically produced natural gas or the equivalent of 9.97 million tons per annum (“mtpa”) of LNG from its existing LNG terminal. The project will increase the export capability of Cameron LNG’s terminal to up to 1.29 trillion cubic feet per year of domestically produced natural gas or 24.92 mtpa of LNG. DOE/FE conducted a public interest analysis in relation to the Non-FTA Order as required under NGA section 3(a) in which it considered economic and environmental studies; in addition, DOE/FE issued a “Finding of No Significant Impact (FONSI) for the proposed Expansion Project and other related facility modifications.”⁵

Ordering paragraph (A) of the FTA Order required Cameron LNG to commence commercial exports within seven years of the date of the order (*i.e.*, by July 10, 2022). Ordering paragraph (D) of the Non-FTA Order required Cameron LNG to commence exports within seven years of the date of the order (*i.e.*, July 15, 2023).

Request for Extension of Time

Cameron LNG hereby requests that the deadline to begin commercial export under each of the FTA Order and Non-FTA Order be extended until May 5, 2026, such that the term of each authorization would begin on the earlier of the date of first commercial export or May 5, 2026. This would equate to an extension of the current deadline for the FTA Order by approximately 46 months and for the Non-FTA Order by approximately 34 months.

On January 24, 2020, Cameron LNG submitted an application with FERC to extend to May 5, 2026, the deadline for the FERC authorization for the Expansion Project.⁶ The approval is pending.

³ *Cameron LNG, LLC*, DOE/FE Order No. 3680, FE Docket No. 15-36-LNG (July 10, 2015).

⁴ *Cameron LNG, LLC*, DOE/FE Order No. 3846, FE Docket No. 15-90-LNG (July 15, 2016).

⁵ Order No. 3846 at 8.

⁶ Request for Extension of Time to Construct and Place Facilities into Service, *Cameron LNG, LLC*, FERC Docket No. CP15-560-000 (Jan. 24, 2020).

BLANKROME

Amy Sweeney
March 6, 2020
Page 3

In support of this request, Cameron LNG states that in the time since issuance of the FTA Order and Non-FTA Order, it has proceeded expeditiously to advance the Expansion Project. To date, Cameron LNG has spent approximately \$50 million in costs related to the project which include development activities such as financing, permitting, and corporate structuring. Cameron LNG has also conducted certain front-end engineering design work, installed piping tie-ins to systems within the existing Cameron LNG Base Project, and begun site preparation work including cut, fill, and soil stabilization.

The Expansion Project will be located entirely within the existing Cameron LNG terminal boundaries on land owned by Cameron LNG. Cameron LNG continues to have the necessary control over the site of the proposed Expansion Project and would do so during the extended terms requested.

Further, Cameron LNG has obtained all necessary federal, state, and local permits for the construction of the project and will take steps to ensure that all such permits remain in full force and effect until the anticipated in-service date discussed in this request. Cameron LNG has acted consistently with its DOE/FE authorizations and its intention to construct and operate the Expansion Project in compliance with the 72 environmental conditions imposed upon it by FERC.

Notwithstanding its diligence in pursuing the project, Cameron LNG has experienced changes in the circumstances surrounding its upstream joint-venture (“JV”) owners (“JV Partners”) that have affected the timing of the project. Under the JV agreement, the Expansion Project requires the unanimous consent of all the JV Partners, including with respect to the equity investment obligation of each JV Partner. In 2016, one of the former JV Partners indicated to the other JV Partners that it did not wish to invest additional capital under the JV with respect to the Expansion Project. Discussions among the other three JV Partners took place regarding the development of an alternative structure for developing the project.⁷

In July 2018, TOTAL S.A. (“TOTAL”) acquired the interest of Engie, S.A. (“Engie”) in the JV. In November 2018, Sempra Energy and TOTAL entered into a memorandum of understanding (“MOU”) that provides, among other things, a framework for cooperation for the continued potential development of the Expansion Project and potential offtake of the LNG produced from the project. Sempra Energy entered into a similar MOU with another of the JV Partners, Mitsui & Co., in October 2019. Following its assumption of Engie’s interest in the JV, TOTAL has been reviewing the project and the JV Partners (affiliates of Sempra Energy, TOTAL, Mitsui and a joint venture between Mitsubishi Corporation and Nippon Yusen Kabushiki Kaisha) are continuing to move the project forward. While the change in upstream ownership and related diligence efforts on the part of the new owner has pushed back the development timeline initially

⁷ Sempra Energy, Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, Form 10-Q, at 131 (Nov. 2, 2016).

BLANKROME

Amy Sweeney
March 6, 2020
Page 4

projected for the Expansion Project, Cameron LNG and the JV Partners are progressing development activities and commercial discussions in furtherance of obtaining the required unanimous consent to move forward with the project.

Granting the requested extension of time will enable Cameron LNG and the JV Partners to complete the necessary commercial arrangements to commence construction and place the Expansion Project facilities into service. The JV Partners anticipate that a final investment decision (“FID”) could be reached with respect to the Expansion Project by the middle of 2021. Cameron LNG expects that the construction of the facilities will take up to 56–58 months to complete, with construction commencing immediately following FID. Before making an affirmative FID on the project, the JV Partners must have assurance that the time permitted under the FTA Order and the Non-FTA Order to begin commercial exports will align with their activities.

Cameron LNG respectfully submits that due to the time needed for construction of the Expansion Project and the need for additional time to reach FID, the existing commencement deadlines of July 10, 2022 (FTA Order), and July 15, 2023 (Non-FTA Order), will not provide sufficient time for Cameron LNG to complete the construction and place the export facilities into service.

Under section 3(c) of the NGA, an application for authorization to export natural gas, including LNG, to any “nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and ... shall be granted without modification or delay.” In light of this statutory obligation, DOE/FE has found that it need not engage in any analysis of factors affecting the public interest. Because this request as it pertains to the FTA Order falls within section 3(c), it should be processed and approved in accordance with this standard.

With respect to this request as it pertains to the Non-FTA Order, Cameron LNG submits that the public interest continues to be served by this extension request. This request is not intended to otherwise modify the export authorization granted to Cameron LNG in the Non-FTA Order other than extension of its deadline. Therefore, the public interest analysis and environmental analysis in the Non-FTA Order continue to be applicable and no new analyses need to be completed. Cameron LNG submits there will be no change from DOE/FE’s original determination regarding the Expansion Project.

Conclusion

For the reasons set forth above, Cameron LNG respectfully requests that the DOE/FE grant the extension of time sought herein and grant any waivers deemed necessary to effectuate the

BLANKROME

Amy Sweeney
March 6, 2020
Page 5

requested extension. **Cameron LNG also respectfully requests that DOE act on this request by June 1, 2020.**

Please contact the undersigned if you have any questions or require additional information.

Respectfully submitted,

/s/ Brett A. Snyder

Brett A. Snyder
Counsel for Cameron LNG, LLC

BAS:jt

cc: Jerrod Harrison
Blair Woodward

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 these proceedings.

Dated at Washington, DC this 6th day of March 2020.

/s/ Lamiya Rahman

Lamiya Rahman
Blank Rome LLP
1825 Eye Street NW
Washington, DC 20006
(202) 420-2662
lrahman@blankrome.com