



Department of Energy
Washington, DC 20585

March 13, 2020

Thomas Ciz
Pieridae Energy (USA) Ltd.
1718 Argyle Street
Suite 730
Halifax, Nova Scotia B3J-3N6

RE: Notice of Change in Control
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 behalf of Pieridae Energy (USA) Ltd. (Pieridae US) on November 6, 2019.¹ In that letter, you provide information regarding changes in the ownership of Pieridae Energy Limited (Pieridae), Pieridae US's parent company, 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 in Control (Nov. 6, 2019) (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), *as modified*, Errata Notice (Nov. 2, 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

Pieridae US states that shares of its parent company, Pieridae, became listed on the TSX (Venture) Exchange on or about October 24, 2017, and continue to be so listed.⁶

Pieridae US further states that, on or about October 16, 2019, Pieridae completed an equity offering that increased the number of its issued and outstanding shares to 157,459,584.

As a consequence of the offering, Pieridae US states that: (i) Erikson National Energy Inc., a Canadian corporation, acquired beneficial ownership representing approximately 14.7% or more of Pieridae's issued and outstanding common shares; and (ii) Alberta Investment Management Corporation, a Canadian corporation, acquired beneficial ownership representing approximately 10.53% or more of Pieridae's issued and outstanding common shares.⁷

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.⁸ 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.⁹

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 Pieridae US Ltr. at 1.

⁷ *See id.*

⁸ *See* DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

⁹ *See id.*

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.¹⁰ 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.

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*.¹¹ 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*.¹²

Consistent with these procedures, DOE published a notice of the change in control described above in the *Federal Register* on December 6, 2019.¹³ DOE/FE invited protests, motions to intervene, and written comments to be filed no later than December 23, 2019.¹⁴ 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, Office of Regulation, Analysis, and Engagement

¹⁰ *See id.*

¹¹ *See id.*

¹² *See id.*

¹³ U.S. Dep't of Energy, Notice of Change in Control, Pieridae Energy (USA) Ltd., 84 Fed. Reg. 66,889 (Dec. 6, 2019).

¹⁴ *See id.*