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

In the Matter Of:

Commonwealth LNG, LLC

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)

FE Docket No. 19-134-LNG

**APPLICATION TO AMEND REQUESTED EXPORT TERM IN PENDING
LONG-TERM APPLICATION THROUGH DECEMBER 31, 2050**

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Pursuant to Section 3 of the Natural Gas Act,¹ Part 590 of the United States (“U.S.”) Department of Energy’s (“DOE”) regulations,² and DOE’s final policy statement “Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050” (“Policy Statement”),³ Commonwealth LNG, LLC (“Commonwealth”) hereby files the instant application for amendment (“Amendment”) with DOE, Office of Fossil Energy (“DOE/FE”) requesting to amend Commonwealth’s pending application (“Application”) in FE Docket No. 19-134-LNG⁴ to reflect a requested export term through December 31, 2050 (inclusive of any make-up period), with an attendant increase in the total requested export volume over the life of the authorization.

In support of this Amendment, Commonwealth provides as follows:

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. Part 590 (2020).

³ Dep’t of Energy, Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, 85 Fed. Reg. 52237 (Aug. 25, 2020).

⁴ *Commonwealth LNG, LLC*, Application for Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations and Non-Free Trade Agreement Nations, FE Docket No. 19-134-LNG (Oct. 16, 2019).

SECTION I:

1.
FE DOCKET NUMBER

The Application is pending in FE Docket No. 19-134-LNG.

2.
APPLICANT

The exact legal name of Commonwealth is Commonwealth LNG, LLC. Commonwealth is a Texas limited liability company, with its primary place of business located at One Riverway, Suite 500, Houston, TX 77056, and is authorized to do business in the State of Louisiana. Commonwealth is a wholly owned subsidiary of Commonwealth Projects, LLC, which is in turn wholly-owned by a private individual, Paul Varello. Commonwealth is not owned, in whole or in part, or subsidized, directly or indirectly, by any foreign government. Moreover, it is neither contractually committed to ownership nor subsidization by any foreign governmental entity.

All correspondence and communications concerning this Amendment, including all service of pleadings and notices, should be directed to the following persons:⁵

Scott Ray
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⁵ To the extent necessary to include outside counsel on the official service list in this proceeding, Commonwealth requests waiver of Section 590.202(a) of DOE's regulations. 10 C.F.R. § 590.202(a).

3.
NAME AND LOCATION OF PROPOSED EXPORT FACILITY

The Application requests authorization to engage in exports from Commonwealth's proposed natural gas liquefaction and export facilities to be located in Cameron Parish, Louisiana (the "Commonwealth LNG Facility").⁶

4.
PENDING APPLICATION

On October 16, 2019, Commonwealth filed the Application in FE Docket No. 19-134-LNG, for long-term, multi-contract authorization to engage in exports of domestically produced liquefied natural gas ("LNG") in an amount up to 9.5 million metric tonnes per annum.⁷ Commonwealth requested such authorization to export LNG (1) to countries with which the U.S. has a free trade agreement ("FTA") requiring national treatment for trade in natural gas ("FTA Nations") for a 25-year term⁸ and (2) to any country that lacks an FTA with the U.S. requiring national treatment for trade in natural gas but with which trade is not prohibited by U.S. law or policy and that has, or in the future develops, the capacity to import LNG ("Non-FTA Nations").⁹

5.
AMENDMENT TO REQUESTED EXPORT TERM

Commonwealth respectfully requests to amend its pending Application for exports to Non-FTA Nations to request an export term through December 31, 2050 (inclusive of any make-up

⁶ An application for authorization to site, construct and operate the Commonwealth LNG Facility is currently pending with the Federal Energy Regulatory Commission in Docket No. CP19-502-000.

⁷ Approximately 441.4 billion cubic feet per year ("Bcf/y") of natural gas.

⁸ On April 17, 2020, in Order No. 4521, DOE/FE granted Commonwealth's Application for authorization to export up to 441.4 Bcf/y of LNG to FTA Nations. *Commonwealth LNG, LLC*, Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations, DOE/FE Order No. 4521, FE Docket No. 19-134-LNG (Apr. 17, 2020). The volumes requested for export in the pending Application are not additive to the approved export volumes in Order No. 4521.

⁹ *Supra* note 4.

period), with an attendant increase in the total requested export volume over the life of the authorization.

SECTION II:

1. **PUBLIC INTEREST**

Commonwealth submits that the exports from the Commonwealth LNG Facility and the export term through December 31, 2050 requested in the instant Amendment are not inconsistent with the public interest. In addition to the information provided in the Application, in support of the instant Amendment, Commonwealth hereby incorporates by reference findings from the Policy Statement, NERA Economic Consulting's DOE commissioned study "Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports" (the "Export Study"),¹⁰ the U.S. Energy Information Administration's Annual Energy Outlook 2020 (the "AEO 2020")¹¹ and the National Energy Technology Laboratory's "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update" (the "LCA GHG Update") and the response to comments received thereon.¹²

¹⁰ NERA Economic Consulting, *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports* (June 7, 2018), available at: <https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.pdf>.

¹¹ U.S. Energy Information Administration, *Annual Energy Outlook 2020* (Jan. 29, 2020) available at: <https://www.eia.gov/outlooks/aeo/pdf/aeo2020.pdf>.

¹² National Energy Technology Laboratory, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update* (Sept. 12, 2019), available at: <https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf>; Dep't of Energy, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update – Response to Comments*, 85 Fed. Reg. 72 (Jan. 2, 2020).

The Policy Statement concludes that an export term through December 31, 2050 offers substantial economic, commercial and international trade benefits. The Policy Statement highlights that the Export Study’s macroeconomic analysis “supports export terms lasting through December 31, 2050” as the “United States will experience net economic benefits from the export of domestically produced LNG through the 30-year study period, i.e., from 2020 through 2050.”¹³ Furthermore, citing the projections in the AEO 2020 and the Export Study, the Policy Statement holds that “robust domestic supply conditions...are more than adequate to satisfy both domestic needs and exports of LNG under the proposed term...”¹⁴

In addition to the national economic benefits, the Policy Statement finds that the longer export term will be commercially beneficial to authorization holders as it better aligns with “the operational life of LNG export facilities, which are typically designed for a service life of 30 to 50 years.”¹⁵ An approximately 30 year export term would give U.S. LNG exporters “greater security in financing” their facilities and will make U.S. LNG exporters more globally competitive by allowing them to enter into natural gas supply and export contracts in excess of 20 years, meeting foreign demand for such agreements.¹⁶ The Policy Statement further notes that the longer export term provides international trade benefits as it “will improve energy security for many U.S. allies and trading partners” by allowing U.S. LNG exporters to diversify and increase the volumes of

¹³ *Policy Statement*. at 52240.

¹⁴ *Id.* at 52242.

¹⁵ *Policy Statement* at 52240.

¹⁶ *Id.*

LNG globally available, and to redirect LNG exports from domestic markets to key international trading partners.¹⁷

Finally, Commonwealth incorporates the new environmental evidence from the LCA GHG Update, an assessment of greenhouse gas (“GHG”) emissions associated with U.S. LNG exports, from which the DOE concludes “exports of LNG from the lower-48 states will not be inconsistent with the public interest,” as there is “no reason to conclude that U.S. LNG exports will increase global GHG emissions in a material or predictable way.”¹⁸

CONCLUSION

WHEREFORE, Commonwealth respectfully requests that DOE/FE amend its pending Application to request an export term through December 31, 2050 (inclusive of any make-up period), with an attendant increase in the total requested export volume over the life of the authorization.

Respectfully submitted,

/s/Lisa M. Tonery

Lisa M. Tonery

Mariah T. Johnston

Attorneys for

Commonwealth LNG, LLC

Dated: September 11, 2020

¹⁷ *Id.* at 52244.

¹⁸ *Id.* at 52240.

APPENDIX A

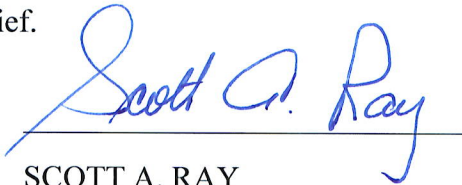
VERIFICATION

VERIFICATION

State of Texas

County of Harris

BEFORE ME, the undersigned authority, on this day personally appeared Scott A. Ray, who, having been by me first duly sworn, on oath says that he is Senior Vice President of EPC and Permitting, for Commonwealth LNG, LLC. and is duly authorized to make this Verification; that he has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.



SCOTT A. RAY
Senior Vice President of EPC and Permitting
Commonwealth LNG, LLC

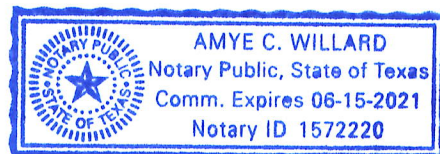
SWORN TO AND SUBSCRIBED before me on this 10th day of September, 2020.



Name: Amye C. Willard

Title: Notary Public

My Commission expires: 6-15-21



APPENDIX B

OPINION OF COUNSEL

September 10, 2020

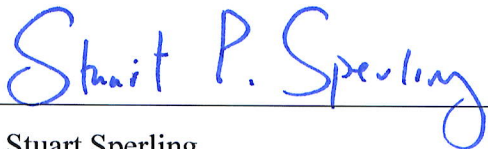
U.S. Department of Energy, Natural Gas Regulation
1000 Independence Avenue, S.W.
Washington, D.C. 20585

**RE: Commonwealth LNG, LLC
FE Docket No. 19-134-LNG
Application to Amend Requested Export Term in Pending Long-Term Application
Through December 31, 2050**

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of section 590.202(c) of the U.S. Department of Energy's regulations.¹ I have examined the Limited Liability Company Agreement of Commonwealth LNG, LLC ("Commonwealth") and other authorities as necessary, and have concluded that the proposed amendment to the requested export term as described in the above-referenced application for amendment is within Commonwealth's corporate powers.

Respectfully submitted,



By: Stuart Sperling
*Counsel for
Commonwealth LNG, LLC*

¹ 10 C.F.R. § 590.202(c) (2020).

CERTIFICATE OF SERVICE

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

Dated at New York, N.Y., this 11th day of September, 2020.

/s/ Dionne McCallum-George
Dionne McCallum-George
Executive Assistant on behalf of
Commonwealth LNG, LLC