

**RECEIVED**

*By Docket Room at 4:05 pm, Sep 09, 2020*

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

**In The Matter Of:**

**Freeport LNG Expansion, L.P.  
FLNG Liquefaction 4, LLC**

)  
)  
)  
)

**FE Docket No. 18-26-LNG**

**APPLICATION TO AMEND EXPORT TERM  
FOR EXISTING LONG-TERM AUTHORIZATION  
THROUGH DECEMBER 31, 2050**

John Tobola  
Freeport LNG Expansion, L.P.  
333 Clay Street, Suite 5050  
Houston, TX 77002  
Telephone: (713) 980-2888  
Email: [jtobola@freportlng.com](mailto:jtobola@freportlng.com)

Lisa M. Tonery  
Mariah T. Johnston  
Orrick, Herrington & Sutcliffe LLP  
51 West 52<sup>nd</sup> Street  
New York, N.Y. 10019-6142  
Telephone: (212) 506-3710  
Email: [ltinery@orrick.com](mailto:ltinery@orrick.com)  
Email: [mjohnston@orrick.com](mailto:mjohnston@orrick.com)

## TABLE OF CONTENTS

	<b>Page</b>
SECTION I: .....	2
1.    FE Docket Number .....	2
2.    Authorization Holders and Service List.....	2
3.    Name and Location of Export Facility.....	2
4.    Existing Long-Term DOE/FE Order Subject to this Request.....	3
5.    Final Order for The Train 4 Project issued by the Federal Energy Regulatory Commission.....	3
6.    Requested Amendment to Existing Export Term .....	3
SECTION II: .....	4
1.    Additional Information Supporting the Public Interest .....	4
2.    Compliance with NEPA.....	6
CONCLUSION.....	7

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

**In The Matter Of:**

**Freeport LNG Expansion, L.P.  
FLNG Liquefaction 4, LLC**

)  
)  
)  
)

**FE Docket No. 18-26-LNG**

**APPLICATION TO AMEND EXPORT TERM  
FOR EXISTING LONG-TERM AUTHORIZATION  
THROUGH DECEMBER 31, 2050**

Pursuant to Section 3 of the Natural Gas Act<sup>1</sup> and Part 590 of the Department of Energy’s (“DOE”) regulations,<sup>2</sup> Freeport LNG Expansion, L.P. (“Freeport Expansion”) and FLNG Liquefaction 4, LLC (“FLIQ4,” and together with Freeport Expansion, “FLEX4”) hereby request that DOE, Office of Fossil Energy (“DOE/FE”) amend FLEX4’s existing authorization in Order No. 4374<sup>3</sup> to engage in long-term, multi-contract exports of domestically produced liquefied natural gas (“LNG”) from the Train 4 Project<sup>4</sup> at the Freeport LNG Terminal (“Terminal”) on Quintana Island near Freeport, Texas, to extend the export term through December 31, 2050. The instant application (“Application”) is being filed in accordance with DOE/FE’s recently issued final policy statement “Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050” (the “Extension Policy Statement”).<sup>5</sup>

In support of the Application, FLEX4 provides as follows:

---

<sup>1</sup> 15 U.S.C. § 717b (2012).

<sup>2</sup> 10 C.F.R. Part 590 (2020).

<sup>3</sup> *Freeport LNG Expansion, L.P. & FLNG Liquefaction 4, LLC*, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, DOE/FE Order No. 4374, FE Docket No. 18-26-LNG (May 28, 2019) (“Order No. 4374”).

<sup>4</sup> The Federal Energy Regulatory Commission (“FERC”) authorized Freeport LNG Development, L.P. and FLIQ4 to site, construct and operate additional LNG export facilities at the existing Terminal (the “Train 4 Project”) in 2019. *Freeport LNG Development, L.P. & FLNG Liquefaction 4, LLC*, 167 FERC ¶ 61,155 (2019).

<sup>5</sup> *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).

## SECTION I:

### 1. FE DOCKET NUMBER

The instant Application pertains to FE Docket No. 18-26-LNG.

### 2. AUTHORIZATION HOLDERS AND SERVICE LIST

The exact legal name of Freeport Expansion is Freeport LNG Expansion, L.P. Freeport Expansion is a Delaware limited partnership. The exact legal name of FLIQ4 is FLNG Liquefaction 4, LLC. FLIQ4 is a Delaware limited liability company. Freeport Expansion and FLIQ4 are authorized to do business in Texas and have a principal place of business at 333 Clay Street, Suite 5050, Houston, Texas 77002. FLEX4 herein incorporates by reference the details regarding upstream ownership provided in FE Docket No. 18-26-LNG.

All correspondence and communications concerning this Application, including all service of pleadings and notices, should be directed to the following persons:<sup>6</sup>

John B. Tobola  
Senior Vice President & General Counsel  
Freeport LNG Expansion, L.P.  
333 Clay Street, Suite 5050  
Houston, TX 77002  
Telephone: (713) 333-4241  
Email: [jtobola@freeportlng.com](mailto:jtobola@freeportlng.com)

Lisa M. Tonery  
Mariah T. Johnston  
Orrick, Herrington & Sutcliffe LLP  
51 West 52<sup>nd</sup> Street  
New York, N.Y. 10019-6142  
Telephone: (212) 506-3710  
Email: [ltinery@orrick.com](mailto:ltinery@orrick.com)  
Email: [mjohnston@orrick.com](mailto:mjohnston@orrick.com)

### 3. NAME AND LOCATION OF EXPORT FACILITY

The instant Application pertains to exports from the Train 4 Project at the Freeport LNG Terminal on Quintana Island near Freeport, Texas.

---

<sup>6</sup> FLEX4 requests a 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. 10 C.F.R. § 590.202(a).

**4. EXISTING LONG-TERM DOE/FE ORDER SUBJECT TO THIS REQUEST**

Pursuant to Order No. 4374 (issued May 28, 2019),<sup>7</sup> FLEX4 is authorized by DOE/FE, in FE Docket No. 18-26-LNG, to export LNG from the Train 4 Project, to any nation that has, or in the future develops, the capacity to import LNG, with which the U.S. does not have a free trade agreement requiring the national treatment for trade in natural gas and LNG, and with which trade is not prohibited by U.S. law or policy (“Non-FTA Nations”), in an amount up to 262.8 billion cubic feet per year of natural gas.

**5. FINAL ORDER FOR THE TRAIN 4 PROJECT ISSUED BY THE FEDERAL ENERGY REGULATORY COMMISSION**

On May 17, 2019, FERC authorized Freeport LNG Development, L.P. and FLIQ4 to site, construct and operate the Train 4 Project.<sup>8</sup>

**6. REQUESTED AMENDMENT TO EXISTING EXPORT TERM**

FLEX4 hereby respectfully requests that DOE/FE grant an extension to the currently authorized export term of Order No. 4374, through December 31, 2050 (inclusive of any make-up period), with an attendant increase in the total export volume over the life of the authorization. FLEX4 respectfully requests that DOE/FE issue the extension, as requested herein, at the earliest date possible.

---

<sup>7</sup> See Order No. 4374, *supra* note 3. As detailed in Appendix C, Freeport Expansion also holds authorizations to export LNG from the Terminal with FLEX4 affiliates, FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC. Cumulative authorized export volumes from the Terminal are set forth therein.

<sup>8</sup> *Freeport LNG Development, L.P. & FLNG Liquefaction 4, LLC*, 167 FERC ¶ 61,155 (2019).

## SECTION II:

### 1. ADDITIONAL INFORMATION SUPPORTING THE PUBLIC INTEREST

FLEX4 submits that the term extension requested in the instant Application is not inconsistent with the public interest. In issuing Order No. 4374,<sup>9</sup> DOE/FE highlighted, among other things, the record presented in FE Docket No. 18-26-LNG which detailed the projected benefits of the Train 4 Project, as well as DOE commissioned studies (including the most recent economic study on the effects of U.S. LNG exports (the “2018 LNG Export Study”)).<sup>10</sup> In this regard, FLEX4 incorporates by reference the record developed in FE Docket No. 18-26-LNG. In addition, FLEX4 herein incorporates by reference the record developed in FE Docket Nos. 10-161-LNG, 11-161-LNG, and 16-108-LNG, which further establish the public interest of exports from the Terminal.<sup>11</sup>

Furthermore, FLEX4 incorporates by reference the Extension Policy Statement itself, the U.S. Energy Information Administration’s Annual Energy Outlook 2020 (“2020 AEO”),<sup>12</sup> and the National Energy Technology Laboratory’s “Life Cycle Greenhouse Gas Perspective On Exporting Liquefied Natural Gas From The United States: 2019 Update,” an analysis which calculated the

---

<sup>9</sup> See Order No. 4374, *supra* note 3. DOE/FE held that “[o]n the basis of this substantial administrative record, DOE/FE has determined that it has not been shown that FLEX4’s proposed exports will be inconsistent with the public interest.” *Id.* at 3.

<sup>10</sup> 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>.

<sup>11</sup> See, e.g., *Freeport LNG Expansion, L.P. et al.*, Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas, to Non-Free Trade Agreement Nations, DOE/FE Order No. 3282-C, FE Docket No. 10-161-LNG (Nov. 14, 2014); *Freeport LNG Expansion, L.P. et al.*, Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3357-B, FE Docket No. 11-161-LNG (Nov. 14, 2014); *Freeport LNG Expansion, L.P. et al.*, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Freeport LNG Terminal on Quintana Island, Texas, to Non-Free Trade Agreement Nations, DOE/FE Order No. 3957, FE Docket No. 16-108-LNG (Dec. 19, 2016).

<sup>12</sup> U.S. Energy Information Administration, *Annual Energy Outlook 2020* (January 29, 2020) available at <https://www.eia.gov/outlooks/aeo/pdf/aeo2020.pdf>.

life cycle greenhouse gas (“GHG”) emissions from imported natural gas and regional coal power in Europe and Asia (the “LCA GHG Update”) and DOE’s response to comments thereon.<sup>13</sup> In the Extension Policy Statement, DOE/FE notes that the “principal conclusion of the 2018 LNG Export Study is that 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.”<sup>14</sup> The 2020 AEO projections confirm that adequate domestic supply is anticipated to be available to support increased exports, holding that “[n]atural gas production increases in most cases, supporting higher levels of domestic consumption and natural gas exports.”<sup>15</sup> As further discussed in the Extension Policy Statement, DOE noted that based on a review of the LCA GHG Update and the related public comments received thereon,

*DOE determined that it saw no reason to conclude that U.S. LNG exports will increase global GHG emissions in a material or predictable way. DOE thus found that the LCA GHG Update “supports the proposition that exports of LNG from the lower 48 states will not be inconsistent with the public interest.”*<sup>16</sup>

In addition to the information gleaned from the 2018 LNG Export Study, 2020 AEO and the LCA GHG Update, the Extension Policy Statement made note of certain commercial and international trade benefits stemming from extending authorizations for export to Non-FTA Nations through 2050. In this regard, the requested term extension is supported by several factors including the following:

1. an export term through 2050 better aligns the authorized export term with the anticipated life of the Train 4 Project;<sup>17</sup>

---

<sup>13</sup> National Energy Technology Laboratory, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update* (September 12, 2019), available at <https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf>; DOE, *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).

<sup>14</sup> *Extension Policy Statement* at 52240.

<sup>15</sup> *2020 AEO* at 43.

<sup>16</sup> *Extension Policy Statement* at 52240.

<sup>17</sup> *Id.*

2. an export term through 2050 provides FLEX4 commercial flexibility to enter into long-term contracts with customers who request contracts in excess of 20 years;<sup>18</sup>
3. an export term through 2050 enhances FLEX4's competitive posture in relation to foreign LNG export terminals which are currently able to offer such contract terms;<sup>19</sup> and
4. an export term through 2050 offers potential geo-political benefits for the U.S. generally, as an energy-dominant America increases U.S. global leadership and international influence.<sup>20</sup>

## **2. COMPLIANCE WITH NEPA**

The environmental impacts of construction of the Train 4 Project and the exports permitted by Order No. 4374 have been considered in detail by FERC and DOE/FE. On November 2, 2018, FERC issued the Environmental Assessment for the Train 4 Project ("Train 4 EA").<sup>21</sup> DOE/FE adopted the findings in the Train 4 EA and on May 28, 2019, concurrent with the issuance of Order No. 4374, DOE/FE issued a Finding of No Significant Impact for the Train 4 Project.<sup>22</sup>

FLEX4 respectfully submits that the term extension requested herein will not constitute a major federal action significantly affecting the quality of the human environment. Consistent with DOE's regulations implementing the National Environmental Policy Act ("NEPA"),<sup>23</sup> FLEX4 believes a Categorical Exclusion from the preparation or adoption of an Environmental Impact Statement or Environmental Assessment is appropriate for the requested term extension.<sup>24</sup> Specifically, under DOE's NEPA regulations, B5.7 permits a Categorical Exclusion for "[a]pprovals or disapprovals of new authorizations or amendments of existing authorizations to

---

<sup>18</sup> *Id.*

<sup>19</sup> *Id.*

<sup>20</sup> *Extension Policy Statement* at 52244.

<sup>21</sup> *Freeport LNG Development, L.P. & FLNG Liquefaction 4, LLC*, Freeport LNG Train 4 Project Environmental Assessment, FERC Docket No. CP17-470-000 (Nov. 2, 2018).

<sup>22</sup> *Freeport LNG Expansion, L.P. & FLNG Liquefaction 4, LLC*, Finding of No Significant Impact for the Train 4 Project, FE Docket No. 18-26-LNG (May 28, 2019).

<sup>23</sup> 42 U.S.C. §§ 4321 *et seq.* (2012).

<sup>24</sup> 10 C.F.R. §1021.410.



import or 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.”<sup>25</sup> The term extension sought in the instant Application requires no new construction or modifications to the Train 4 Project, Terminal or any other related facilities.

### CONCLUSION

WHEREFORE, FLEX4 respectfully requests that DOE/FE grant its Application to amend Order No. 4374 to extend the export term of such authorization through December 31, 2050 (inclusive of any make-up period), with an attendant increase in the total export volume over the life of the authorization. FLEX4 respectfully requests that the DOE/FE issue the term extension, as requested herein, at the earliest date possible.

Respectfully submitted,

*/s/Lisa M. Tonery*

\_\_\_\_\_  
Lisa M. Tonery

Mariah T. Johnston

*Attorneys for*

*Freeport LNG Expansion, L.P. &*

*FLNG Liquefaction 4, LLC*

Dated: September 9, 2020

---

<sup>25</sup> 10 C.F.R. Part 1021, Subpart D, Appendix B: Categorical Exclusions Applicable to Specific Agency Actions, B5.7.

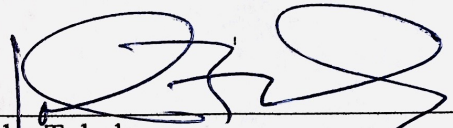
**APPENDIX A**

**VERIFICATION**

**VERIFICATION**

State of Texas )  
County of Harris )

BEFORE ME, the undersigned authority on this day personally appeared John Tobola, who, having first by me been duly sworn, says he is the Senior Vice President and General Counsel for Freeport LNG Expansion, L.P. and is duly authorized to make this Verification; that he has read the forgoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information, and belief.

  
\_\_\_\_\_  
John Tobola  
Senior Vice President and General Counsel  
Freeport LNG Expansion, L.P.

SWORN TO and SUBSCRIBED on this 8 day of September, 2020.

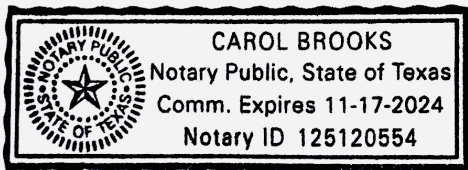
  
\_\_\_\_\_

NAME: CAROL BROOKS

TITLE: Notary Pubic

Commission Expires:

11-17-2024



**APPENDIX B**

OPINION OF COUNSEL



September 8, 2020

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

**RE: Freeport LNG Expansion, L.P. & FLNG Liquefaction 4, LLC  
FE Docket No. 18-26-LNG  
Application to Amend Export Term for Existing Long-Term Authorization Through  
December 31, 2050**

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. § 590.202(c) (2020). I am the duly authorized representative for Freeport LNG Expansion, L.P and FLNG Liquefaction 4, LLC (together, "FLEX4"). I have reviewed the organizational and internal governance documents of FLEX4 and other documents and authorities as necessary for purposes of this opinion. On the basis of the foregoing, it is my opinion that the requested extension of the term for exports of liquefied natural gas by FLEX4, as described in the above-referenced application, is within the limited partnership and company powers of FLEX4.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Tobola", written over a horizontal line.

John Tobola

Senior Vice President & General Counsel  
*Freeport LNG Expansion, L.P.*

**APPENDIX C**

**COMBINED AFFILIATE AUTHORIZATIONS FOR LONG-TERM EXPORT FROM  
FREEPORT LNG TERMINAL**

**APPENDIX C: Combined Affiliate Authorizations for Long-Term Export from Freeport LNG Terminal**

**NON-FTA AUTHORIZATIONS**

<b>Authorization Holders</b>	<b>Docket No.</b>	<b>DOE/FE Order No. (Date Issued)</b>	<b>Export Volume</b>
Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC	10-161-LNG	3282-C (11/14/2014)	511.0 Bcf/y
Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC	11-161-NG	3357-B (11/14/2014)	146.0 Bcf/y
Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC	16-108-LNG	3957 (12/19/2016)	125.0 Bcf/y
Freeport LNG Expansion, L.P. and FLNG Liquefaction 4, LLC	18-26-LNG	4374 (05/28/2019)	262.8 Bcf/y

**Total Non-FTA Exports: 1,044.8 Bcf/y**

**FTA AUTHORIZATIONS**

<b>Authorization Holders</b>	<b>Docket No.</b>	<b>DOE/FE Order No. (Date Issued)</b>	<b>Amendment (Date Issued)</b>	<b>Export Volume</b>
Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC	10-160-LNG	2913 (02/10/2011); Errata (02/17/2011)	2913-A (02/07/2014)  2913-B (06/07/2017)	511.0 Bcf/y
Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and FLNG Liquefaction 3, LLC	12-06-LNG	3066 (02/10/2012)	3066-A (02/07/2014)	511.0 Bcf/y

**Total FTA Exports: 1022.0 Bcf/y**