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

In the Matter Of:

Driftwood LNG LLC

)
)
)

FE Docket No. 16-144-LNG

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

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Pursuant to Section 3 of the Natural Gas Act (“NGA”),¹ Part 590 of the United States (“U.S.”) Department of Energy’s (“DOE”) regulations,² and DOE, Office of Fossil Energy’s (“DOE/FE”) final policy statement “Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050” (“Policy Statement”),³ Driftwood LNG LLC (“Driftwood”) hereby requests that DOE/FE grant an amendment to its existing long-term export authorization issued in Order No. 4373 (“Order 4373”),⁴ to extend the authorized export term 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.

In support of this Application, Driftwood provides as follows:

Section I:

1. FE Docket Number

Order 4373 was issued in FE Docket No. 16-144-LNG.

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 *Driftwood LNG LLC*, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, FE Docket No. 16-144-LNG, Order No. 4373 (May 2, 2019).

2. Authorization Holder and Contact Information

The exact legal name of the authorization holder is Driftwood LNG LLC. Driftwood is a Delaware limited liability company, with its primary place of business located at 1201 Louisiana Street, Suite 3100, Houston, TX 77002, and is authorized to do business in the State of Louisiana.

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

Cathy Rourke
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1201 Louisiana Street, Suite 3100
Houston, TX 77002
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3. Name and Location of Export Facility.

Order 4373 authorizes exports from the Driftwood LNG Facility in Calcasieu Parish, Louisiana.

4. Existing Long-Term DOE/FE Order Subject to this Request

Driftwood is authorized by DOE/FE to export LNG from the Driftwood LNG Facility in an amount up to 1,415.3 billion cubic feet per year (“Bcf/yr”) to non-Free Trade Agreement nations,⁶ as detailed in the table below.⁷

⁵ Driftwood requests 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).

⁶ Order 4373, *supra* note 4.

⁷ Driftwood is also authorized by DOE/FE to export LNG from the Driftwood LNG Facility in an amount up to 1,415.3 Bcf/yr, to Free Trade Agreement nations. The export volumes are not additive. *Driftwood LNG LLC, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Driftwood LNG Facility in Calcasieu Parish, Louisiana, to Free Trade Agreement Nations*, FE Docket

Order No./ Date	Amendment/ Date	FTA or Non-FTA	Authorized Volume
4373/ May 2, 2019	N/A	Non-FTA	1,415.3 Bcf/yr

5. *Final FERC Order for the Driftwood LNG Facility*

On April 18, 2019, the Federal Energy Regulatory Commission (“Commission” or “FERC”) authorized Driftwood to site, construct and operate the Driftwood LNG Facility under Section 3 of the NGA, in FERC Docket No. CP17-117-000.⁸

6. *Requested Amendment to Existing Export Term*

Driftwood respectfully requests that DOE amend its existing long-term authorization in Order 4373, to extend the authorized export term 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.

Section II:

1. *New Information Supporting the Public Interest of the Term Extension*

The underlying conclusions in Order 4373, and the supporting evidence presented in the record in Docket No. FE16-144-LNG, have not changed—exports from the Driftwood LNG Facility are not inconsistent with, and in fact serve, the public interest,⁹ and therefore the term extension should be granted. However, certain new information and circumstances should be

No. 16-144- LNG, Order No. 3968 (Feb. 28, 2017); *Driftwood LNG LLC*, Order Amending Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Driftwood LNG Facility in Calcasieu Parish, Louisiana, to Free Trade Agreement Nations, FE Docket No. 16-144- LNG, Order No. 3968-A (Dec. 6, 2018).

⁸ *Driftwood LNG LLC & Driftwood Pipeline LLC*, 167 FERC ¶ 61,054 (2019).

⁹ See e.g., *Order 4373*, p.57, *supra* note 4.

incorporated into the record in support of the instant request. In the Policy Statement, DOE indicated that its decision for permitting the term extension through December 31, 2050, was both based on new evidence supporting a term through 2050 and commercial/practical considerations. Driftwood hereby incorporates by reference those findings.

With regard to new evidence, the most recent DOE LNG Export study (“2018 LNG Study”) considered a 30-year study period, from 2020 through 2050, and found that the U.S. experiences net economic benefits from exports of domestically produced LNG over such a term.¹⁰ Based on the 2018 LNG Study and the U.S. Energy Information Administration’s Annual Energy Outlook 2020,¹¹ the DOE projects “robust domestic supply conditions that are more than adequate to satisfy both domestic needs and exports of LNG under the proposed term extension.”¹² Similarly, DOE determined, based on the recently commissioned greenhouse gas study “Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update” and public comments received on the study,¹³ that “it saw no reason to conclude that U.S. LNG exports will increase global GHG emissions in a material or predictable way.”¹⁴

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 *Policy Statement* at 52242.

¹³ National Energy Technology Laboratory, *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update* (Sep. 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).

¹⁴ *Id.* at 52240.

From a commercial perspective, the efficacy of an extension through 2050 is clear. As DOE noted in the Policy Statement, a 30-year export term is better aligned with the 30 to 50 year anticipated useful life of LNG export facilities.¹⁵ Additionally, the extended term would give authorization holders “greater security in financing their export facility and would maximize their ability to enter into natural gas supply and export contracts for a longer period of time.”¹⁶ The 30 year term would also meet foreign demand for long-term contracts in excess of 20 years and provide more flexibility in responding to LNG buyers, therefore allowing U.S. exporters to be more globally competitive.¹⁷

2. *Compliance with the National Environmental Policy Act of 1969*

DOE/FE participated as a cooperating agency with the Commission in preparing an environmental impact statement (“EIS”) analyzing the potential environmental impacts of the Driftwood LNG Facility. On January 18, 2019, FERC issued the Final EIS (“FEIS”) for the Driftwood LNG Facility (as well as the Driftwood Pipeline).¹⁸ In this regard, and concurrent with its issuance of Order 4373, DOE/FE adopted the FEIS and prepared and issued a Record of Decision (“ROD”) on May 2, 2019, which was included as an Appendix to Order 4373.¹⁹ The ROD held that with the conditions set forth in the FERC Order, DOE/FE has determined that “all

¹⁵ *Id.*

¹⁶ *Id.*

¹⁷ *Policy Statement* at 52244.

¹⁸ *Driftwood LNG, LLC and Driftwood Pipeline, LLC*, Driftwood LNG Project Final Environmental Impact Statement, FERC Docket Nos. CP17-117-000 and CP17-118-000 (Jan. 18, 2019).

¹⁹ *Order 4373* at 72.

practicable means to avoid or minimize environmental harm” from the Driftwood LNG Facility have been adopted.²⁰

No changes to the Driftwood LNG Facility or new construction activities are associated with the term extension. In this regard, in compliance with its National Environmental Policy Act of 1969 (“NEPA”)²¹ obligations, DOE/FE need not prepare an EIS or environmental assessment to evaluate the extension proposed in the Application. Under DOE’s regulations implementing NEPA, a categorical exclusion should apply to the instant request.

Categorical exclusions apply to “actions that DOE has determined do not individually or cumulatively have a significant effect on the human environment.”²² As DOE noted in the Policy Statement, “[i]n prior non-FTA proceedings where DOE has determined that a categorical exclusion under NEPA is appropriate, DOE has relied on...Categorical Exclusion B5.7.”²³ Under DOE’s regulations, Categorical Exclusion B5.7 applies to “[a]pprovals or disapprovals of new authorizations or amendments of existing authorizations to import or export natural gas under section 3 of the [NGA] that involve minor operational changes (such as changes in natural gas throughput, transportation, and storage operations) but not new construction.”²⁴ This is consistent with the term extension requested herein, as it involves no new construction activities at, and no modifications to, the Driftwood LNG Facility, and therefore the Application should qualify for a categorical exclusion.

²⁰ *Id.* at 75-76.

²¹ 42 U.S.C. § 4321 *et seq.*

²² 10 CFR §1021.410.

²³ *Policy Statement* at 52239.

²⁴ 10 C.F.R. Part 1021, Subpart D, Appendix B:Categorical Exclusions Applicable to Specific Agency Actions, B5.7.

Section III:

Appendices

Appendix A: Verification

Appendix B: Opinion of Counsel

Section IV:

Conclusion

For the foregoing reasons, Driftwood respectfully requests that DOE/FE extend the authorized export term in Order 4373 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, as soon as practicable.

Respectfully submitted,

/s/Lisa M. Tonery

Lisa M. Tonery

Mariah T. Johnston

Attorneys for

Driftwood LNG LLC

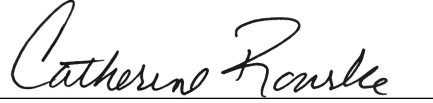
Dated: October 19, 2020

APPENDIX A

VERIFICATION

VERIFICATION

I, Cathy Rourke, affirm that I am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information and belief.



Cathy Rourke
*SVP, HSSE and Regulatory Affairs for
Driftwood LNG LLC*

I declare under penalty of perjury that the foregoing is true and correct.

Respectfully submitted,



Cathy Rourke
*SVP, HSSE and Regulatory Affairs for
Driftwood LNG LLC*

APPENDIX B

OPINION OF COUNSEL

October 19, 2020

Mrs. Amy Sweeney
U.S. Department of Energy,
Natural Gas Regulation
FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

**RE: Driftwood LNG LLC
DOE/FE Docket No. 16-144-LNG
Application to Amend Export Term for Existing Long-Term Authorization Through
December 31, 2050**

Dear Ms. Sweeney:

This opinion of counsel is provided pursuant to section 590.202(c) of the regulations of the U.S. Department of Energy.¹ I have examined the Limited Liability Company Agreement of Driftwood LNG LLC (“Driftwood”) and other necessary authorities, and have concluded that the proposed term extension for the authorized exportation of liquefied natural gas, as described in the above-referenced application, is within Driftwood’s limited liability company powers.

Respectfully submitted,

/s/Daniel Belhumeur
Daniel Belhumeur
*EVP, General Counsel for
Driftwood 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 in this proceeding.

Dated at Houston, Texas this 19th day of October 2020.

Thank you,

/s/ Eryn Pullin

Eryn Pullin
Driftwood LNG LLC