

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CAMERON LNG, LLC

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FE DOCKET NO. 15-36-LNG
FE DOCKET NO. 15-90-LNG

ORDER GRANTING APPLICATION
FOR EXTENSION OF COMMENCEMENT DEADLINES

DOE/FE ORDER NO. 3680-A
DOE/FE ORDER NO. 3846-A

NOVEMBER 2, 2020

I. INTRODUCTION AND BACKGROUND

On March 6, 2020, Cameron LNG, LLC (Cameron LNG) filed with the Office of Fossil Energy (FE) of the Department of Energy (DOE) a request,¹ which DOE/FE construes as an application (Application),² under section 3 of the Natural Gas Act (NGA).³ In the Application, Cameron LNG asks DOE to amend its two existing long-term authorizations to export domestically produced liquefied natural gas (LNG) from Trains 4 and 5 (Expansion Project) to be constructed at the existing Cameron LNG Terminal (Cameron Terminal), which Cameron LNG owns and operates in Cameron and Calcasieu Parishes, Louisiana.⁴

Cameron LNG holds the following long-term authorizations for the Expansion Project:

- DOE/FE Order No. 3680, authorizing the export of LNG in a volume equivalent to 515 billion cubic feet per year (Bcf/yr) of natural gas for a 20-year term 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), pursuant to NGA section 3(c);⁵ and
- DOE/FE Order No. 3846,⁶ authorizing the export of LNG in a volume equivalent to 515 Bcf/yr of natural gas for a 20-year term to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), pursuant to NGA section 3(a).⁷

¹ Cameron LNG, LLC, Request for Extensions of Time Under Order Nos. 3680 and 3846, FE Docket Nos. 15-36-LNG & 15-90-LNG (Mar. 6, 2020) [hereinafter App.].

² See 10 C.F.R. § 590.201(a).

³ Authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-002.04G, issued on June 4, 2019.

⁴ App. at 1.

⁵ *Cameron LNG, LLC*, DOE/FE Order No. 3680, FE Docket No. 15-36-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Free Trade Agreement Nations (July 10, 2015).

⁶ *Cameron LNG, LLC*, DOE/FE Order No. 3846, FE Docket No. 15-90-LNG, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from Trains 4 and 5 of the Cameron LNG Terminal in Cameron and Calcasieu Parishes, Louisiana, to Non-Free Trade Agreement Nations (July 15, 2016).

⁷ 15 U.S.C. § 717b(a).

In 2016, the Federal Energy Regulatory Commission (FERC) issued an order to Cameron LNG approving the Expansion Project.⁸ FERC set May 5, 2020, as the deadline for Cameron LNG to construct the Expansion Project and to make it available for service.⁹ DOE/FE takes administrative notice that, on January 24, 2020, Cameron LNG filed a request at FERC, asking that FERC grant an extension of the May 5, 2020 deadline until May 5, 2026.¹⁰ On March 25, 2020, FERC issued an order (FERC Extension Order) extending Cameron LNG's construction and in-service deadline for the Expansion Project until May 5, 2024.¹¹ In light of its then-pending extension request filed at FERC, Cameron LNG asks DOE/FE to amend its export authorizations for the Expansion Project as follows:

- DOE/FE Order No. 3680, to extend the deadline to commence commercial FTA exports (set forth in Ordering Paragraph A) from July 10, 2022, to May 5, 2026; and
- DOE/FE Order No. 3846, to extend the deadline to commence commercial non-FTA exports (set forth in Ordering Paragraph D) from July 15, 2023, to May 5, 2026.

The Application, if granted, would extend Cameron LNG's commencement deadline by approximately 46 months for the FTA authorization (DOE/E Order No. 3680) and by approximately 34 months for the non-FTA authorization (DOE/FE Order No. 3846).¹²

Below, DOE/FE grants Cameron LNG's Application. Specifically, under NGA section 3(c), DOE/FE grants the FTA portion of the Application to extend the commencement

⁸ App. at 1 n.2 (citing *Cameron LNG, LLC*, 155 FERC ¶ 61,141 (2016)).

⁹ *Id.* at 1.

¹⁰ See *Cameron LNG, LLC*, Request for Extension of Time to Construct and Place Facilities into Service, FERC Docket No. CP15-560-000, at 1-2 (Jan. 24, 2020), available at: https://elibrary.ferc.gov/eLibrary/filelist?document_id=14830701&accessionnumber=20200124-5189; see also App. at 2.

¹¹ *Cameron LNG, LLC*, Letter Order, FERC Docket No. CP15-560-000, at 2 (Mar. 25, 2020) [hereinafter FERC Extension Order], available at: file:///doe/dfsfr/home_fors3/cassandra.bernstein/Downloads/20200325-3017_CP15-560-000%20Letter%20Order.PDF.

¹² App. at 2.

deadline in DOE/FE Order No. 3680 through May 5, 2026. Section 3(c) was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that FTA applications “shall be deemed to be consistent with the public interest” and granted “without modification or delay.”¹³ The FTA portion of the Application falls within NGA section 3(c) and, therefore, DOE/FE approves the requested extension without modification or delay. Accordingly, none of the public interest analysis discussed below applies to the FTA portion of the Application.

DOE/FE also grants the non-FTA portion of the Application under NGA section 3(a). On April 15, 2020, DOE/FE published a Notice of Application for the non-FTA portion of Cameron LNG’s Application in the *Federal Register*.¹⁴ DOE/FE invited the public to submit protests, motions to intervene, and comments in response to the Application no later than April 30, 2020. DOE/FE received no filings in response to the Notice of Application. Based on the record in this proceeding, including the uncontested Application, DOE/FE finds good cause to extend Cameron LNG’s non-FTA commencement deadline in Order No. 3846 through the date requested—May 5, 2026.

II. APPLICANT’S PUBLIC INTEREST ANALYSIS

Cameron LNG asks DOE/FE to extend the deadline for it to begin commercial exports of LNG under both its existing FTA and non-FTA authorizations 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.”¹⁵

As support for the requested non-FTA amendment, Cameron LNG states that it experienced changes in the circumstances surrounding its upstream joint-venture owners

¹³ 15 U.S.C. § 717b(c).

¹⁴ U.S. Dep’t of Energy, Cameron LNG, LLC; Request for Extension of Commencement Deadline for Non-Free Trade Agreement Authorization, 85 Fed. Reg. 20,993 (Apr. 15, 2020).

¹⁵ App. at 2.

(collectively, the JV Partners) that initially pushed back the timing of the Expansion Project.¹⁶

Nonetheless, Cameron LNG states that it and the JV Partners are currently “progressing development activities and commercial discussions,” so they can move forward with the Expansion Project.¹⁷ Cameron LNG states that, to date, it has taken the following actions for the Expansion Project:

- Retained control of the project site;
- Obtained all necessary federal, state, and local permits;
- Spent approximately \$50 million in costs related to the Expansion Project; and
- 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.¹⁸

Cameron LNG states that the JV Partners anticipate that a final investment decision (FID) could be reached for the Expansion Project by “the middle of 2021.”¹⁹ Cameron LNG expects that construction of the facilities will take up to 56-58 months to complete, with construction commencing immediately following FID.²⁰ Cameron LNG further asserts that, before making an affirmative FID on the Expansion Project, the JV Partners must have assurance that the time permitted under the FTA and non-FTA authorizations to begin commercial exports will align with their activities.²¹

Finally, Cameron LNG asserts that the public interest continues to be served by this extension request.²²

¹⁶ *See id.* at 3-4. Cameron LNG previously informed DOE/FE of the change in corporate ownership.

¹⁷ *Id.* at 4.

¹⁸ *Id.* at 3.

¹⁹ *Id.* at 4.

²⁰ *Id.*

²¹ App. at 4.

²² *Id.*

III. DISCUSSION FOR NON-FTA AUTHORIZATION

DOE/FE finds good cause to grant the Application to amend Cameron LNG's long-term non-FTA authorization. As noted above, FERC recently extended the in-service deadline for the Expansion Project through May 5, 2024—prior to the May 5, 2026 date requested by Cameron LNG in both the FERC proceeding and this proceeding. Upon review of the record, however, we find good cause to extend Cameron LNG's commencement deadline without modification. Cameron LNG contends that it needs additional time to complete construction of the Expansion Project, as well as additional time to reach FID.²³ The Application is unopposed, such that no arguments have been presented to counter Cameron LNG's representations in favor of granting the Application. Additionally, DOE/FE notes that Cameron LNG already has completed construction and commenced commercial operations of the Liquefaction Project (Trains 1-3) at the Cameron Terminal.²⁴

Further, DOE/FE agrees with Cameron LNG that extending the deadline for it to commence non-FTA exports from the Expansion Project under DOE/FE Order No. 3846 does not alter DOE/FE's public interest determination in granting the authorization under NGA section 3(a). No facts associated with Cameron LNG's original application, and no requirements of the non-FTA authorization, are affected by this extension beyond the additional time period for Cameron LNG to commence export operations.

For these reasons, we find that granting the non-FTA portion of the Application has not been shown to be inconsistent with the public interest under NGA section 3(a).

²³ App. at 2, 4.

²⁴ Cameron LNG commenced commercial exports from the Cameron Terminal as follows: from Train 1 in August 2019, Train 2 in February 2020, and Train 3 in August 2020. See Cameron LNG, LLC, Semi-Annual Report, FE Docket Nos. 11-145-LNG, *et al.*, at 3 (Sept. 30, 2020), available at: https://www.energy.gov/sites/prod/files/2020/10/f80/2020-09-30_Cameron%20SAR.pdf.

ORDER

Pursuant to section 3 of the Natural Gas Act (15 U.S.C. § 717b), DOE/FE hereby orders that:

A. **DOE/FE Order No. 3680 (FTA Authorization)**. The relevant sentence in Ordering Paragraph A of DOE/FE Order No. 3680 is amended to state:

The volume authorized in this Order is equivalent to approximately 515 Bcf/yr of natural gas for a 20-year term, beginning on the earlier of the date of first commercial export or May 5, 2026.

B. **DOE/FE Order No. 3846 (Non-FTA Authorization)**. Ordering Paragraph D of DOE/FE Order No. 3846 is amended to state:

Cameron LNG must commence commercial export operations using the planned liquefaction facilities no later than May 5, 2026.

This amended Ordering Paragraph D supersedes Ordering Paragraph D in Order No. 3846 in its entirety.²⁵

C. All other obligations, rights, and responsibilities established by DOE/FE Order Nos. 3680 and 3846 remain in effect.

Issued in Washington, D.C., on November 2, 2020.

Steven E. Winberg

Steven E. Winberg
Assistant Secretary
Office of Fossil Energy

²⁵ This amendment renders moot Term and Condition (B) of Order No. 3846, “Commencement of Operations Within Seven Years.” See *Cameron LNG, LLC*, DOE/FE Order No. 3846, at 126.