

UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY

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SABINE PASS LIQUEFACTION, LLC	)	FE DOCKET NO. 10-85-LNG
	)	FE DOCKET NO. 10-111-LNG
	)	FE DOCKET NO. 13-30-LNG
	)	FE DOCKET NO. 13-42-LNG
	)	FE DOCKET NO. 13-121-LNG
	)	FE DOCKET NO. 14-92-LNG
	)	FE DOCKET NO. 15-63-LNG
	)	FE DOCKET NO. 19-125-LNG
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ORDER GRANTING REQUEST  
FOR CONTRACT CONSOLIDATION

DOE/FE ORDER NO. 2833-B  
DOE/FE ORDER NO. 2961-E  
DOE/FE ORDER NO. 3306-C  
DOE/FE ORDER NO. 3307-C  
DOE/FE ORDER NO. 3384-C  
DOE/FE ORDER NO. 3595-B  
DOE/FE ORDER NO. 3669-D  
DOE/FE ORDER NO. 3792-C  
DOE/FE ORDER NO. 4520-B

FEBRUARY 26, 2021

## I. DESCRIPTION OF REQUEST

On November 3, 2020, Sabine Pass Liquefaction, LLC (Sabine Pass or SPL) submitted a filing to the Office of Fossil Energy (FE) of the Department of Energy (DOE) entitled, “Request for Clarification” (Request).<sup>1</sup> In the Request, Sabine Pass asks DOE/FE to clarify that any long-term contracts for the sale of liquefied natural gas (LNG) filed by Sabine Pass under its existing long-term authorizations are no longer associated with specific orders (as applicable), but rather are reportable under any of Sabine Pass’s long-term authorizations.<sup>2</sup> For the reasons set forth below, DOE/FE grants this Request.

Sabine Pass is currently authorized to export domestically produced LNG by vessel from the Sabine Pass LNG Terminal,<sup>3</sup> located in Cameron Parish, Louisiana, under the following long-term orders issued by DOE/FE (and subsequent amendments, as applicable):

- (i) DOE/FE Order Nos. 2833, 3306, 3307, 3384, 3595, and 4520, authorizing exports to any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries), under section 3(c) of the Natural Gas Act (NGA);<sup>4</sup> and
- (ii) DOE/FE Order Nos. 2961-A, 3669, and 3792, authorizing exports to any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries), under NGA section 3(a).<sup>5</sup>

These orders authorize exports of LNG in a total combined volume equivalent to 1,509.3 billion

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<sup>1</sup> *Sabine Pass Liquefaction, LLC*, Request for Contract Consolidation, FE Docket Nos. 10-85-LNG, *et al.* (Nov. 4, 2020) [hereinafter Request]. Sabine Pass subsequently filed its certificate of service. See Email from Patrick Nevins, Counsel for Sabine Pass Liquefaction, LLC, to Service List, FE Docket Nos. 10-85-LNG, *et al.* (Jan. 29, 2021).

<sup>2</sup> For purposes of this Order, DOE/FE uses the terms “authorization” and “order” interchangeably.

<sup>3</sup> SPL’s facilities include the Liquefaction Project (Trains 1-4) and the Liquefaction Expansion Project (Trains 5-6).

<sup>4</sup> 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, 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.

<sup>5</sup> 15 U.S.C. § 717b(a). See Request at 1-2 (providing additional information about each order); see also *Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 2833-A, *et al.*, FE Docket Nos. 10-85-LNG, *et al.*, Order Extending Export Term for Authorizations to Free Trade and Non-Free Trade Agreement Nations Through December 31, 2050, at 2-3 (Oct. 28, 2020) (summarizing Sabine Pass’s long-term orders).

cubic feet per year (Bcf/yr) of natural gas to both FTA and non-FTA countries on a non-additive basis, and an additional volume equivalent to 152.64 Bcf/yr of natural gas to FTA countries (solely under DOE/FE Order No. 4520).<sup>6</sup>

Sabine Pass states that, pursuant to its reporting obligations under these orders, it has filed multiple long-term LNG sales contracts with DOE/FE.<sup>7</sup> According to Sabine Pass, “[i]n some cases, the contracts were filed specific to the [LNG] Trains that were authorized, and others were filed under all relevant DOE authorizations.”<sup>8</sup> Sabine Pass identifies 13 such contracts in Table 1 of its Request.<sup>9</sup> Sabine Pass asserts that “this complex set of orders and contract references creates a significant administrative burden and creates potential reporting error risk.”<sup>10</sup> Accordingly, now that “most of [its] facilities are online and operating,” Sabine Pass asks DOE/FE to clarify that all of its long-term LNG sales contracts are reportable under any of its existing orders for the applicable type of approval (FTA or non-FTA).<sup>11</sup>

In support of this Request, Sabine Pass states that the LNG trains at the Sabine Pass LNG Terminal share common infrastructure and are operated as a single, integrated facility. As a result, “there is no physical separation of the LNG produced by contract, nor is there a requirement in the contracts that LNG be produced by specific infrastructure ....”<sup>12</sup> Next, Sabine Pass states that its Request is consistent with a prior request for clarification that it made in 2016

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<sup>6</sup> See *Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 2833-A, *et al.*, at 3. DOE/FE notes that, in FE Docket No. 19-125-LNG, SPL has requested authority to export LNG in the same volume of 152.64 Bcf/yr to non-FTA countries on a non-additive basis. That application is pending before DOE/FE.

<sup>7</sup> Request at 2. For examples of these reporting obligations, see, e.g., *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4520, FE Docket No. 19-125-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations, at 9, 13 (Apr. 14, 2020) (Finding Paras. 6-7; Ordering Para. G).

<sup>8</sup> Request at 2.

<sup>9</sup> See *id.* at 2-3 (Table 1).

<sup>10</sup> *Id.* at 2.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

(for a subsection of its then-existing orders), which DOE/FE granted in 2017.<sup>13</sup> Finally, Sabine Pass states that it will continue to manage its reporting obligations in full compliance with its orders.<sup>14</sup>

## II. DISCUSSION

DOE/FE agrees that Sabine Pass's Request is consistent with its request granted in 2017, in which DOE/FE allowed any of Sabine Pass's "Stage 3 Orders" to be utilized in conjunction with certain sale and purchase agreements for LNG.<sup>15</sup> In that context, DOE/FE determined that the flexibility requested by Sabine Pass was "lawful and practicable," as well as consistent with "DOE's established Policy Guidelines of minimizing governmental interference in the market except as necessary to carry out its statutory mandate under the Natural Gas Act."<sup>16</sup> In particular, DOE/FE "saw no useful purpose in unnecessarily restricting SPL from conducting its business operations as it saw fit, when SPL was still bound by the volume limits and other terms and conditions of the authorizations issued to it."<sup>17</sup>

DOE/FE finds that the same reasoning applies to Sabine Pass's current Request. At this time, Sabine Pass holds nine long-term LNG export authorizations and maintains 13 long-term LNG sales contracts.<sup>18</sup> Sabine Pass is seeking greater flexibility to manage its contract reporting obligations under these orders, while reducing its administrative burdens under its current reporting structure.<sup>19</sup> The requested contract consolidation will not require operational changes

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<sup>13</sup> *Id.* at 3 (citing *Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3306-A, *et al.*, FE Docket Nos. 13-30-LNG, Order Granting Withdrawal of Filing and Request for Clarification (Oct. 31, 2017)).

<sup>14</sup> Request at 2.

<sup>15</sup> *See id.* at 3.

<sup>16</sup> *Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3306-A, *et al.*, at 5 (citing New Policy Guidelines and Delegations Order Relating to Regulation of Imported Natural Gas, 49 Fed. Reg. 6684 (Feb. 22, 1984)).

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

<sup>18</sup> *See* Request at 1-2.

<sup>19</sup> *See id.* at 2.

at the Sabine Pass LNG Terminal,<sup>20</sup> and Sabine Pass will continue to be bound by the volume limits and other terms and conditions of its authorizations. Finally, we note that no party has objected to Sabine Pass's Request. For these reasons, we grant the requested clarification.

**ORDER**

Pursuant to Section 3 of the Natural Gas Act (15 U.S.C. § 717b), it is ordered that:

A. Sabine Pass Liquefaction, LLC's Request for Clarification is granted.

B. Sabine Pass's long-term export authorizations—DOE/FE Order Nos. 2833, 2961-A, 3306, 3307, 3384, 3595, 3669, 3792, and 4520 (and the amendments to each order, as applicable)—may be utilized in conjunction with any long-term contract associated with the long-term export of LNG and any long-term supply contracts filed (or to be filed) with DOE/FE, as long as the volume and term of the contract are consistent with the scope of the authorizations.

C. This clarification issued in this Order does not alter any other obligations, rights, and responsibilities of Sabine Pass's long-term export authorizations.

Issued in Washington, D.C. on February 26, 2021.

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Amy R. Sweeney  
Director, Office of Regulation, Analysis, and Engagement  
Office of Oil and Natural Gas

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<sup>20</sup> *Id.*