



[6450-01-P]

DEPARTMENT OF ENERGY

[FE Docket No. 16-108-LNG]

Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC & FLNG Liquefaction 3, LLC; Application for Amendment to Long-Term, Multi-Contract Authorizations to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations for a Period of 20 Years

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of application.

SUMMARY: The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application, filed on August 3, 2016 (Application), by Freeport LNG Expansion, L.P. (Freeport Expansion), FLNG Liquefaction, LLC (FLIQ1), FLNG Liquefaction 2, LLC (FLIQ2) and FLNG Liquefaction 3, LLC (FLIQ3) (collectively FLEX) to amend a liquefied natural gas (LNG) export authorization permitting exports to any country that has, or in the future develops, the capacity to import LNG and with which the United States does not have a free trade agreement (FTA) requiring national treatment for trade in natural gas and with which trade is not prohibited by U.S. law or policy (non-FTA countries). Specifically, FLEX requests DOE to amend the LNG export authorization issued in DOE/FE Order Nos. 3357, 3357-A, 3357-B and 3357-C (collectively Order No. 3357) in order to allow FLEX to engage in additional long-term, multi-contract exports of domestically produced LNG in a volume up to the equivalent of 125 billion cubic feet per year (Bcf/yr) of natural gas (0.34 Bcf/day) for a period of 20 years. This additional volume of LNG is incremental to the equivalent of 146 Bcf/yr of natural gas (0.4 Bcf/day), which is the volume of LNG that FLEX is currently authorized to

export pursuant to Order No. 3357, and to the equivalent of 511 Bcf/yr of natural gas (1.4 Bcf/day), which is the volume of LNG that FLEX is currently authorized to export pursuant to DOE/FE Order Nos. 3282, 3282-A, 3282-B, and 3282-C. FLEX requests that all other terms and conditions of Order No. 3357 apply to the additional 125 Bcf/yr of LNG export authority proposed in the Application. Through the Amendment, FLEX seeks to align the authorized export volumes of LNG to non-FTA countries from the Freeport Liquefaction Project¹ (the Liquefaction Project) with the optimized increased production capacity design of the facilities approved by the Federal Energy Regulatory Commission (FERC) in FERC Docket No. CP15-518-000 of 782 Bcf/yr (2.14 Bcf/day). The Application was filed under section 3 of the Natural Gas Act (NGA). Additional details can be found in FLEX's Application, posted on the DOE/FE website at: <http://www.energy.gov/sites/prod/files/2016/08/f33/16-108-LNGapp.pdf>

Protests, motions to intervene, notices of intervention, and written comments are invited.

DATES: Protests, motions to intervene or notices of intervention, as applicable, requests for additional procedures, and written comments are to be filed using procedures detailed in the

Public Comment Procedures section no later than 4:30 p.m., Eastern time, **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES:

Electronic Filing by email:

fergas@hq.doe.gov

Regular Mail

U.S. Department of Energy (FE-34)
Office of Regulation and International Engagement

¹ The Liquefaction Project is currently under construction at the Freeport LNG Terminal on Quintana Island, Texas. The Federal Energy Regulatory Commission ("Commission" or "FERC") authorized the siting, construction and operation of the Liquefaction Project in 2014. *See Freeport LNG Development, L.P. et al.*, 148 FERC ¶ 61,076 (2014), *reh'g denied*, 149 FERC ¶ 61,119 (2014)

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Hand Delivery or Private Delivery Services (e.g., FedEx, UPS, etc.)

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FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

DOE/FE Evaluation

The Application will be reviewed pursuant to section 3(a) of the NGA, 15 U.S.C. § 717b(a), and DOE will consider any issues required by law or policy. To the extent determined to be relevant, these issues will include the domestic need for the natural gas proposed to be exported, the adequacy of domestic natural gas supply, and U.S. energy security. DOE may also consider other factors bearing on the public interest, including the impact of the

proposed exports on the U.S. economy, international considerations, and whether the authorization is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements. As part of this analysis, DOE will consider the following two studies examining the cumulative impacts of exporting domestically produced LNG:

- *Effect of Increased Levels of Liquefied Natural Gas on U.S. Energy Markets*, conducted by the U.S. Energy Information Administration upon DOE's request (2014 EIA LNG Export Study);² and
- *The Macroeconomic Impact of Increasing U.S. LNG Exports*, conducted jointly by the Center for Energy Studies at Rice University's Baker Institute for Public Policy and Oxford Economics, on behalf of DOE (2015 LNG Export Study).³

Additionally, DOE will consider the following environmental documents:

- *Addendum to Environmental Review Documents Concerning Exports of Natural Gas From the United States*, 79 FR 48132 (Aug. 15, 2014);⁴ and
- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States*, 79 FR 32260 (June 4, 2014).⁵

Parties that may oppose this Application should address these issues in their comments and/or protests, as well as other issues deemed relevant to the Application.

The National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*, requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. No final decision will be issued in this proceeding until DOE has met its environmental responsibilities.

² The 2014 EIA LNG Export Study, published on Oct. 29, 2014, is available at: <https://www.eia.gov/analysis/requests/fe/>.

³ The 2015 LNG Export Study, dated Oct. 29, 2015, is available at: http://energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports_0.pdf.

⁴ The Addendum and related documents are available at <http://energy.gov/fe/addendum-environmental-review-documents-concerning-exports-natural-gas-united-states>.

⁵ The Life Cycle Greenhouse Gas Report is available at: <http://energy.gov/fe/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states>.

Public Comment Procedures

In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Due to the complexity of the issues raised by the Applicant, interested persons will be provided 60 days from the date of publication of this Notice in which to submit comments, protests, motions to intervene, or notices of intervention.

Any person wishing to become a party to the proceeding must file a motion to intervene or notice of intervention. The filing of comments or a protest with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 CFR Part 590.

Filings may be submitted using one of the following methods: (1) e-mailing the filing to fergas@hq.doe.gov, with FE Docket No. 16-108-LNG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Regulation and International Engagement at the address listed in **ADDRESSES**; or (3) hand delivering an original and three paper copies of the filing to the Office of Regulation and International Engagement at the address listed in **ADDRESSES**. All filings must include a reference to FE Docket No. 16-108-LNG. **PLEASE NOTE:** If submitting a filing via email, please include all related documents and attachments (e.g., exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are

filed in a timely manner. Any hardcopy filing submitted greater in length than 50 pages must also include, at the time of the filing, a digital copy on disk of the entire submission.

A decisional record on the Application will be developed through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Opinion and Order may be issued based on the official record, including the Application and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316.

The Application is available for inspection and copying in the Office of Regulation and International Engagement docket room, Room 3E-042, 1000 Independence Avenue, SW., Washington, DC 20585. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

The Application and any filed protests, motions to intervene or notice of interventions, and comments will also be available electronically by going to the following DOE/FE Web address: <http://www.fe.doe.gov/programs/gasregulation/index.html>.

Issued in Washington, D.C., on September 1, 2016.

John A. Anderson
Director, Office of Regulation and International Engagement
Office of Oil and Natural Gas

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