



[6450-01-P]

DEPARTMENT OF ENERGY

[FE Docket No. 16-144-LNG]

Driftwood LNG LLC: Supplement to Application for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations for a 20-Year Period

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of Supplement.

SUMMARY: The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of a March 5, 2018 filing by Driftwood LNG LLC (Driftwood LNG), entitled “Supplement to Long-Term Authorization and Application for Long-Term Authorization” (Supplement). Previously, on September 28, 2016, Driftwood LNG filed an application (Application) in this proceeding requesting authorization to export domestically produced liquefied natural gas (LNG) from its proposed Facility in Calcasieu Parish, Louisiana, to any country 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). In relevant part, the Supplement seeks to amend the non-FTA export volume originally requested in the Application. Specifically, Driftwood LNG seeks to decrease its requested export volume to the equivalent of 1,415.3 billion cubic feet per year

(Bcf/yr) of natural gas (3.88 Bcf/day)—which Driftwood LNG states is equivalent to 27.6 million metric tons per annum (mtpa) of LNG based on its conversion factor.

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 20 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, Analysis, and Engagement
Office of Fossil Energy
P.O. Box 44375
Washington, DC 20026-4375

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

U.S. Department of Energy (FE-34)
Office of Regulation, Analysis, and Engagement
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, SW.,
Washington, DC 20585

FOR FURTHER INFORMATION CONTACT:

Larine Moore or Benjamin Nussdorf
U.S. Department of Energy (FE-34)
Office of Regulation, Analysis, and Engagement
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, SW.,
Washington, DC 20585
(202) 586-9478; (202) 586-7893

Cassandra Bernstein

U.S. Department of Energy (GC-76)
Office of the Assistant General Counsel for
Electricity and Fossil Energy
Forrestal Building
1000 Independence Avenue, SW.,
Washington, DC 20585
(202) 586-9793

SUPPLEMENTARY INFORMATION:

In its pending Application filed on September 28, 2016, Driftwood LNG sought authorization to export LNG in a volume of 26 mtpa, equivalent to 1,496.5 Bcf/yr of natural gas (4.1 Bcf/day). In this Supplement, Driftwood LNG seeks to decrease its requested export volume to the equivalent of 1,415.3 Bcf/yr of natural gas (3.88 Bcf/day). Driftwood LNG states that the grant of this Supplement will align its requested non-FTA export volume with the optimized estimated LNG production capacity of the Facility. Driftwood LNG states that, on February 15, 2018, it submitted a similar filing to the Federal Energy Regulatory Commission (Docket No. CP17-117-000) to clarify the LNG production capacity of the Facility. Driftwood LNG further asserts that no changes to the design of the Facility are required or proposed to achieve the amended production capacity.

Additional details can be found in Driftwood LNG's filing, posted on the DOE/FE website at:

<https://www.energy.gov/sites/prod/files/2018/04/f50/DWLNG16-144sup.pdf>

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

DOE/FE Evaluation

The Supplement will be reviewed in conjunction with DOE/FE's review of Driftwood LNG's pending Application pursuant to section 3(a) of the NGA, 15 U.S.C. 717b(a).¹ DOE will consider any issues required by law or policy. DOE will consider domestic need for the natural gas, as well as any other issues determined to be appropriate, including whether the arrangement 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 one or more of the following 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
- *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 and
- *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports*, conducted by NERA Economic Consulting on behalf of DOE (2018 LNG Export Study).⁴

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);⁵ and

¹ In the Supplement, Driftwood LNG also asks DOE/FE to amend its existing LNG export authorization to FTA countries. See *Driftwood LNG LLC*, DOE/FE Order No. 3968, FE Docket No. 16-144-LNG, 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 (Feb. 28, 2017). That action is not subject to this Notice, and DOE/FE will address it separately pursuant to section 3(c) of the NGA, 15 U.S.C. § 717b(c).

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 2018 LNG Export Study, dated June 7, 2018, is available at:
<https://www.energy.gov/sites/prod/files/2018/06/f52/Macroeconomic%20LNG%20Export%20Study%202018.pdf>. DOE is currently evaluating public comments received on this Study (83 FR 27314).

⁵ The Addendum and related documents are available at:
<https://www.energy.gov/sites/prod/files/2014/08/f18/Addendum.pdf>.

- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States*, 79 FR 32260 (June 4, 2014).⁶

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

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.

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. Interested persons will be provided 20 days from the date of publication of this Notice in which to submit comments, protests, motions to intervene, or notices of intervention. Because the public previously was given an opportunity to intervene in, protest, and comment on Driftwood LNG's pending Application, DOE/FE may disregard comments or protests that do not bear directly on the Supplement—specifically, Driftwood LNG's proposed decrease of its requested non-FTA export volume.

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 Supplement 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.

⁶ The Life Cycle Greenhouse Gas Report is available at: <http://energy.gov/fe/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states>.

Filings may be submitted using one of the following methods: (1) e-mailing the filing to fergas@hq.doe.gov, with FE Docket No. 16-144-LNG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Regulation, Analysis, and 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, Analysis, and Engagement at the address listed in **ADDRESSES**. All filings must include a reference to FE Docket No. 16-144-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 Supplement 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 Supplement and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316.

The Supplement is available for inspection and copying in the Office of Regulation, Analysis, and 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 Supplement 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>.

Signed in Washington, D.C., on October 26, 2018.

Amy Sweeney,
Director, Division of Natural Gas Regulation.

[FR Doc. 2018-23867 Filed: 10/31/2018 8:45 am; Publication Date: 11/1/2018]