

[6450-01-P]

DEPARTMENT OF ENERGY

[FE Docket No. 13-132-LNG]

Magnolia LNG LLC; Application for Amendment to Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations

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 for amendment (Application), filed on December 31, 2018, by Magnolia LNG LLC (Magnolia LNG). Previously, on November 30, 2016, in DOE/FE Order No. 3909, DOE/FE authorized Magnolia LNG to export domestically produced liquefied natural gas (LNG) from the proposed Magnolia LNG Terminal, to be located near Lake Charles, Calcasieu Parish, Louisiana (Magnolia LNG Terminal), 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 policies (non-FTA countries). DOE/FE Order No. 3909 authorizes Magnolia LNG to export LNG in a volume equivalent to 394.2 billion cubic feet per year (Bcf/yr) of natural gas (1.08 Bcf per day) (Bcf/d). The Application requests a “capacity increase,” *i.e.*, to increase Magnolia LNG’s approved non-FTA export volume to a total requested volume of 449 Bcf/yr (1.23 Bcf/d), which Magnolia states is equivalent to 8.8 million metric tons per annum (mtpa). Magnolia LNG states that this proposed increase will align its non-FTA export volume with the maximum LNG production for the Magnolia LNG Terminal, as requested in an application filed with the Federal Energy Regulatory Commission (FERC). 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, Analysis, and Engagement
Office of Fossil Energy
P.O. Box 44375
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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
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FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

Magnolia LNG states that, on November 19, 2018, it filed an application at FERC (FERC Docket No. CP19-19-000) requesting an increase of 0.8 mtpa in the LNG production capacity of the Magnolia LNG Terminal. Magnolia LNG states that this capacity increase is based on a refinement of its final design for the Magnolia LNG Terminal and, if approved by FERC, would increase the Terminal's total LNG production capacity from 8 mtpa to 8.8 mtpa. In this Application, Magnolia LNG is seeking to increase its total non-FTA export volume in DOE/FE Order No. 3909 to 1.23 Bcf/d of natural gas, which Magnolia LNG states is equivalent to 8.8 mtpa of LNG. Additional details can be found in Magnolia LNG's Application, posted on the DOE/FE website at:

https://fossil.energy.gov/ng_regulation/sites/default/files/programs/MagnoliaLNG_App_AMEN D12_31_18.pdf

DOE/FE Evaluation

The Application was filed under section 3 of the Natural Gas Act (NGA). This Notice applies only to the portion of the Application requesting authority to amend DOE/FE Order No. 3909 authorizing exports of LNG to non-FTA countries pursuant to section 3(a) of the Natural Gas Act (NGA), 15 USC 717b(a). DOE/FE will review Magnolia LNG's request to amend its FTA export authorizations in DOE/FE Order Nos. 3245 and 3406 separately pursuant to section 3(c) of the NGA, 15 USC 717b(c).

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 the study entitled, *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports* (2018 LNG Export Study),¹ and DOE/FE's response to public comments received on that Study.²

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);³ and
- *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States*, 79 FR 32260 (June 4, 2014).⁴

Parties that may oppose this Application should address these issues and documents 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.

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 parties 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.

¹ 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>; see also U.S. Dep't of Energy, Study on Macroeconomic Outcomes of LNG Exports; Notice of Availability of the 2018 LNG Export Study and Request for Comments, 83 FR 27314 (June 12, 2018).

² U.S. Dep't of Energy, Study on Macroeconomic Outcomes of LNG Exports: Response to Comments Received on Study; Notice of Response to Comments, 83 FR 67251 (Dec. 28, 2018).

³ The Addendum and related documents are available at: <http://energy.gov/fe/draft-addendum-environmental-review-documents-concerning-exports-natural-gas-united-states>.

⁴ The Life Cycle Greenhouse Gas Report is available at: <http://energy.gov/fe/life-cycle-greenhouse-gas-perspective-exporting-liquefied-natural-gas-united-states>.

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. 13-132-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. 13-132-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, 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 Application and any filed protests, motions to intervene, notices 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 January 28, 2019.

Amy Sweeney
Director, Division of Natural Gas
Office of Fossil Energy

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