

July 21, 2014

Submitted by Northeast Energy Solutions (“NEES”):

RE: Proposed Procedures for LNG Export Decisions

NEES Comments: Benchmark British gas prices for delivery next month have almost halved this year. Despite this slowing global natural gas market, industry continues to seek expansion of LNG exports, including from Canada. To wit, Tennessee Gas Pipeline Company, L.L.C., a subsidiary of Kinder Morgan Energy Partners, L.P., has suggested that its proposed Northeast Energy Direct Project will be used to transport natural gas to Canada. Presumably, this would be for reason of export to Europe. This is important to keep in mind as the Energy Department contemplates adding an extra layer of compliance on exports not contemplating use of a new or modified LNG facility. DOE's proposed rule will not fully address market or any regulatory redundancy concerns among federal agencies. In fact, Energy's proposal may merely serve to divert U.S. produced gas from domestic ports to those in Canada and elsewhere. Thus, instead of adding more U.S. control over exports to any particular policy end, DOE's proposed rules will encourage circumvention of U.S. regulations. As such, the proposed new rule may not be a positive step towards responsibly exporting America's supply of natural gas. For further consideration, causing exporters to seek non-domestic ports will cost hundreds of well-paying U.S. based jobs. While we understand DOE's overarching rationale for the proposed change, it is important for the DOE to understand that it will likely encourage companies to find alternative exports locations and, potentially, increase avoidable pipeline construction in the United States. Therefore, in order to eliminate any potential unintended consequence of the proposed rules, we suggest that the Department of Energy consider the economic and environmental impact the proposed rules may have in terms of causing an increase in gas exports from non-U.S. LNG terminals.

Respectfully,

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