

**UNITED STATES OF AMERICA
BEFORE THE
DEPARTMENT OF ENERGY/OFFICE OF FOSSIL ENERGY**

Sabine Pass Liquefaction, LLC, et al.)	FE Docket No. 10-111-LNG
)	
Golden Pass LNG Terminal LLC)	FE Docket No. 12-156-LNG

**COMMENTS OF GOLDEN PASS LNG TERMINAL LLC
ON PROPOSED POLICY STATEMENT**

Pursuant to the Notice of Proposed Policy Statement and Request for Comments issued by the Office of Fossil Energy, Department of Energy (“DOE”) published in the *Federal Register* on February 11, 2020,¹ Golden Pass LNG Terminal LLC hereby submits the following limited Comments regarding DOE’s proposal to extend the standard 20-year term for authorizations to export gas from the lower-48 states to countries 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”). GPLNG generally supports the proposed policy. GPLNG files these limited Comments to request that DOE clarify that it does not intend to establish a maximum daily rate of export for existing or future non-FTA authorizations.

COMMUNICATIONS

Golden Pass LNG requests that correspondence and communications regarding this Application be directed to the following persons:

¹ *Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050*, 85 *Fed. Reg.* 7672 (February 11, 2020)(“Proposed Policy Statement”).

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BACKGROUND

The Proposed Policy Statement would allow for the extension of the standard 20-year term for natural gas exports from the lower-48 states, including LNG exports, as well as exports of compressed natural gas and compressed natural gas liquid, to non-FTA countries. Specifically, the Proposed Policy Statement would permit existing non-FTA authorization holders to amend their current non-FTA authorizations or pending applications to extend the export term through December 31, 2050, on a voluntary opt-in basis, inclusive of any make-up export period. In addition, the DOE/FE would issue all future non-FTA export authorizations with a standard export term lasting through December 31, 2050, unless the applicant requested a shorter term.

The DOE/FE has issued Golden Pass LNG authorizations pursuant to Section 3 of the Natural Gas Act (“NGA”)² for long-term exports of liquefied natural gas (“LNG”) both to FTA and non-FTA countries. Golden Pass LNG’s non-FTA export proceeding is included in the caption of the Proposed Policy Statement.³ Of particular relevance to these Comments, on April 25, 2017, DOE/FE Order No. 3978 granted Golden Pass LNG authorization to export natural gas as LNG to non-FTA countries for a twenty-year term commencing no later than seven years from issuance of the order.⁴ The authorized volume permitted under the order is equivalent to approximately 808 billion cubic feet per year (“Bcf/yr”) of natural gas, not to exceed 15.6 metric tons per annum (“MTPA”) of LNG.⁵ The Golden Pass LNG export terminal facilities are currently under construction near Sabine Pass, Texas.

On October 28, 2019, Golden Pass LNG requested that the DOE/FE modify the terms of the non-FTA authorization to extend the deadline for commencement of commercial LNG export operations from April 25, 2024, until September 30, 2025. GPLNG presently anticipates commencement of commercial exports in 2024, but requested the extension of the deadline due to

² 15 U.S.C. § 717b. The authority to regulate imports and exports of natural gas, including LNG, has been delegated to the Assistant Secretary for Fossil Energy in Redelegation Order No. 00–002.04G issued on June 4, 2019.

³ *Golden Pass Products LLC*, FE Docket No. 12-88-LNG (DOE/FE Order No. 3147) (September 27, 2012). Order No. 3147 authorized Golden Pass Products, LLC (“GPP”) to export 740 billion cubic feet (“Bcf”) per year (“Bcf/yr”) of LNG to FTA countries. *Golden Pass Products LLC*, FE Docket No. 12-156-LNG (DOE/FE Order No. 3978) (April 25, 2017). Order No. 3978 authorized Golden Pass LNG to export 808 Bcf/yr to non-FTA countries. By order issued March 4, 2020, the DOE/FE authorized the transfer of these authorizations from GPP to Golden Pass LNG. For ease of reference, this Request will refer to both GPP and Golden Pass LNG as “GPLNG.”

⁴ Ordering Paragraph (D) of Order No. 3978 requires that “GPP [now Golden Pass LNG] must commence export operations using the planned liquefaction facilities no later than seven years from the date of issuance of this Order.” Thus, the deadline required by the Order for commencement of commercial exports is April 25, 2024

⁵ DOE/FE Order No. 3978 at p. 173 (Ordering Paragraph A).

delays in receiving its authorizations and to allow for potential delays. Golden Pass LNG's extension request is currently pending before the DOE/FE.

COMMENTS

Golden Pass LNG supports the Proposed Policy Statement. Golden Pass LNG is a member of the Center for LNG, and supports the CLNG's Comments on the Proposal filed contemporaneously with these Comments. Golden Pass LNG's non-FTA export application filed October 26, 2012, had requested a twenty-five-year export term, but in Order No. 3978, the DOE/FE imposed the standard 20-year term. Golden Pass LNG respectfully submits that the record in its proceeding supports a term longer than the 20-year term original granted, and believes the extension provided for in the Proposed Policy Statement is amply supported by that record and the additional DOE/FE studies cited and discussed in the Proposal.⁶

Golden Pass LNG is submitting these separate Comments to request clarification that the Proposed Policy Statement is not intended to modify any other terms of the LNG export authorizations granted to date. In particular, Golden Pass LNG requests that the DOE/FE clarify that neither its previous non-FTA authorizations nor the Proposed Policy Statement are intended to impose a quantity limit on **daily** LNG exports. The DOE/FE stated its export quantity authorization to Golden Pass LNG as an annual quantity of 808 Bcf, not a daily quantity.

Golden Pass LNG's concern arises from the following statement in the Proposed Policy Statement:

A proposed change in export terms through the year 2050 would not alter the **maximum daily rate** of export currently approved under

⁶ Golden Pass LNG currently anticipates commencement of LNG exports in 2024. Thus, its currently effective 20-year export authorization would expire in 2044, but allow for a three-year make-up period ending in 2027. The Proposed Policy Statement would extend the primary term of GPLNG's authorization by approximately three years until December 31, 2047, with allowance for a three-year make-up period ending on December 31, 2050.

each existing non-FTA authorization. The **maximum daily rate** of export, set in billion cubic feet per day (Bcf/d), is already based on each facility's maximum approved liquefaction production capacity as set by the agency approving the siting and construction of the facility—either the Federal Energy Regulatory Commission or the U.S. Maritime Administration (*see supra* note 9).

85 *Fed. Reg.* 7679 (emphasis added). In contrast, in Order No. 3978, the DOE/FE stated GPLNG's authorization as an annual quantity:

GPP is authorized to export **this LNG in a volume equivalent to 808 Bcf/yr of natural gas (not to exceed the 15.6 mtpa of LNG approved by FERC in its December 21, 2016 Order)** on its own behalf and as agent for other entities that hold title to the natural gas, pursuant to one or more long-term contracts (a contract greater than two years).

DOE/FE Order No. 3978 at p. 173 (Ordering Paragraph A)(emphasis added). Thus, the DOE/FE authorized Golden Pass LNG to export up to 808 Bcf per year. The order does not purport to impose a “maximum daily rate.” Golden Pass LNG's application filed October 26, 2012, stated that its requested annual export quantity, adding that the requested quantity “would equate to an annual average daily quantity of approximately 2.0 Bcf . . . and **a daily peak of 2.6 Bcf of natural gas equivalent.**”⁷ Order No. 3978 does not address the 2.6 Bcf/d daily peak quantity, and does not impose that or any other quantity as a daily maximum rate.

The Proposed Policy Statement focuses on extending the term (duration) of non-FTA authorizations. It does not purport to adopt a new policy placing daily quantity limits on LNG

⁷ Application of Golden Pass Products LLC (now Golden Pass LNG) for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries, filed October 26, 2012, in FE Docket No. 12-156-LNG at p. 1 fn. 3 (emphasis added). In Order No. 3978, DOE/FE used a different conversion factor than the conversion factor used in the application, resulting in a higher export volume, thereby authorizing Golden Pass LNG “to export LNG from the [Golden Pass LNG] Export Project . . . in a volume equivalent to approximately 808 Bcf/yr of natural gas (2.21 Bcf/d), not to exceed the 15.6 mtpa of LNG approved by the FERC. . . .” Order No. 3978 does not state the 2.21 Bcf/d as a “maximum daily rate,” and refers to the daily quantity parenthetically in relation to the annual authorized quantity. Order No. 3978 at pp. 1-2.

exports. Such a maximum daily rate would be impracticable, given the varied capacity of LNG tankers, many of which can transport well in excess of 3 Bcf in a single cargo.⁸ A maximum daily rate of 2.21 Bcf, which was stated in Order No. 3978 (not in the ordering paragraph, quoted above) as daily averages, not caps, would simply be unworkable. Based on DOE/FE's use of the phrase "maximum daily rate" in the Proposed Policy Statement, however, Golden Pass LNG out of an abundance of caution requests that DOE/FE clarify in the final Policy Statement that it did not intend to modify existing non-FTA authorizations by establishing a maximum daily rate for lower-48 LNG exports.

WHEREFORE, for the foregoing reasons, Golden Pass LNG respectfully requests that the DOE/FE clarify in the final Policy Statement adopted in this proceeding that it is not modifying any non-FTA export authorization to impose a maximum daily rate or quantity limit on LNG exports from the lower-48.

Respectfully Submitted,

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⁸ DOE/FE, LNG Monthly, February 2020, Vessel-Borne Exports Of Domestically-Produced Liquefied Natural Gas, pp. 9 – 29 (listing individual cargoes with volumes stated in thousand cubic feet (Mcf)).