

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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SABINE PASS LIQUEFACTION, LLC ) FE DOCKET NO. 10-111-LNG  
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ORDER AMENDING DOE/FE ORDER NOS. 2961-A AND 2961-B

DOE/FE ORDER NO. 2961-C

MAY 4, 2016

## I. BACKGROUND

In 2010, Sabine Pass Liquefaction, LLC (Sabine Pass) filed an application with the Department of Energy, Office of Fossil Energy (DOE/FE), requesting long-term authorization to export liquefied natural gas to nations with which the United States does not have a free trade agreement (FTA) providing for national treatment for trade in natural gas (non-FTA countries).<sup>1</sup>

On May 20, 2011, DOE/FE issued Order No. 2961, granting the non-FTA application subject to a condition requiring satisfactory completion of environmental review (environmental condition).<sup>2</sup> In that order, DOE/FE authorized Sabine Pass to export domestically produced LNG by vessel from the Sabine Pass LNG Terminal to non-FTA countries up to the equivalent of 803 billion cubic feet per year (Bcf/yr) of natural gas for a term of 20 years to commence on the earlier of the date of first export or five years from the date of the issuance of the conditional authorization. DOE/FE Order No. 2961 additionally provided that export operations must commence no later than seven years from that order's date of issuance.<sup>3</sup>

On August 7, 2012, DOE/FE issued Order No. 2961-A, a final opinion and order in the same proceeding, finding that the environmental condition in Order No. 2961 had been met and finally granting Sabine Pass authority to export domestically produced LNG by vessel from the Sabine Pass LNG Terminal to non-FTA countries.<sup>4</sup> Order No. 2961-A restated the 20-year term contained in the conditional authorization and further provided that export operations must

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<sup>1</sup> See Sabine Pass Liquefaction, Application for Long-Term Authorization to Export Liquefied Natural Gas, 75 Fed. Reg. 62512 (Oct. 12, 2010) (FE Docket No. 10-111-LNG).

<sup>2</sup> *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961, Order Conditionally Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Sabine Pass LNG Terminal to Non-Free Trade Agreement Nations (May 20, 2011) [hereinafter *Conditional Order*].

<sup>3</sup> See *id.* at 43 (Ordering Par. C).

<sup>4</sup> See *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961-A, Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel From the Sabine Pass LNG Terminal to Non-Free Trade Agreement Nations (Aug. 7, 2012) [hereinafter *Final Order*].

commence no later than seven years from the conditional order's date of issuance, thereby restating the commencement of the seven year period provided in Order No. 2961.<sup>5</sup>

On January 25, 2013, DOE/FE Issued Order No. 2961-B, dismissing a request for rehearing of Order No. 2961-A and dismissing a motion for stay pendente lite.<sup>6</sup>

On October 29, 2015, Sabine Pass filed a "Request for Amendment to Authorizations to Provide for a Make-Up Period" (Request) in FE Docket No. 10-111-LNG, in which it asked DOE/FE to amend Order Nos. 2961-A and 2961-B to provide for a make-up period during which Sabine Pass will be permitted to continue exporting LNG from Trains 1 through 4 at the Sabine Pass LNG Terminal for a total of three years following the end of the 20-year term established by DOE/FE Order Nos. 2961-A and 2961-B. In the Request, Sabine Pass states that it will export LNG volumes that it was unable to export during the original export period, up to the total volume authorized for export by DOE/FE Order Nos. 2961-A and 2961-B, as may be amended. No party to these proceedings opposed a grant of the Request.

## **II. FINDINGS**

Upon consideration, DOE/FE finds good cause for amending the terms of the final authorizations issued in DOE/FE Order Nos. 2961-A and 2961-B in the following respects:

(1) Sabine Pass will be permitted to continue exporting for a total of three years following the end of the 20-year terms established in DOE/FE Order Nos. 2961-A and 2961-B (Make-Up Period)<sup>7</sup>, solely to export any Make-Up Volume<sup>8</sup> that it was unable to export during

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<sup>5</sup> See *id.* at 29 (Ordering Par. C).

<sup>6</sup> See *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961-B, Order Denying Request for Rehearing of Order Denying Motion for Late Intervention Dismissing Request for Rehearing of Order No. 2961-A and Dismissing Motion for Stay Pendente Lite (Jan. 25, 2013) [hereinafter *Rehearing Order*].

<sup>7</sup> For purposes of this order, we define "Make-Up Period" to mean the three-year period following the 20-year export term authorized by DOE/FE, during which the Make-up Volume may be exported.

<sup>8</sup> For purposes of this order, we define "Make-Up Volume(s)" to mean the difference between the authorized LNG export volume and the actual LNG export volume during the 20-year export term authorized by DOE/FE.

the original export period. We note that permitting exports of this Make-Up Volume is unopposed and is consistent with DOE/FE's treatment of authorization holders in DOE/FE Order No. 3792 which authorized the export of an additional 203 Bcf/yr from Trains 1 through 4 and other non-FTA LNG export proceedings.<sup>9</sup>

(2) Total exports under Sabine Pass' orders for non-FTA countries in DOE/FE Order Nos. 2961-A and 2961-B may not exceed the aggregate annual volume authorized in those orders multiplied by 20 years. In total, the aggregate volume authorized for export under DOE/FE Order Nos. 2961-A and 2961-B over the 20-year term is 16,060 Bcf.

(3) The three-year Make-Up Period does not affect or modify the total volume of LNG authorized for export by Sabine Pass to non-FTA nations from Trains 1-4 at the Sabine Pass LNG Terminal, including the authorizations issued in DOE/FE Order Nos. 2961-A, 2961-B, and 3792. Insofar as Sabine Pass may seek to export additional volumes not previously authorized for export, it will be required to obtain appropriate new authorization from DOE/FE.

### **ORDER**

Pursuant to section 3 of the Natural Gas Act, 15 U.S.C. § 717b, it is ordered that:

A. Sabine Pass may continue exporting for a total of three years following the end of the 20-year export term established in DOE/FE Order Nos. 2961-A and 2961-B, solely to export any Make-Up Volume that it was unable to export during the original export period.

B. The three-year Make-Up Period allowing the export of Make-Up Volumes pursuant to this Order does not affect or modify the total volume of LNG authorized for export in

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<sup>9</sup> *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3792, Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations, issued March 11, 2016, at 193; and *Freeport Expansion, L.P., et al*, DOE/FE Order Nos. 3282-B and 3357-A, Order Amending DOE/FE Order Nos. 3282 and 3357 (June 6, 2014).

any of Sabine Pass' LNG export orders from Trains 1-4 at the Sabine Pass LNG Terminal. Therefore, this Make-Up Volume is additive to make-up volumes authorized for export by Sabine Pass in DOE/FE Order No. 3792. In total, the aggregate volume authorized for export under DOE/FE Order Nos. 2961-A and 2961-B is 16,060 Bcf, and the total volume authorized for export under DOE/FE Order No. 3792 is an additional 4,060 Bcf.

C. Insofar as Sabine Pass may seek to export volumes not previously authorized for export, it will be required to obtain appropriate authorization from DOE/FE.

Issued in Washington, D.C., on May 4, 2016.

A handwritten signature in black ink, appearing to read "John A. Anderson", written over a horizontal line.

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