

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

ENI USA GAS MARKETING LLC)
_____)

FE DOCKET NO. 10-152-LNG

**ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS**

DOE/FE OPINION NO. 2923

MARCH 3, 2011

I. SUMMARY

Following an examination of all record evidence in this proceeding in conformity with the requirements of section 3 of the Natural Gas Act, 15 USC 717b, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) (NGA); applicable regulations, 10 CFR part 590 (2008); and applicable delegations and redelegations of authority,¹ the Office of Fossil Energy (FE) of the Department of Energy (DOE) is herein granting the November 30, 2010, application of Eni USA Gas Marketing LLC (Eni USA).

The authorization permits Eni USA to export liquefied natural gas (LNG) that previously had been imported from foreign sources, in an amount up to the equivalent of 100 billion cubic feet (Bcf) of natural gas on a cumulative basis over a two-year period commencing on March 3, 2011. Eni USA is authorized to export this LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. This authorization permits such exports on a short-term or spot market basis from the Cameron LNG Terminal (the Cameron Terminal), owned by Cameron LNG, LLC, in Cameron Parish, Louisiana. The authorization provided by this Order will not permit the export of domestically produced LNG.

II. PROCEDURAL HISTORY

Eni USA filed the “Application for Blanket Authorization to Export Liquefied Natural Gas on a Short-Term Basis” (Application) with FE on November 30, 2010. The Application was submitted pursuant to section 3 of the NGA² and part 590 of DOE’s regulations.

¹ See, DOE Delegation Order No. 00-002.001 (Nov. 10, 2009) and DOE Redelegation Order No. 00-002.04D (Nov. 6, 2007).

² The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. §717b) has been delegated to the Assistant Secretary for FE in Redelegation Order No. 00-002.04D issued on November 6, 2007

On January 12, 2011, DOE/FE published a Notice of Application (Notice) in the Federal Register. 76 FR 2093. The Notice stated that comments, protests, motions and notices to intervene, and requests for additional procedures would be due no later than February 11, 2011.

FE received no filings in response to this notice.

III. BACKGROUND

Eni USA is a Delaware limited liability company with its principal place of business in Houston, Texas, and is a wholly-owned subsidiary of Eni Petroleum Co. Inc., a Delaware corporation.

Eni USA is engaged in the business of purchasing and marketing supplies of natural gas and LNG. Eni USA is a customer of Cameron Terminal in Cameron Parish, Louisiana. Pursuant to DOE/FE Opinion and Order No. 2786, Eni USA presently holds blanket authority to import LNG from various international sources up to a combined total of the equivalent of 400 Bcf of natural gas pursuant to transactions that have terms of no longer than two years. The authorization is effective for a two year term extending through May 11, 2012.

Current Application

In the instant unopposed application, Eni USA is seeking blanket authorization no later than March 1, 2011, to export LNG from the Cameron Terminal that has been previously imported from foreign sources, to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law, over a two-year period, in an amount up to the equivalent of 100 Bcf of natural gas.

IV. DECISION

A. Standard of Review

Pursuant to the transfer of authorities under sections 301(b) and 402 of the DOE Organization Act, 42 USC 7151(b) and 42 USC 7172, DOE/FE is responsible for evaluating the instant application under section 3 of the NGA. Section 3(a) provides:

[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless after opportunity for hearing, [he] finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by [the Secretary's] order grant such application, in whole or part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate.

15 USC 717b(a).

In evaluating an export application under section 3, FE applies the principles described in DOE Delegation Order No. 0204-111, which focuses primarily on domestic need for the gas to be exported, as described in the Secretary's natural gas policy guidelines,³ and any other matters determined to be appropriate to a determination of the public interest. In addition, 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.

B. Domestic Need

The instant application involves a request for authorization to export LNG that was not produced in the United States. Accordingly, exporting the gas necessarily could not reduce the availability of domestically produced gas. On the other hand, exporting previously imported LNG will still affect the domestic market because, for a two-year period, the exports will reduce the volume of natural gas potentially available for domestic consumption.

³ See 49 FR 6684, February 22, 1984.

DOE/FE has issued recent blanket authorizations to export previously imported LNG⁴ and in each case cited evidence of record that indicates United States consumers presently have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG that the applicant sought to export. I take administrative notice of such evidence and observe that there has been no change in the market analysis and evidence of record since the issuance of *Dow Chemical Company*, in DOE/FE Order No. 2859.⁵ In addition, I note that no interested person intervened in this proceeding or otherwise challenged Eni USA's assertions of sufficient supplies to meet domestic demand if the application is granted.

C. **Other Public Interest Considerations**

Domestic need is the only explicit public interest consideration identified by DOE in Delegation Order No. 0204-111. However, consistent with DOE's Guidelines and applicable precedent, *e.g.*, Order No. 1473, the Department considers the potential effects of proposed exports on other aspects of the public interest. The other considerations in this case include the environment.

The Environment

NEPA requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. In the Application, Eni USA states that no new facilities (or modifications to any existing facilities) at the Cameron Terminal would be required for Eni USA to export LNG from that facility. Eni USA states that exports of LNG from the Cameron Terminal also would

⁴ *Chevron U.S.A. Inc.*, DOE/FE Order No. 2888 (December 8, 2010); *Sempra LNG Marketing, LLC*, DOE/FE Order No. 2885 (December 3, 2010); *Dow Chemical Company*, DOE/FE Order No. 2859 (October 5, 2010); *Cheniere Marketing, LLC*, DOE/FE Order No. 2795 (June 1, 2010); *Freeport LNG Development, L.P.*, DOE/FE Order No. 2644-B (May 11, 2010); *ConocoPhillips Company*, DOE/FE Order No. 2731 (November 30, 2009).

⁵ *Dow Chemical Company*, DOE/FE Order No. 2859 (October 5, 2010), at 4 through 6 provides a discussion of relevant records discussing domestic need for previously imported LNG that are applicable to this application.

not increase the number of LNG carriers that the Cameron Terminal is designed and authorized to accommodate. As noted, no person has submitted contrary information. Under these circumstances, DOE's NEPA procedures provide for a categorical exclusion for which neither an environmental assessment (EA) nor an environmental impact statement (EIS) is required.⁶ Accordingly, DOE issued a Categorical Exclusion Determination, dated January 19, 2011, which found that the Eni USA proposed action is categorically excluded from further NEPA review.

ENI USA's Application states that the owner of the Cameron Terminal, Cameron LNG, LLC, had filed an application before the Federal Energy Regulatory Commission (FERC) seeking authority to provide LNG export services at the Cameron Terminal. DOE/FE takes note that on March 1, 2011, the FERC issued a letter order granting Cameron LNG's request to commence LNG re-export operations from the Cameron Terminal.⁷ Accordingly, I find that no further conditions are required by DOE/FE.

D. Effective Date of Order

The requested authorization will be effective upon issuance of this Order.

E. Conclusion

After due consideration based on all facts and evidence of record, I find that a grant of the export application is not inconsistent with the public interest. In particular, the record shows there is sufficient supply of natural gas to satisfy domestic demand from multiple other sources at competitive prices without drawing on the previously imported LNG which Eni USA seeks to

⁶ "Approval of new authorization or amendment of existing authorization to import/export natural gas under section 3 of the Natural Gas Act that does not involve new construction and only requires operational changes, such as an increase in natural gas throughput, change in transportation, or change in storage operations." 10 CFR Part 1021.410 Appendix B to Subpart D of Part 1021, Categorical Exclusions in B5.

⁷ *Cameron LNG, LLC*, FERC Docket No. CP10-496-000, letter order dated March 1, 2011. See also, *Order Amending Section 3 Authorizations* (issued January 20, 2011) in the same FERC docket.

export through the authorization timeframe; and this application falls under a DOE categorical exclusion such that no new EA or EIS will be required. Therefore, I will grant the application.

ORDER

Pursuant to section 3 of the Natural Gas Act, and for the reasons set forth above, it is ordered that:

A. Eni USA is authorized to export LNG that previously had been imported from foreign sources in an amount up to the equivalent of 100 Bcf of natural gas pursuant to transactions that have terms of no longer than two years. The authorization shall be effective for a two-year term beginning on March 3, 2011, and extending through March 2, 2013.

B. This LNG may be exported from the Cameron Terminal to any country with the capacity to import ocean-going LNG carriers and with which trade is not prohibited by U.S. law or policy.

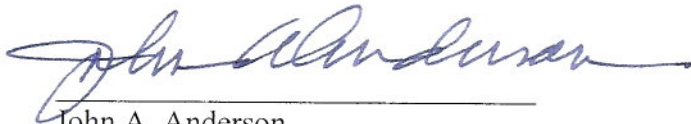
C. Monthly Reports: With respect to the export of LNG authorized by this Order, Eni USA shall file with the Office of Natural Gas Regulatory Activities, within 30 days following the last day of each calendar month, a report indicating whether exports of LNG have been made. Monthly reports must be filed whether or not initial deliveries have begun. If no exports have been made, a report of "no activity" for that month must be filed. If exports of LNG have occurred, the report must give the following details of each LNG cargo: (1) the name of the U.S. export terminal; (2) the name of the LNG tanker; (3) the date of departure from the U.S. export terminal; (4) the country of destination; (5) the name of the supplier/seller; (6) the volume in thousand cubic feet (Mcf); (7) the price at point of export (free on board, FOB) per million British thermal units (MMBtu); (8) the duration of the supply agreement (indicate spot sales); and (9) the name(s) of the purchaser(s).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

D. The first monthly report required by this Order is due not later than April 30, 2011, and should cover the reporting period from March 3, 2011 through March 31, 2011.

E. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Natural Gas Regulatory Activities, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Ms. Yvonne Caudillo. Alternatively, reports may be e-mailed to Ms. Caudillo at Yvonne.caudillo@hq.doe.gov or ngreports@hq.doe.gov, or may be faxed to Ms. Caudillo at (202) 586-6050.

Issued in Washington, D.C., on March 3, 2011.

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

John A. Anderson
Manager, Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy