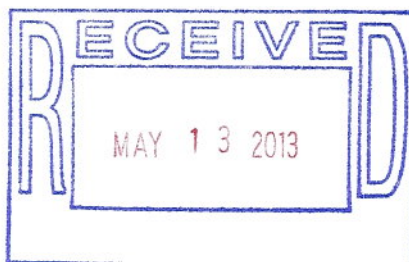


May 13, 2013

BY HAND DELIVERY

Mr. John Anderson
Office of Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
1000 Independence Avenue, S.W.
Washington, D.C. 20585



Re: Venture Global LNG, LLC
Application for Long-Term Authorization to
Export Liquefied Natural Gas to Free Trade Agreement
and Non-Free Trade Agreement Countries
FE Docket No. 13-~~69~~-LNG

Dear Mr. Anderson:

Venture Global LNG, LLC (“Venture Global”) hereby submits for filing with the U.S. Department of Energy, Office of Fossil Energy (“DOE/FE”), one original and three copies of an application (“Application”) for long-term, multi-contract authorization to export liquefied natural gas (“LNG”). In this Application, Venture Global is seeking authority to export domestically produced and previously imported LNG up to five million (5,000,000) metric tons per annum (equivalent to approximately 243.6 billion cubic feet (“Bcf”) of natural gas per year) over a twenty-five year period, commencing on the earlier of the date of first export or eight years from the date the requested authorization is granted.

The requested export authority would permit Venture Global to export LNG to any country which has, or in the future develops, the capacity to import LNG via ocean-going carriers (either directly or by use of LNG containers transported on ocean-going carriers) and either (1) with which the United States has, or in the future will have, a Free Trade Agreement requiring national treatment for trade in natural gas or (2) with which the United States does not have such an FTA and with which trade is not prohibited by United States law or policy. Consistent with the different standards under Section 3 of the NGA applicable to exports to FTA and non-FTA countries, Venture Global requests that DOE/FE issue two separate orders authorizing exports, first, to FTA countries and, second, to non-FTA countries.

Pursuant to 10 C.F.R. § 590.103(c), a signed opinion of legal counsel is attached hereto in Appendix B. Additionally, a check in the amount of \$50.00 is enclosed in payment of the applicable filing fee as stipulated by 10 C.F.R. § 590.207.

Mr. John Anderson

May 13, 2013

Page 2

Please contact me if you have any questions regarding this application, and thank you for your prompt attention to this matter.

Respectfully submitted,



J. Patrick Nevins

Hogan Lovells US LLP

Partner

patrick.nevins@hoganlovells.com

D (202) 637-6441

Counsel to Venture Global LNG, LLC

Enclosures

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

In the Matter of:

Venture Global LNG, LLC

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)
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Docket No. 13 - 68 - LNG

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Filed: May 13, 2013

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

In the Matter of:

Venture Global LNG, LLC

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)
)

Docket No. 13-~~69~~LNG

**APPLICATION FOR LONG-TERM BLANKET AUTHORIZATION TO
EXPORT LIQUEFIED NATURAL GAS TO
FREE TRADE AND NON-FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the Department of Energy’s (“DOE”) regulations,² Venture Global LNG, LLC (“Venture Global”) hereby submits for filing an application (“Application”) to the DOE Office of Fossil Energy (“DOE/FE”) for long-term, multi-contract authority to export domestically produced and previously imported liquefied natural gas (“LNG”) up to a total of five million (5,000,000) metric tons per annum (equivalent to approximately 243.6 billion cubic feet (“Bcf”) of natural gas per year)³ over a twenty-five year period, commencing on the earlier of the date of first export or eight years from the date the requested authorization is granted.

Venture Global requests this export authorization in conjunction with its plan to develop, own and operate the Venture Global LNG Project (“Project”), a mid-scale natural gas liquefaction and LNG export terminal to be located along the Calcasieu Ship Channel in Cameron Parish, Louisiana. The location of the Project site is identified on Appendix C hereto.

¹ 15 U.S.C. § 717b (2006). Authority to regulate the import and export of natural gas under the Section 3 has been delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04D (Nov. 6, 2007) and Redelegation Order No. 00-002.04E (April 29, 2011).

² 10 C.F.R. § 590 (2012).

³ Section 590.202(b)(1) of the DOE’s regulations requires that applications for export authority state the volumes of natural gas involved in either Mcf or Bcf and their Bcf equivalents.

Venture Global has executed an agreement for the exclusive right to lease approximately sixty-nine (69) acres for the Project site.⁴ Venture Global is requesting this authorization on behalf of itself and as agent for its contract parties and other entities who themselves may hold title to the LNG at the time of export.

Venture Global requests the subject export authorization so that it can export domestically produced LNG to any country which has, or in the future develops, the capacity to import LNG via ocean-going carriers (either directly or by use of LNG containers transported on ocean-going carriers) with which the United States either (1) has a Free Trade Agreement (“FTA”) requiring national treatment for trade in natural gas⁵ or (2) does not have such a FTA but with which trade is not prohibited by United States law or policy. Consistent with the different standards under Section 3 of the NGA applicable to exports to FTA and non-FTA countries,⁶ Venture Global requests that DOE/FE issue two separate orders authorizing exports, first, to FTA countries and, second, to non-FTA countries. Venture Global requests authority to export the same five million (5,000,000) metric tons per annum of LNG (or approximately 243.6 Bcf of natural gas per year) addressed herein to both FTA and non-FTA countries: that is, the two requested authorizations for such quantities are *not* additive.

⁴ The Project site lease agreement is attached hereto, in redacted form, as Appendix D.

⁵ The U.S. currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Columbia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. Venture Global expressly requests that its authorization include any additional nation which DOE subsequently identifies publicly as having entered into a free trade agreement providing for national treatment for trade in natural gas, provided that the destination nation has the capacity to import LNG.

⁶ NGA Section 3(c) provides that the export of natural gas to a nation with which there is in effect a FTA requiring national treatment for trade in natural gas shall be deemed to be consistent with the public interest and requires that such applications be granted without modification or delay. Section 3(a) provides that applications to export LNG to non-FTA countries shall be authorized unless the Secretary for the DOE finds that the proposed exportation will not be consistent with the public interest. Such exports are presumptively in the public interest and that presumption can be overcome only through an affirmative demonstration that the proposed exportation is inconsistent with the public interest. See *Sabine Pass Liquefaction, LLC*, FE Docket 10-11-LNG, Opinion and Order Denying Request for Review Under Section 3(c) of the NGA (Oct. 21, 2010).

In support of this Application, Venture Global respectfully states the following:

I. DESCRIPTION OF THE APPLICANT

The exact legal name of Venture Global is Venture Global LNG, LLC. Venture Global is a limited liability company organized under the laws of the State of Delaware. Venture Global's principal place of business is located at 1101 30th Street, N.W., Suite 500, Washington, DC 20007. Venture Global is wholly owned by its sole member, Venture Global Partners, LLC ("VGP"), which in turn is fifty percent owned and controlled by each of Robert B. Pender and Michael A. Sabel ("Principals").

VGP and its affiliates, including Venture Global, seek to improve people's lives in developing nations by structuring commercially sustainable projects that increase energy availability, lower power costs and reduce carbon emissions and other pollutants. In particular, VGP and its affiliates, including Venture Global, are working to develop LNG liquefaction, export, import, storage, and re-gasification terminals, converting existing heavy fuel oil ("HFO") and diesel power generation to natural gas-fired generation, as well as to develop new natural gas-fired power generation, in developing nations. With the exception of its parent, VGP, and its affiliate, Venture Global Power, LLC,⁷ Venture Global is not currently affiliated with any other energy company or governmental organization.

⁷ Venture Global Power, LLC is an affiliate of VGP and Venture Global, and is majority owned and controlled by the Principals. Venture Global Power, LLC is also involved in developing LNG facilities.

II. CORRESPONDENCE AND COMMUNICATIONS

All correspondence and communications concerning this application should be addressed to the following persons:

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III. AUTHORIZATION REQUESTED

Venture Global requests long-term, multi-contract authority to export domestically produced and previously imported LNG of up to five million (5,000,000) metric tons per annum (equivalent to approximately 243.6 Bcf of natural gas per year) for a period of 25 years commencing on the earlier of the date of first export or eight years from the date the requested authorization is granted by DOE/FE.⁸ Venture Global proposes to export LNG from the Project's proposed liquefaction facilities and terminal, presently under development by Venture Global at its approximately 69 acre site at the entrance of the Calcasieu Ship Channel in Cameron Parish in Southwest Louisiana. Venture Global requests the issuance of separate orders authorizing exports (1) to any country which has, or in the future develops, the capacity to import LNG via ocean-going carriers (either directly or by use of approved LNG containers transported on ocean-going carriers) and with which the U.S. has, or in the future enters into, an FTA

⁸ In prior orders approving LNG export authorizations to FTA countries, the DOE/FE similarly has provided for the authorization to commence on the date of first exports or eight years or more after issuance of the authorization. See *Lake Charles Exports, LLC*, FE Docket No. 11-59-LNG, Order No. 2987 (July 27, 2011) (approving request to commence period on the date of first export or ten years from the date the requested authorization is granted date) and *Freeport LNG Development, L.P.*, FE Docket No. 10-160-LNG, Order No. 2913 (Feb. 10, 2011) (approving request to commence period on the date of first export or eight years from the date the requested authorization is granted).

requiring the national treatment for trade in natural gas and (2) to any country with the capacity to import LNG via ocean-going carriers and with which the United States does not have such an FTA and with which trade is not prohibited by United States law or policy.

VGP and its affiliates are presently developing import, storage, and re-gasification terminals, together with facilities to convert existing HFO and diesel power generation to natural gas, as well as new natural gas-fired generation projects, in multiple locations outside the United States. VGP and its affiliates work with developing nations to structure projects that are, through competitive bidding of all material components of the project, low cost and financeable through third party debt and equity project financing. To do so, VGP and its affiliates expect to partner with and/or contract with reputable, experienced and credit-worthy international companies focusing on global infrastructure that will provide equity and project finance debt, as well as international energy and logistics companies that are subject-matter experts in various aspects of the natural gas, liquefaction, marine transportation, LNG terminal, LNG storage and regasification, and power generation businesses (collectively “Contract Parties”).

Either directly, together with, or through one or more of its Contract Parties, Venture Global plans to procure natural gas supplies in the United States for liquefaction and export from the Project to supply its international projects. Venture Global also will arrange for the subsequent transportation of the LNG to LNG import facilities via ocean-going carriers.

While Venture Global has projects under development in multiple countries, Venture Global emphasizes here its discussions with the Republic of Haiti (a non-FTA country) for the potential delivery of approximately 200,000 to 350,000 metric tons per annum over the project term to serve power generation and related energy needs in the Republic of Haiti. With respect to the anticipated DOE/FE export authorization requested herein, Venture Global intends to

dedicate this portion of the total authorized amount to deliveries it will make from the Project to the Republic of Haiti. This aspect of Venture Global's project is a unique and significant benefit that is in the public interest.

This Application seeks authorization to export LNG produced from the United States natural gas supply and transmission network. This natural gas will be procured from the interstate and intrastate natural gas grid at points of liquidity upstream from the Project. The Project site is located very near various major interstate and intrastate pipeline systems. For example, the systems of Tennessee Gas Pipeline Company, ANR Pipeline Company, Bridgeline Holdings, L.P., Columbia Gulf Transmission Company and Natural Gas Pipeline Company of America are all located in close proximity to the Project. Venture Global anticipates that the Project, through newly constructed, relatively short lateral pipeline(s), will be connected to one or more of these or other available interstate or Louisiana intrastate pipeline systems. Access to the pipeline grid will enable Venture Global to purchase natural gas from multiple sources of conventional and non-conventional U.S. production. Such supplies could be produced across the Gulf Coast region, both onshore and offshore, including traditional production regions as well as the already robust and expanding supplies produced from onshore shale formations, including the Barnett, Haynesville, and Bossier shale gas formations. This supply may be sourced in requisite volumes in the spot market or pursued under long-term arrangements. Venture Global will file all executed long-term purchase agreements with the DOE/FE under seal.⁹

⁹ The DOE/FE has previously determined that this commitment meets the requirements of 10 C.F. R. § 590.202(b), which requires applicants to supply transaction-specific information "to the extent practicable." *See, e.g., Sabine Pass Liquefaction, LLC*, FE Docket No. 10-85-LNG, Order No. 2833 (Sept. 7, 2010).

Venture Global requests authorization to export LNG from its Project both on its own behalf and as agent for Contract Parties and other entities that may hold title to the LNG at the time of export. Venture Global will comply fully with all applicable DOE/FE requirements for both exporters and agents, including the requirements specified in *Freeport LNG Development, L.P.*¹⁰ When acting as agent, Venture Global will register with DOE each LNG title holder for which Venture Global seeks to export LNG as agent. Furthermore, Venture Global will provide the DOE/FE a written statement by the title holder that acknowledges and agrees to (1) comply with all requirements in Venture Global's long-term export authorization, and (2) include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

IV. STANDARD OF REVIEW

A. EXPORT TO FREE-TRADE COUNTRIES

Section 3(c) of the NGA, as amended by § 201 of the Energy Policy Act of 1992, requires that applications to authorize exports of natural gas, including LNG, to a nation with which there is in effect a free trade agreement requiring national treatment for trade of natural gas be “deemed to be consistent with the public interest” and “granted without modification or delay.”¹¹ In addition, DOE/FE has found that the statutory requirement for granting such

¹⁰ *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, FE Docket No. 10-160-LNG, Order No. 2913 (Feb. 10, 2011). See also *Southern LNG Company, L.L.C.*, FE Docket No. 12-54-LNG, Order No. 3106 (June 15, 2012) and *Excelsior Liquefaction Solutions, LLC*, FE Docket No. 12-61-LNG, Order No. 3128 (Aug. 9, 2012).

¹¹ 15 U.S.C. § 717b(c) (2011) (“For purposes of [15 U.S.C. § 717b(a)] of this section, the importation of the natural gas referred to in [15 U.S.C. § 717b(b)] of this section, or the exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.”)

applications without delay or modification overrides otherwise applicable regulatory requirements for public notice and other procedures set forth in 10 C.F.R. Part 590.¹²

Under this statutory structure, the portion of this Application that seeks to export LNG to FTA countries should be granted without modification or delay. The DOE/FE has consistently followed this approach, granting at least 23 applications to allow exports of natural gas to FTA countries.¹³ Given the mandatory standard of NGA Section 3(a), DOE/FE is not required to engage in any analysis of factors affecting the public interest in acting on the FTA aspect of this application, and has not done so when approving similar applications by other terminals to export LNG to FTA countries. Further support for that authorization is also provided by the below presentation, to the extent deemed relevant.

Consistent with the practice of DOE/FE, Venture Global requests that the requested FTA authorization be granted initially and separately, without waiting on the further inquiry required to address the requested authorization for LNG export to non-FTA countries.

B. EXPORT TO NON-FREE-TRADE COUNTRIES

This Application also requests authority to export LNG to countries with which the United States does not have an FTA requiring national treatment for trade in natural gas. As such, this portion of the Application must be reviewed pursuant to the statutory standard established in Section 3(a) of the NGA. That statutory standard states:

[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

¹² *Sabine Pas Liquefaction, LLC*, FE10-85-LNG, DOE Opinion and Order No. 2833 at note 8 (Sept. 7, 2010); *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, FE10-160-LNG, DOE Opinion and Order No. 2913 at note 6 (Feb. 10, 2011); *Lake Charles Exports, LLC*, FE11-59-LNG, DOE Opinion and Order 2987 at note 3 (July 22, 2011).

¹³ A list of docket numbers for the orders authorizing exports to FTA countries, as well as links to those orders, is available on the DOE/FE website at: http://energy.gov/sites/prod/files/2013/04/f0/summary_lng_applications.pdf

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, [the Secretary] finds that the proposed exportation or importation will not be consistent with the public interest.¹⁴

DOE/FE has consistently determined that this statutory language creates a presumption that the proposed export of natural gas is in the public interest.¹⁵ As such, overcoming this presumption requires an affirmative demonstration that the proposed export is inconsistent with the public interest.¹⁶ Furthermore, the Policy Guidelines developed by DOE/FE to implement Section 3 (which are applicable to exports as well as imports)¹⁷ promote free and open trade of natural gas.¹⁸

1. Domestic Need for the LNG to be Exported

The primary focus of the DOE/FE's public interest analysis is on the domestic need for the LNG proposed to be exported.¹⁹ As such, this domestic need can be analyzed by comparing the domestic natural gas supply against natural gas demand.

¹⁴ 15 U.S.C. § 717b(a) (2006) (emphasis added). This authority has been delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04D (Nov. 6, 2007).

¹⁵ Specifically, DOE/FE has determined that “[a]pplying the foregoing statutory language, DOE has consistently ruled that Section 3(a) of the NGA creates a rebuttable presumption that proposed exports of natural gas are in the public interest.” *Sabine Pass Liquefaction, LLC*, FE Docket 10-11-LNG, Opinion and Order Denying Request for Review Under Section 3(c) of the NGA (Oct. 21, 2010) (“Sabine Pass Order”). See also *Panhandle Producers and Royalty Owners Assoc. v. ERA*, 822 F.2d 1105, 111 (D.C. Cir. 1987) (“A presumption favoring import authorization then is completely consistent with, if not mandated by, the statutory directive.”).

¹⁶ *Sabine Pass Order* at 5; see also *Phillips Alaska Natural Gas Cor. And Marathon Oil Co.*, DOE/FE Order No. 1473 (April 2, 1999) (“Section 3 creates a statutory presumption in favor of approval of an export application and the Department must grant the requested export [application] unless it determines the presumption is overcome by evidence in the record of the proceeding that the proposed export will not be consistent with the public interest.”).

¹⁷ *Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 at 14.

¹⁸ *Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

¹⁹ *Sabine Pass Order* at 29. Additionally, the DOE/FE will consider any threat to the security of domestic natural gas supplies created by the proposed export, the environmental effects of the proposed export, and “any other issue determined to be appropriate.” *Sabine Pass Order* at 29.

Domestic natural gas resources are abundant, environmentally friendly, and affordable, and are sufficient to meet both the domestic consumption demand and any expected level of LNG exports (including those proposed by Venture Global here) in the long-term. Recent technological developments in the natural gas industry have led to significant increases in domestically-produced natural gas, especially with regard to non-conventional production of gas from onshore shale formations. As a result, total dry natural gas production in the United States was approximately 24.04 trillion standard cubic feet in 2011, the highest level in U.S. history to that point and an increase of approximately 27% compared to production of approximately 18.05 Tcf in 2005.²⁰

The latest projections from the U.S. Energy Information Administration (“EIA”) show U.S. production continuing to increase significantly in the coming years. Specifically, the Reference Case in the Annual Energy Outlook 2013 (“AEO 2013”) Early Release²¹ projects domestic dry gas production will increase to 33.14 Tcf by 2040,²² a further increase of 44% compared to the 2011 production levels. The AEO 2013 projects that the U.S. will become a net exporter of LNG in 2016 and a net exporter of natural gas by 2020.²³ While domestic gas consumption is expected to increase over time, reaching 29.83 Tcf in 2040, U.S. supply will grow faster, leading to increasing levels of excess supply over time.

The increase in U.S. gas reserves in recent years has been as dramatic as the growth in production. EIA estimated proved dry natural gas reserves as of year-end 2010 of approximately 304.6 Tcf, the largest level in U.S. history and an increase of roughly one-third compared to

²⁰ See <http://www.eia.gov/dnav/ng/hist/n9070us2a.htm>

²¹ See [http://www.eia.gov/forecasts/aeo/er/pdf/0383er\(2013\).pdf](http://www.eia.gov/forecasts/aeo/er/pdf/0383er(2013).pdf)

²² *Id.*, EIA, 2013 AEO Early Release at Table A1.

²³ *Id.*, EIA, 2013 AEO Early Release at 11.

EIA's estimate of proved reserves of 204.4 Tcf as of 2005.²⁴ Moreover, the Potential Gas Committee ("PGC") recently released its biennial report on *potential* U.S. supplies and concluded that the country possesses a technically recoverable natural gas resource potential of 2,384 Tcf, the highest resource evaluation in the PGC's 48 year history.²⁵ When the PGC's latest results are combined with EIA's latest available determination of proved dry-gas reserves — 304.6 Tcf for 2010 — the United States has a total available future supply of 2,688.5 Tcf, an increase of 486.1 Tcf over PGC's evaluation in 2010.

DOE has historically determined whether there is a domestic need for the gas proposed for export by comparing the total volume of natural gas reserves expected to be available to produce with the expected gas demands during the proposed period of exports.²⁶ For purposes of comparison with the current reserves, total U.S. gas consumption in 2011 was approximately 25.5 Tcf²⁷ -- meaning that the total available supply exceeds 105 years of the 2011 consumption levels. Even if EIA's forecast for total consumption in 2040 (29.83 Tcf) is used for comparison, the current supply is equivalent to more than 90 years of consumption.

Furthermore, numerous reports have projected that there are sufficient volumes of domestic natural gas to meet both domestic demand and LNG exports.²⁸ In fact, according to *Macroeconomic Impacts of LNG Exports from the United States*, a the published report by NERA Economic Consulting ("NERA") commissioned by DOE itself, LNG exports will provide

²⁴ See http://www.eia.gov/dnav/ng/hist/rngrl1nus_1a.htm

²⁵ See <http://potentialgas.org/press-release>

²⁶ E.g., *Yukon Pacific Corp.*, ERA Docket No. 87-68-LNG, Order No. 350 (Nov. 16, 1989); *Phillips Alaska Natural Gas Cor. And Marathon Oil Co.*, DOE/FE Order No. 1473 (April 2, 1999); *Conoco Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, FE07-02-LNG, Order No. 2500 at 43 (June 3, 2008).

²⁷ See http://www.eia.gov/dnav/ng/ng_sum_lsum_dcu_nus_a.htm

²⁸ See, e.g., Deloitte Center for Energy Solutions and Deloitte Market Point LLC, *Made in America – The Economic Impact of LNG Exports from the United States*, available at: http://www.deloitte.com/view/en_US/us/Industries/oil-gas/9f70dd1cc9324310VgnVCM1000001a56f00aRCRD.htm

a net economic benefit to the United States, regardless of the amount of LNG that is exported from the United States.²⁹

Here, Venture Global seeks to export much smaller volumes of LNG when compared to other pending and recently approved export applications at DOE/FE. In fact, the maximum total volume that Venture Global expects to export in any year pursuant to the authorization requested here represents less than one-third of the export authority conditionally granted to Sabine Pass Liquefaction, LLC.³⁰ The export of 243.6 Bcf of natural gas per year proposed here is *de minimus* in the national gas market with consumption projected by EIA to increase from 25.5 Tcf in 2011 to 29.83 Tcf in 2040, and growing supplies far in excess of that domestic need. Given the current and projected amounts of domestic supply and demand of natural gas described above, Venture Global's proposed export authorization will not have a negative impact on domestic needs for natural gas and, thus, is not inconsistent with the public interest.

2. Domestic Energy Security and International Impacts

As demonstrated above, Venture Global seeks to export relatively small volumes of LNG to non-FTA countries. As such, these volumes will have a minimal effect, if any, on domestic energy security.

In terms of international impact, exporting natural gas will benefit the United States internationally because it will support the use of more environmentally-friendly natural gas for

²⁹ Macroeconomic Impacts of LNG Export from the United States, NERA Economic Consulting, *available at*: http://www.fossil.energy.gov/programs/gasregulation/reports/nera_lng_report.pdf. NERA explained in its study that it analyzed the impact of LNG exports on the U.S. economy using several different "market scenarios" by making different assumptions about levels of exports, global market conditions, and the cost of producing natural gas in the U.S. *Id.* at 1. Ultimately, NERA concluded that "[a]cross all these scenarios, the U.S. was projected to gain net economic benefits from allowing LNG exports." *Id.* Furthermore, NERA noted that "for every one of the market scenarios examined, net economic benefits increased as the level of LNG exports increased." As such, "scenarios with unlimited exports always had higher net economic benefits than corresponding cases with limited exports." *Id.*

³⁰ Sabine Pass Order at 42.

the generation of electricity as opposed to diesel or heavy fuel oil used in other foreign countries. This will also encourage the development of new domestic natural gas resources that might not otherwise be developed, if not for the opportunity to be marketed internationally. As such, the countries to which Venture Global will be delivering exported U.S. gas will be able to expand and diversify their fuel supplies, which will lead to “greater overall transparency, efficiency, and liquidity of international gas markets, encouraging a liberalized global natural gas trade and a greater diversification of global natural gas supplies.”³¹

As noted above, Venture Global is committed to devote a portion of the exports from its project to the Republic of Haiti, one of the poorest countries in the Americas and the world. Over half of Haiti’s population of 10 million lives on less than US\$1 per day.³² The electricity sector in the country has the lowest coverage of electricity in the Western Hemisphere, with only about 25% of the population having access to electricity, with many customers only benefiting from intermittent and unreliable service.³³ In addition, Haiti’s heavy reliance on oil-based generating units for its electricity (85%)³⁴ makes the country especially vulnerable to rising and unstable oil prices. The United States, together with other donor nations and multilaterals, have dedicated significant resources to provide developmental and humanitarian assistance to Haiti, including support to restructure and reform its electricity sector and to expand energy distribution. Venture Global estimates that LNG imports (including potential plant conversions of diesel to natural gas) may save the Haitian government more than \$100 million per year. By

³¹ Sabine Pass Order at 37.

³² World Bank, *Haiti Overview*, <http://www.worldbank.org/en/country/haiti/overview>.

³³ Bazex, Karen 2012 *Project Information Document (Appraisal Stage) - Rebuilding Energy Infrastructure and Access - P127203*, Washington, DC: World Bank. <http://documents.worldbank.org/curated/en/2012/07/16539147/project-information-document-appraisal-stage-rebuilding-energy-infrastructure-access-p127203>.

³⁴ U.S. Department of State, *Fast Facts on the U.S. Government’s Work in Haiti: Energy*, <http://www.state.gov/s/hsc/rls/199430.htm>

lowering energy prices, increasing energy availability and decreasing oil price shocks to the economy, exports of United States- produced LNG to Haiti may do more to encourage economic growth, stimulate job creation, and complement the developmental assistance of the United States than any other single project there proposed to-date. This benefit to Haiti is an important and unique aspect of Venture Global's project that furthers the public interest.

3. Other Public Benefits of the Requested Authorization

i. Impact on Price of US Natural Gas

Once the DOE/FE determines that a proposed export will not jeopardize domestic supply during the term of the export, the public interest analysis under Section 3 of the NGA is met. The impact of the proposed export on domestic prices should not have to be part of the public interest analysis, given the established policy of promoting competitive markets and free trade and not manipulating energy prices by approving or disapproving of export or import applications.³⁵ Even if the impact on domestic prices is considered, however, abundant evidence filed with DOE/FE in other pending LNG export proceedings demonstrate that this factor also shows that exports are consistent with the public interest.

That is, economic studies have demonstrated that the proposed export of LNG will not have a substantial impact on the domestic price of natural gas. For instance, NERA recently concluded in its DOE-commissioned study that natural gas price changes attributable to LNG exports will remain in a relatively narrow range across all of the various market scenarios that NERA studied.³⁶ The NERA study, when considering the impact of gas price on consumers,

³⁵ See Policy Guidelines, *supra*. note 19.

³⁶ Macroeconomic Impacts of LNG Export from the United States, NERA Economic Consulting at 2, available at: http://www.fossil.energy.gov/programs/gasregulation/reports/nera_lng_report.pdf.

concluded that “[t]he net result is an increase in U.S. house-holds’ real income and welfare.”³⁷

Any modest increase in price will be offset by additional sources of income for U.S. consumers.

Consequently, in the aggregate, consumers “are better off as a result of opening up LNG exports.”³⁸

Other independent analysis of the impact of LNG exports on domestic gas prices have confirmed the very modest effect. For instance, Deloitte Market Point estimates that the weighted-average price impact on US prices from 2016 to 2025 as a result of an increase of 6 Bcf/d in exports will only be \$0.12/MMBtu, which represents a 1.7% increase in the projected average US city gate gas price (\$7.09/MMBtu) over the time period from 2016 to 2035.³⁹

As technology and production efficiencies continue to improve in the shale gas industry, natural gas prices could continue to decrease or hold steady for the foreseeable future.⁴⁰ Shale gas production technologies also have the potential to be exported to other countries, thus increasing the world-wide supply of natural gas and putting further downward pressure on the commodity price.

ii. Environmental Benefits

Exporting natural gas can have significant environmental benefits, specifically because natural gas is a much cleaner-burning fuel than other fossil fuels. For instance, the

³⁷ *Id.* at 6.

³⁸ *Id.* at 55.

³⁹ Deloitte Center for Energy Solutions and Deloitte Market Point LLC, *Made in America – The Economic Impact of LNG Exports from the United States*, available at: http://www.deloitte.com/view/en_US/us/Industries/oil-gas/9f70dd1cc9324310VgnVCM1000001a56f00aRCRD.htm.

⁴⁰ Venture Global also notes that DOE/FE still maintains the authority to take action that it finds necessary or appropriate to address the effect of a change in the domestic supply of natural gas. Sabine Pass Order at 31-32. Thus, even though it is unlikely that approving Venture Global’s application will impact the domestic supply of natural gas, DOE/FE can still address such circumstances, if necessary.

Environmental Protection Agency has estimated that compared to the average air emissions from coal-fired generation, natural gas-fired generation produces half as much carbon dioxide, less than a third as much nitrogen oxides, and one percent as much sulfur oxides.⁴¹ With respect to the Republic of Haiti, importation of LNG and availability of natural gas will permit the displacement of existing and future HFO and diesel generating units for power generation. These HFO and diesel units, commonly found in Caribbean island economies, not only utilize high cost fuel and are inefficient, but also are major carbon producers, utilizing such heavy carbon fuels. By enhancing natural gas availability in markets like Haiti, Venture Global will contribute to significantly reduced greenhouse gas emissions over the requested 25 year term of its export authorization.

iii. National Security and Foreign Relations

By promoting a global, liquid and robust market for natural gas, the United States will increase economic trade and ties with foreign nations by providing them with access to a reliable, less expensive and alternative clean fuel. This trade will enhance the national security of the United States by encouraging positive foreign relations with our trading partners. According to Shale Gas and U.S. National Security, a report published by the James A. Baker III Institute for Public Policy at Rice University (the “Baker Institute Report”), increased competition among world natural gas suppliers “will trim the petro-power of energy production countries such as Russia, Iran, and Venezuela to assert themselves using an “energy” weapon or “energy diplomacy” to counter U.S. interests abroad.”⁴² The Baker Institute Report concludes that the

⁴¹ See <http://www.epa.gov/cleanenergy/energy-and-you/affect/air-emissions.html>.

⁴² Kenneth B. Medlock III, Amy Meyers Jaffe & Peter R. Hartley, Shale Gas and U.S. National Security 54 (James A. Baker III Institute for Public Policy, July 2011)

United States should adopt policies that ensure that shale gas can play a role in the global energy mix, thereby contributing to the greater diversification of global energy supplies and to the long term national interests of the United States.⁴³ Many of the countries Venture Global intends to supply LNG to currently purchase significant quantities of fuel for power generation from countries such as Venezuela and Iran.

iv. Economic Benefits

Other applicants for LNG export authorizations have detailed projected benefits of their projects in jobs created, tax revenues, and improvements in the U.S. balance of trade. Such benefits will also result from Venture Global's project.

Venture Global will not detail those benefits here, in light of the significant consideration of this issue by DOE/FE as part of its consideration of the general issue of the public interest in LNG exports. In particular, DOE commissioned the NERA study to evaluate the macro-economic effect of LNG exports. NERA found, in all of the scenarios it analyzed, that the U.S. would experience net economic benefits from increased LNG exports, as previously noted.⁴⁴ Across the scenarios including those with unlimited exports, U.S. economic welfare consistently increases as the volume of natural gas exports increased.⁴⁵ The reason is that even though domestic natural gas prices are marginally increased by LNG exports, the value of those exports

⁴³ *Id.*

⁴⁴ Macroeconomic Impacts of LNG Export from the United States, NERA Economic Consulting at 6, available at: http://www.fossil.energy.gov/programs/gasregulation/reports/nera_lng_report.pdf.

⁴⁵ *Id.*

also rises so that there is a net gain for the U.S. economy measured by a broad metric of economic welfare or by more common measures such as real household income or real GDP.⁴⁶

These general conclusions about the benefits of LNG exports generally apply to Venture Global's specific project of course. Therefore, the macroeconomic benefits associated with the project further demonstrate that it is consistent with, and indeed will promote, the public interest.

IV. ENVIRONMENTAL IMPACTS

Venture Global will be seeking all necessary federal, state and local permits to construct the necessary export facilities for the Project. Therefore, approval of this Application does not constitute a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act.⁴⁷

Once Venture Global has further developed its Project plans, it will request permission to commence the Federal Energy Regulatory Commission's (FERC) mandatory pre-filing process under the National Environmental Policy Act (NEPA) and subsequently file an application for the necessary FERC authorization for the construction and operation of its facilities. Consistent with prior orders by DOE/FE, the authorization requested here should be conditioned on Venture Global's receipt of all necessary FERC authorizations of the facilities needed for the export of LNG.

V. APPENDICES

The following appendices are included as part of this Application:

Appendix A: Verification

Appendix B: Opinion of Counsel

⁴⁶ *Id.*

⁴⁷ 42 U.S.C. § 4231, *et seq.*; Categorical Exclusions B5.7, 10 C.F. R. Part 1021, Subpart D, Appendix B.

Appendix C: Site Location

Appendix D: Site Agreement (redacted)

VI. CONCLUSION

WHEREFORE, for the foregoing reasons, Venture Global respectfully requests that the DOE/FE authorize Venture Global to engage in long-term, multi-contract exports of domestically produced LNG of up to five million metric tons per annum (equivalent to approximately 243.6 billion cubic feet (“Bcf”) of LNG per year) for a period of 25 years. Venture Global requests the issuance of two separate orders authorizing LNG exports: (1st) to any county with which the United States currently or in the future has an FTA requiring national treatment for trade in natural gas and (2nd) to any county with which the United States does not have an FTA requiring national treatment for trade in natural gas, and with which trade is not prohibited by United States law or policy. Venture Global further respectfully requests that the DOE/FE grant such authority as expeditiously as possible.

Respectfully submitted,

Robert B. Pender
Venture Global LNG, LLC
1101 30th Street, NW, Suite 500
Washington, DC 20007
rpender@ventureglobalpower.com
Phone: (202) 299-7403


J. Patrick Nevins
Hogan Lovells US LLP
Columbia Square
555 Thirteenth Street, NW
Washington, DC 20004
patrick.nevins@hoganlovells.com
Phone: (202) 637-6441

Dated: May 13, 2013

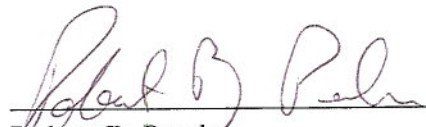
Appendix A
VERIFICATION

DISTRICT OF COLUMBIA)

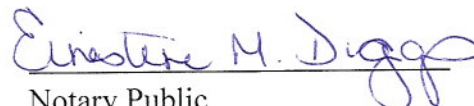
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CITY OF WASHINGTON)

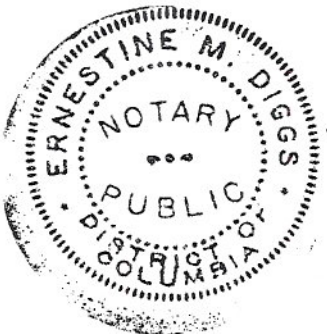
Robert B. Pender, being first duly sworn on his oath deposes and says: that he is Managing Partner and Authorized Representative of Venture Global LNG, LLC; that he is duly authorized to make this Verification; that he has read the foregoing submittal and is familiar with the contents thereof; that all the statements and matters contained therein are true and correct to the best of his information, knowledge and belief; and that he is authorized to execute and file the same with the U.S. Department of Energy.


Robert B. Pender
Managing Partner

Sworn to and subscribed before me this 13 day of May, 2013


Ernestine M. Diggs
Notary Public
In and For said City Washington, DC

My Commission Expires: 10/31/2014



Appendix B
OPINION OF COUNSEL

May 13, 2013

Mr. John A. Anderson
Office of Fossil Energy
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: Venture Global LNG, LLC Application for Long-Term Blanket Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Countries

Ladies and Gentlemen:


This firm has acted as counsel to Venture Global LNG, LLC, a Delaware limited liability company (the "Company"), in connection with the above-referenced application (the "Application"). This opinion letter is furnished pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. §590.202(c) (2012).

For the purposes of this opinion, we have examined originals, photocopies or PDF copies, as applicable, of the Certificate of Formation of the Company, the Limited Liability Company Operating Agreement of the Company, the Application and such other documents as deemed necessary. This opinion letter is based as to matters of law solely on applicable provisions of the Limited Liability Company Act of the State of Delaware.

Based upon the foregoing, we are of the opinion that the export of liquefied natural gas as described in the Application is within the limited liability company powers of the Company.

This opinion letter is provided for the purposes of the Application only. We assume no obligation to advise you of any changes in the foregoing subsequent to the delivery of this opinion letter.

Very truly yours,



HOGAN LOVELLS US LLP

Appendix C
SITE LOCATION

Venture Global LNG – Site Location on Calcasieu Ship Channel - Louisiana



Appendix D
SITE AGREEMENT

Venture Global LNG, LLC

April 10, 2013

[REDACTED]
C/O [REDACTED]
[REDACTED]

One Lakeside Plaza, 4th Floor
Lake Charles, LA
70601

RE: Letter Agreement to Lease Cameron Parish Tract
Located on Calcasieu Ship Channel

Dear [REDACTED]:

The purpose of this letter is to summarize our proposal to you and our general agreement concerning the tract of land owned by [REDACTED] and located in Cameron Parish, Louisiana. While we realize that the final form of Lease Agreement is subject to review by your client's attorney as well as ours and that neither party will be legally bound to any lease until a written Option/Lease Agreement containing all the terms and conditions are finally agreed upon in writing and signed by all parties, it is intended that the Option/Lease Agreement will contain, among other terms and conditions, the following material business points:

1. **Tenant:** Venture Global LNG, LLC and/or its designated affiliate or subsidiary.
2. **Landlord:** The owners of the Leased Premises: [REDACTED] (41.63%); [REDACTED] (48.37%); [REDACTED] (5.00%); and [REDACTED] (5.00%).
3. **Leased Premises:** Leased Premises shall be described as a tract of land south of Cameron, Louisiana on the east side of the Calcasieu Ship Channel, beginning immediately adjacent to a tract of land leased by the Landlord or affiliates to Gasfin Development USA, LLC then continuing southerly for 2000 feet along the shore of the Calcasieu Ship Channel then east to the eastern boundary of the property and then north along the east boundary and then west to point of commencement, located in S31, T15S, R9W, as approximately outlined in the attached Exhibit A, consisting of approximately 69 acres, to be accurately determined by survey obtained by Tenant at Tenant's sole expense.
4. **Exclusivity:** Landlord agrees to negotiate exclusively with Tenant for a period of up to twelve (12) weeks from the date of this letter agreement ("Exclusivity Period"), within which Landlord and Tenant will use their best efforts to agree in good faith upon and finalize the terms and conditions and form of the Option/Lease Agreement, for execution thereof.
5. **Initial Term:** Thirty (30) year base term.

Venture Global LNG, LLC
1101 30th Street, NW, Suite 500 Washington, DC 20007

6. **Renewal Options:** [REDACTED] options, to be elected by Tenant, of ten (10) years each.
7. **Rent:** [REDACTED] per month. Rent shall increase every five (5) years at a rate of the greater of [REDACTED] or the increase in all items of the CPI using the original lease year as its basis, but not to exceed [REDACTED] in any five (5) year period.
8. **Rent Commencement:** Upon expiration of Option Period.
9. **Option Period:** Upon execution of the Option/Lease Agreement, Tenant agrees to make payment of the sum of [REDACTED] (of which shall be held in escrow by [REDACTED] pursuant to a mutually agreeable escrow agreement) for a [REDACTED] period ("Option Period") within which Tenant shall perform feasibility studies on the suitability of Leased Premises for Tenant's proposed development or use, and within which Tenant may terminate the Option/Lease Agreement at its sole discretion and without penalty, and Tenant has the right to extend such Option Period for an additional [REDACTED], [REDACTED] with the payment of an additional [REDACTED], [REDACTED] an additional [REDACTED]. All option payments made by Tenant to Landlord shall be non-refundable; provided, however, that in the event that within three months after the commencement of the first Option Period, Tenant provides written notice to Landlord that it is unable to confirm to its sole satisfaction that: (1) the [REDACTED] Road will be re-located in a satisfactory manner (as contemplated in Section 12 below), and/or (2) the site is otherwise unsuitable to Tenant, the Option Lease Agreement shall terminate and [REDACTED] of the first option payment shall be released from escrow and refunded to Tenant.
10. **Permitted Use:** One or more projects concerning a liquefied natural gas facility and export facility, terminaling, oil/gas barging operations, gas liquefaction, regasification and storage, fueling, subleasing and marine construction, maintenance and/or repair, hydrocarbon related industries; and/or at Tenant's discretion as permissible under governmental regulation.
11. **Tenant's improvements:** Any as desirable by Tenant and as permissible under governmental regulation.
12. **Landlord's improvements:** The Leased Premises is currently bisected by [REDACTED] Road. Tenant and Landlord acknowledge and agree that Tenant cannot utilize the Leased Premises for its intended purpose with such road on the Tenant's premise. Tenant and Landlord acknowledge that Landlord is involved in negotiations with Cameron Parish over the location of [REDACTED] Road and the proposal to move [REDACTED] Road to the east allowing better development along the Ship Channel. Tenant and Landlord agree that contractual protections will be included in the Option/Lease Agreement to adequately protect Tenant's expectation that [REDACTED] Road will not be located on Tenant's premises; in any event utilizing language which is at least as protective as the provisions anticipated to be contained in the Landlord's other leases regarding the moving of [REDACTED] Road.
13. **Right of Entry:** As of the date of this executed letter agreement, Tenant or its employees, designated agents, representatives and independent contractors will have the right to enter the Leased Premises for the purpose of examining the suitability of the site to serve as a liquefied natural gas production and export facility, and for the purposes of preparing various studies and surveys, which may include, but shall not be limited to, site assessments and plans, inspections,

SC

environmental reports, studies, soil testing, archaeological surveys, legal surveys, engineering design reviews and testing other similar matters, for the benefit of the Tenant or their employees, designated agents, representatives and independent contractors. If for any reason Landlord and Tenant do not finalize a lease on subject property, Tenant agrees to provide to Landlord, within reason, all pertinent information relating to the above studies as it relates to Landlord's property condition. In the event the surface of the site is disturbed by Tenant hereunder, the Tenant will use all reasonable efforts to restore the Leased Premises to substantially the same condition as it existed before entry on the Leased Premises. The right of entry granted hereunder is limited to light vehicles and foot traffic.

14. **Broker:** The Landlord agrees that Landlord will pay a ~~4%~~ commission to ~~REDACTED~~ on the lease payments for the Term of the Lease Agreement.

15. **Confidentiality:** The Landlord agrees to keep all information relating to the negotiations of this Letter Agreement to Lease, the Option/Lease Agreement and the Tenant, or any designee of the Tenant, whether such information is in any way proprietary, strategic or otherwise, in strict confidence, and the Landlord shall guard its accessibility to others within its control. The Landlord agrees not to divulge to others other than the attorney, accountant, or involved officers, directors, employees, agents representatives and if appropriate, ~~REDACTED~~, on a need to know only basis, any of the terms and conditions or any matters related to the this Letter of Intent and/or the Option/Lease Agreement.

It is our intention to first sign this letter agreement jointly, and then Tenant to prepare the final actual Option/Lease Agreement. Both parties agree to negotiate the terms of lease in good faith and the contents of this letter and any subsequent lease and/or lease negotiations shall be confidential and not disclosed to anyone outside the respective parties and their legal counsel and ~~REDACTED~~.

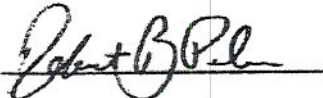
If the contents of this letter are agreeable, please sign below and return a copy of this letter no later than March 27, 2013. Except as provided in Sections 4, 13 and 15 concerning the eight week (8) week Exclusivity Period, Right of Entry and Confidentiality, for which the parties hereby agree to be bound, it is specifically understood that neither party is bound to any agreement to lease the premises by the execution of this letter and no such agreement shall exist until the execution of a definitive Option/Lease Agreement.

Venture Global LNG, LLC
1101 30th Street, NW, Suite 500 Washington, DC 20007

It has been a pleasure working with you on this proposed transaction and we are hopeful that we will bring our discussions to a successful conclusion. Should you have any questions, certainly do not hesitate to call. We look forward to hearing back from you soonest.

Sincerely,

Venture Global LNG, LLC



Robert B. Pender, Managing Partner,

Presented by [REDACTED]

AGREED AND ACCEPTED:

[REDACTED]

Date: 4-11-13

[REDACTED]

Date: 4-11-13

[REDACTED]

Date: _____

[REDACTED]


Date: April 11, 2013

It has been a pleasure working with you on this proposed transaction and we are hopeful that we will bring our discussions to a successful conclusion. Should you have any questions, certainly do not hesitate to call. We look forward to hearing back from you soonest.

Sincerely,

Venture Global LNG, LLC



Robert B. Pender, Managing Partner,


AGREED AND ACCEPTED:



_____ Date: _____



_____ Date: _____




_____ Date: 4.12.13



_____ Date: _____

**EXHIBIT A
LEASED PREMISES
ATTACHED**

Venture Global LMG, LLC
1101 30th Street, NW, Suite 500 Washington, DC 20007

