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June 10th, 2013

13-82-LNG

Mr. John Anderson  
Office of Fuels Programs, Fossil Energy  
U.S. Department of Energy  
Docket Room 3E-042  
Forrestal Building  
1000 Independence Avenue, S.W.  
Washington, D.C. 20585

**Re: Advanced Energy Solutions, L.L.C.  
Application for Long-term Authorization to Export Liquefied Natural Gas  
To Free Trade Agreement Countries**

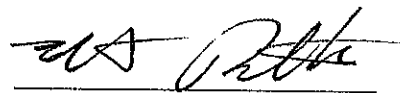
Dear Mr. Anderson:

We hereby submit, on behalf of Advanced Energy Solutions LLC ("AES"), one original and five copies of an application (the "Application") for long-term authorization to export up to a total of 8 billion standard cubic feet per year of domestically produced and previously imported liquefied natural gas ("LNG") over a twenty-five year period commencing the earlier of the date of the first export or five years from the date the requested authorization is granted.

As reflected in the enclosed application, AES is requesting that such long-term authorization permit it to export to any country located within Central America, South America, and/or the Caribbean, which has or in the future develops the capacity to import LNG via ocean-going carriers (either directly or by use of approved ISO LNG containers transported on ocean-going carriers), and with which the United States currently has, or in the future will have, a Free Trade Agreement.

Enclosed is a check in the amount of \$50.00, the applicable filing fee. Please acknowledge receipt of the Application by date-stamping the enclosed extra copy of this filing and returning it in the pre-addressed postage-paid envelope included with this package.

Respectfully submitted,



Nickolas Prittis  
Attorney  
The Legal advocates Group, P.C.  
1300 Jefferson St, Ste #303  
Des Plaines IL 60016  
Phone: (847) 759-1730  
Facsimile: (847) 759-1740

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

**ADVANCED ENERGY SOLUTIONS LLC**

**APPLICATION OF  
ADVANCED ENERGY SOLUTIONS LLC  
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS  
TO FREE TRADE AGREEMENT COUNTRIES**

Address communications  
Regarding this application to:

Antonio G. De Sensi, C.P.A.  
President  
Advanced Energy Solutions LLC  
6838 West North Avenue  
Chicago, IL 60707

Nickolas Prittis  
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June 10, 2013

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

**Advanced Energy Solutions LLC**

**APPLICATION OF ADVANCED ENERGY SOLUTIONS LLC  
FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS  
TO FREE TRADE AGREEMENT COUNTRIES**

Pursuant to Section 3 of the Natural Gas Act<sup>1</sup> and Part 590 of the regulations of the Department of Energy (“DOE”),<sup>2</sup> Advanced Energy Solutions LLC (“AES”) submits this application (“Application”) to the DOE Office of Fossil Energy (“DOE/FE”) for long-term, multi-contract authorization to export up to a total of 8 billion cubic feet per annum (8,000,000 MMBtu equivalent)<sup>3</sup> of liquefied natural gas (“LNG”) for a 25-year period, commencing on the earlier of the date of first export or three years from the date the requested authorization is granted. AES requests that such authorization allow it to export domestically sourced LNG to any country located within Central America, South America and/or the Caribbean, which has, or in the future develops the capacity to import LNG via approved ISO containers transported on ocean-going carriers, and with which the United States currently has, or in the future will have a Free Trade Agreement (“FTA”)<sup>4</sup>.

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<sup>1</sup> 15 U.S.C. § 717b (2011).

<sup>2</sup> 10 C.F.R. § 590 (2011).

<sup>3</sup> This represents the maximum amount of LNG that AES will export to Free Trade Agreement countries. Initial LNG export amounts will be less than 8 billion cubic feet per annum (8,000,000 MMBtu equivalent).

<sup>4</sup> Within this region, the United States currently has free trade agreements requiring national treatment for trade in natural gas and LNG with Chile, Columbia, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Peru. The FTA with Costa Rica does not require national treatment for trade in natural gas. A list of all FTA countries can be found at <http://www.ustr.gov/trade-agreements/free-trade-agreements>.

In applications such as this one, that request export authorization to countries with which the United States has an FTA, a review pursuant to the standards established by the Energy Policy Act of 1992 is conducted. Section 3 of the Natural Gas Act, as amended by § 201 of the Energy Policy Act of 1992, established a statutory presumption that exports to FTA countries must be authorized. Such exports are “deemed to be within the public interest,” and applications for such exportation “shall be granted without modification or delay.”<sup>5</sup>

In support of this Application, AES respectfully states the following:

**I.**

**DESCRIPTION OF APPLICANT**

The exact legal name of the applicant is Advanced Energy Solutions, LLC. AES is a limited liability company organized under the laws of the State of Wyoming. The principal place of business of AES is located at 6838 W North Avenue, Chicago, Illinois, 60707.

Advanced Energy Solutions LLC is owned by AES Holdings Group LLC, a Wyoming LLC, that is primarily owned by Antonio G. De Sensi. Mr. De Sensi is a Certified Public Accountant that has approximately 13-years of experience in tax compliance and as a director of finance. In addition, Mr. De Sensi has multiple international relationships in the energy distribution business via the consulting facet of his practice that serve as a conduit in international markets.

**II.**

**COMMUNICATIONS**

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<sup>5</sup> 15 U.S.C. § 717b(c) (2010). (“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.”)

Direct all communication regarding this application to the following:

Antonio G. De Sensi, C.P.A.  
President  
Advanced Energy Solutions LLC  
6838 West North Avenue  
Chicago, IL 60707

Nickolas Prittis  
Attorney  
The Legal Advocates Group, P.C.  
1300 Jefferson St, Ste #303  
Des Plaines IL 60016  
Phone: (847) 759-1730  
Facsimile: (847) 759-1740

### III.

#### **AUTHORIZATION REQUESTED**

AES requests long-term, multi-contract authorization to export up to a total of 8 Billion cubic feet (8,000,000 MMBtu equivalent) of domestically produced LNG per year for a period of 25-years beginning the earlier of the date of first export, or the third anniversary of the date authorization is granted by DOE/FE. At present time, the facility that will process the LNG for AES is not yet constructed and is planned to be operational by the end of 2014. AES has gas liquefaction, storage, and truck loading capacity with BP Energy Company ("BP") at the Floridian Natural Gas Storage Co., LLC ("FLORIDIAN") LNG facilities.<sup>6</sup> BP serves as the distribution channel that will facilitate all marketing and sales at the FLORIDIAN facility.

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<sup>6</sup> Floridian Natural Gas Storage Company, LLC – CPCN was granted under FERC Docket No. CP08-13-000 issued August 29, 2008 and amended August 31, 2012 under Docket NO. CP12-100-1000. A PDF version of the updated amended FERC authorization can be found at: [www.ferc.gov/EventCalendar/Files/20120831131538-CP12-100-000.pdf](http://www.ferc.gov/EventCalendar/Files/20120831131538-CP12-100-000.pdf). Further information about Floridian Natural Gas Storage Company, LLC and its operations can be found at <http://www.floridiangasstorage.com>

FLORIDIAN, as approved by FERC, is approved for location in Martin County, Florida. FLORIDIAN has full containment storage tank capacity up to an amount of 8 billion cubic feet and a liquidation system with liquefaction capacity of 25 MMcf/d from each of four side-by-side liquefaction trains for a total of 100 MMcf/d of natural gas liquefaction from the overall plant. FLORIDIAN's train one send out capacity for truck loading as approved by FERC is 40 MMcf/d or equivalent of up to 40 truck loads per day. Furthermore, FLORIDIAN has approval for a vaporization system with capacity of 800 MMcf/d of natural gas and a natural gas liquids storage system that can store up to 240,000 gallons of heavy hydrocarbons that can be extracted from the pipeline delivered gas.<sup>7</sup>

Through AES's long-term liquefied natural gas supply agreement with BP Energy Company ("BP"), natural gas will be made readily available from pipelines operated by Florida Gas Transmission Company and Gulfstream Natural Gas System prior to liquefaction at the Floridian facility.<sup>8</sup> Florida Gas Transmission Company will serve as the primary pipeline delivering natural gas to FLORIDIAN.<sup>9</sup> Gulfstream Natural Gas System, LLC will serve as the

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<sup>7</sup> A full review of the FLORIDIAN FERC approval can be found at [www.ferc.gov/EventCalendar/Files/20120831131538-CP12-100-000.pdf](http://www.ferc.gov/EventCalendar/Files/20120831131538-CP12-100-000.pdf), which outlines the structured logistical channels in place for the facility.

<sup>8</sup> BP Energy Company is a subsidiary of BP Plc and information pertaining to the financial strength and operational expertise may be found at the parent company's website: [www.bp.com](http://www.bp.com)

<sup>9</sup> Florida Gas Transmission Company operations and an index of current business partners can be found at <http://infopost.panhandleenergy.com/HotTap/>

secondary pipeline delivering gas to FLORIDIAN.<sup>10</sup> AES will export the Floridian derived LNG from the Port of Palm Beach to its customers.

In regards to the FERC approved FLORIDIAN facility, no further facility modifications or additions will be required in order for AES to export LNG from the United States. AES will transport the LNG from the FLORIDIAN facility within the United States over highways and/or via rail, and will transport LNG to buyers in South America, Central America, and the Caribbean, using approved ISO containers transported on ocean-going carriers. Containers used for transportation within the United States will comply with all Association of American Railroads and the United States Department of Transportation regulations, and the third party transporters with which AES will contract to handle such transportation will comply with all hazardous materials and cryogenic handling regulations and requirements, including employee training, in addition to obtaining any federal, state, and local permits for transportation of LNG.

The source of natural gas supply proposed for export by AES is the United States natural gas market, which now includes natural gas produced from shale deposits. The FLORIDIAN facility will be fed natural gas from FGT Zone 3 via the Gulfstream and Florida Gas pipelines. The capacity available to serve FLORIDIAN demand is in excess of 3.5 billion cubic feet per day.<sup>11</sup> The financial wherewithal of BP ensures the viability of gas supply to this facility - thus minimizing any interruptions in the supply chain that feeds AES's needs.

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<sup>10</sup> Gulfstream Natural Gas System, LLC operations and an index of current business partners can be found at <http://www.gulfstreamgas.com>

<sup>11</sup> To view capacity calculations, visit <http://infopost.panhandleenergy.com/HotTap/> and concentrate on Zone 3 and aggregate with capacity found at <http://www.gulfstreamgas.com/fastfacts.htm>.

AES will purchase domestically sourced LNG under long-term purchase agreements from BP. DOE/FE has previously found that this commitment conforms to the requirements of 10 C.F.R. § 590.202(b), which calls upon applicants to supply transaction-specific information “to the extent applicable.”<sup>12</sup> AES expects to begin exporting domestically sourced LNG purchased under such long-term agreements from BP by the end of 2014 unless the FLORIDIAN facility is operational prior.

As noted above, this application is submitted pursuant to the standard established by the Energy Policy Act of 1992, under which applications for export to FTA countries are deemed to be in the public interest, and must be granted without modification or delay.<sup>13</sup> AES’s application is presumptively in the public interest, and the long-term authorization requested by AES is also compatible with the principles established by DOE/FE’s Policy Guidelines,<sup>14</sup> which promotes free and open trade by minimizing federal control and involvement in energy markets, and DOE Delegation Order No. 0204-111, which requires “consideration of the domestic need for the gas to be exported.”

As DOE/FE recognized, United States consumers have access to substantial quantities of natural gas, as a result of, among other things, technological advances that have allowed for

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<sup>12</sup> Sabine Pass Liquefaction, LLC, FE Docket No. 10-85-LNG, Order No. 2833 (Sept. 7, 2010). 10 C.F.R. 590.202(b) requests certain information, “to the extent applicable,” and “supported to the extent practicable by necessary data or documents,” in reference to the source and security for natural gas supply planned for export, including contract volume and a description of the gas reserves supporting the project during the time of the requested export authorization; see also, Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC, FE Docket No. 10-160-LNG, Order No. 2913 (February 10, 2011).

<sup>13</sup> 15 U.S.C. § 717b(c) (2010), supra note 5.

<sup>14</sup> Policy Guidelines and Delegation Orders relating to the Regulation of Imported Natural Gas, 49 Fed. Reg. 6,684 (Feb. 22, 1984).



development of previously undeveloped reserves of domestic shale gas.<sup>15</sup> In 2011, total annual domestic natural gas production was 23 trillion cubic feet and on the rise.<sup>16</sup> The EIA's 2013 early Release Overview of its Annual Energy Outlook (AEO2013 Reference Case) states that the aggregated production of dry natural gas starting in 2011 through 2035 is approximately 8 percent higher than exemplified in Annual Energy Outlook of 2012. This would indicate a continued increase in shale gas production resulting from dual application of horizontal drilling and hydraulic fracturing.<sup>17</sup> In 2011, a Deloitte study surrounding the impact of LNG exports from the US stated that the proposed annual LNG exports are "fairly insignificant" when compared to technically recoverable gas in the United States.<sup>18</sup>

AES will purchase the quantities of LNG it proposes to export from BP, which the quantities are of lesser volume when compared to those included in recent export applications received by the DOE/FE. By allowing AES to purchase from BP at FLORIDIAN, a FERC regulated liquefaction facility, DOE/FE's approval of this application will benefit various domestic firms, in addition to supporting President Obama's National Export Initiative signed in 2010.<sup>19</sup>

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<sup>15</sup> Cheniere Marketing, LLC, FE Docket No. 10-31-LNG, Order No. 2795 (June 1, 2010).

<sup>16</sup> U.S. Energy Information Administration, Annual Energy Outlook 2012 Early Release (Jan. 2012), available at <http://www.eia.gov/forecasts.aeo/er/excel/overview.fig02.data.xls>.

<sup>17</sup> U.S. Energy Information Administration, Annual Energy Outlook 2013 Early Release Overview, Energy Production and Imports (Dec. 2012), available at [http://www.eia.gov/forecasts/aeo/er/early\\_production.cfm](http://www.eia.gov/forecasts/aeo/er/early_production.cfm).

<sup>18</sup> Deloitte Center for Energy Solutions and Deloitte MarketPoint LLC, *Made in America - The Economic Impact of LNG Exports from the United States* at 17, available at [http://www.deloitte.com/assets/Dcom-United States/Local%20Assets/Documents?Energy\\_us\\_er/us\\_er\\_MadeinAmerica\\_LNGPaper\\_122011.pdf](http://www.deloitte.com/assets/Dcom-United States/Local%20Assets/Documents?Energy_us_er/us_er_MadeinAmerica_LNGPaper_122011.pdf)("Deloitte Study").

<sup>19</sup> Exec. Order No. 13534, 75 Fed. Reg. 12433 (March 11, 2010)

AES will file with the Office of Natural Gas Regulatory Activities all executed long-term agreements that allow AES to purchase LNG for loading in approved ISO containers for exportation via ocean-going vessels. AES shall also file with the Office of Natural Gas Regulatory Activities all executed long-term LNG agreements in which AES supplies LNG to entities located in countries identified as FTA countries in South America, Central America and/or the Caribbean. All such contracts identified in this section shall be filed within 30-days following their execution. Furthermore, AES will file required monthly reports indicating the total amount of deliveries for the period in question whether or not a delivery has been made or not commencing the month following DOE/FE authorization to export LNG. If no deliveries have been made in that period, a "no activity report" will be filed for the month. If exports of LNG have taken place, a report will be filed with the following details of each LNG shipment: (1) the name of the U.S. export port or terminal; (2) the name of the ocean-going vessel; (3) the date of the departure from the U.S. export port or terminal; (4) the country of destination; (5) the name of the supplier/seller; (6) the volume in Mcf; (7) the price at point of export per million British thermal units (MMBtu); (8) the duration of the supply agreement (indicative spot sales); and (9) the name(s) of the purchaser(s).

**IV.**

**ENVIRONMENTAL IMPACT**

As previously stated, The FLORIDIAN facility will require no further modifications to its existing FERC approved model in order to accommodate the liquefaction of natural gas for AES to export LNG. In saying so, approval of this Application would not constitute a federal action significantly affecting the human environment within the meaning of National Environmental Policy Act.<sup>20</sup>

**V.**

**APPENDICES**

The following exhibits are submitted as part of this Application:

Appendix A Verification

Appendix B Opinion of Counsel

**VI.**

**CONCLUSION**

WHEREFORE, for the reasons set forth above, AES respectfully requests that DOE/FE grant long-term, multi-contract authorization to export domestically sourced liquefied natural gas to free

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<sup>20</sup> 42 U.S.C. § 4231, et seq.; categorical Exclusion B5.7, 10 C.F.R. Part 1021, Subpart D, Appendix B.

trade agreement nations in Central America, South America, and/or the Caribbean by ocean-going vessel in approved ISO containers.

Dated: June 10, 2013

Respectfully submitted,

Advanced Energy Solutions LLC

By:  \_\_\_\_\_

Nickolas Prittis

Its Counsel

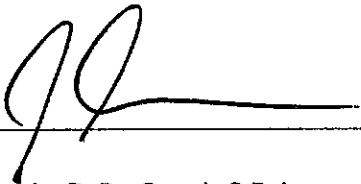
## APPENDIX A

CERTIFIED STATEMENT

County of Cook

State of Illinois

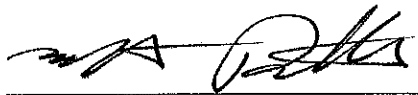
I, Antonio G. De Sensi, being duly sworn on this oath, do hereby affirm that I am President of Advanced Energy Solutions LLC; that I am familiar with the contents of this application: and that the matters set forth therein are true and correct to be the best of my knowledge, information and belief.



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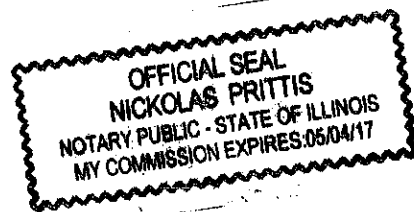
Antonio G. De Sensi, C.P.A.

Sworn to and subscribed before me, A Notary Public, in and for the State of Illinois, this 10th day of June 2013.



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[Name], Notary Public



## APPENDIX B

June 10, 2013

Mr. John 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: Advanced Energy Solutions LLC  
Application for Long-Term Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

This opinion is submitted pursuant to 10 C.F.R. 590.202(c) of the Department of Energy Administrative procedures. We have acted as counsel to Advanced Energy Solutions LLC, a Wyoming limited liability company (the "Company"), in connection with the above stated application to the U.S. Department of Energy (the "Application").

In rendering this opinion, we have reviewed and relied upon originals or copies of the Certificate of Formation of the Company, as filed on August 21<sup>st</sup> of 2012 with Wyoming Secretary of State, the Limited Liability Company Agreement of the Company, dated as of August 21<sup>st</sup> of 2012, and the Application.

The opinion set forth below is limited to the Wyoming Limited Liability Company Act as in effect of this date. We express no opinion as the applicability or effect of any other laws of such jurisdiction or the laws of any other jurisdictions.

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

Very truly yours,



Nickolas Prittis