

[6450-01-P]

DEPARTMENT OF ENERGY

[FE Docket No. 13-69-LNG]

Venture Global LNG, LLC; Application for Long-Term Authorization to Export Liquefied Natural Gas Produced from Domestic Natural Gas Resources to Non-Free Trade Agreement Countries for a 25-Year Period

AGENCY: Office of Fossil Energy, DOE.

ACTION: Notice of application.

SUMMARY: The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application (Application), filed on May 13, 2013, by Venture Global LNG, LLC (Venture Global), requesting long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG)¹ in a volume up to 5 million metric tons per year (mtpa), which is equivalent to approximately 243.6 billion cubic feet per year (Bcf/yr) of natural gas, or 0.67 Bcf per day (Bcf/d).² Venture Global seeks authorization to export the LNG by vessel³ from the proposed Venture Global LNG Project (Project), a natural gas liquefaction and LNG export terminal to be located along the Calcasieu Ship Channel in Cameron Parish, Louisiana. Venture Global requests authorization to export this LNG for a 25-year term

¹ The Application states that Venture Global also seeks authority to export previously imported LNG, but by email dated September 13, 2013, Venture Global informed DOE/FE that it no longer seeks that authority. Rather, it seeks only to export domestically produced LNG, as stated above.

² Applicants are required to provide volumes of natural gas in Bcf, 10 C.F.R. § 590.202(b)(1), and therefore DOE/FE will address Venture Global's requested authorization in Bcf/yr.

³ As discussed below, Venture Global informed DOE/FE by letter dated December 12, 2013, that it seeks authority to export LNG only by loading the LNG directly onto vessels, not also by using LNG containers transported on vessels, as the Application stated. *See* Ltr. From J. Patrick Nevins, Counsel to Venture Global LNG, LLC, to John Anders, U.S. Dep't of Energy, FE Docket No. 13-69-LNG (Dec. 12, 2013) [hereinafter Venture Global Ltr.].

commencing on the earlier of the date of first export or eight years from the date the authorization is granted.

In the portion of Venture Global's Application subject to this Notice, Venture Global requests authorization to export LNG to any country with which the United States does not have a free trade agreement (FTA) requiring national treatment for trade in natural gas (non-FTA countries), and with which trade is not prohibited by U.S. law or policy. Venture Global requests this authorization both on its own behalf and as agent for other parties who hold title to the LNG at the time of export. The Application was filed under section 3 of the Natural Gas Act (NGA). Protests, motions to intervene, notices of intervention, and written comments are invited.

DATES: Protests, motions to intervene or notices of intervention, as applicable, requests for additional procedures, and written comments are to be filed using procedures detailed in the **Public Comment Procedures** section no later than 4:30 p.m., Eastern time, **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

ADDRESSES:

Electronic Filing by email:

fergas@hq.doe.gov

Regular Mail

U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
P.O. Box 44375
Washington, DC 20026-4375

Hand Delivery or Private Delivery Services (e.g., FedEx, UPS, etc.)

U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, SW
Washington, DC 20585

FOR FURTHER INFORMATION CONTACT:

Larine Moore or Marc Talbert
U.S. Department of Energy (FE-34)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, SW
Washington, DC 20585
(202) 586-9478; (202) 586-9387

Cassandra Bernstein
U.S. Department of Energy (GC-76)
Office of the Assistant General Counsel for
Electricity and Fossil Energy
Forrestal Building
1000 Independence Avenue, SW
Washington, DC 20585
(202) 586-9793

SUPPLEMENTARY INFORMATION:

Background

Applicant. Venture Global states that it is a Delaware limited liability company with its principal place of business in Washington, DC. Venture Global further states that it 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. Venture Global states that VGP and its affiliates, including Venture Global, are working to develop LNG liquefaction, export, import, storage, and re-gasification terminals, among other initiatives. Venture Global states that with the exception of its parent, VGP, and its affiliate, Venture Global Power, LLC,⁴ Venture Global is not currently affiliated with any other energy company or governmental organization.

⁴ According to Venture Global, Venture Global Power, LLC is an affiliate of VGP and Venture Global. It is majority owned and controlled by Robert B. Pender and Michael A. Sabel.

Procedural History. In the portion of the Application not subject to this Notice, Venture Global sought authorization to export LNG from the Project to FTA countries (*i.e.*, countries with which the United States currently has, or in the future will have, a free trade agreement requiring national treatment for trade in natural gas)⁵ in a volume equivalent to approximately 243.6 Bcf/yr of natural gas (0.67 Bcf/d)—the same volume requested for export to non-FTA countries. DOE/FE granted the FTA authorization on September 27, 2013, in DOE/FE Order No. 3345.⁶ Venture Global states that the FTA and requested non-FTA volumes of LNG are for the same volume of natural gas and thus are not additive.

Liquefaction Project. Venture Global seeks long-term authorization to export LNG from the Project, which it states is a proposed mid-scale natural gas liquefaction and export terminal to be located at the entrance of the Calcasieu Ship Channel in Cameron Parish, Louisiana. Venture Global states that it is currently developing the Project.

In the Application, Venture Global states that it has executed an agreement for the exclusive right to lease approximately 69 acres for the Project site.⁷ Subsequently, by letter to DOE/FE dated December 13, 2013, Venture Global informed DOE/FE that the original lease agreement referenced in the Application has been superseded by two definitive Lease Option Agreements, one for 59 acres and one for 10 acres.⁸ Venture Global states that this land encompasses the same contiguous 69 acres covered by the original lease agreement. In the letter, Venture Global further states that it has entered into a third Lease Option agreement, for an

⁵ The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

⁶ *Venture Global LNG, LLC*, DOE/FE Order No. 3345, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Export Venture Global LNG Project in Cameron Parish, Louisiana to Free Trade Agreement Nations (Sept. 27, 2013).

⁷ The Project site lease agreement is attached, in redacted form, to Venture Global's Application as Exhibit D.

⁸ See *Venture Global Ltr.*, at 1.

additional 40 acres contiguous with the original 69 acres.⁹ Thus, according to Venture Global, it currently holds options to acquire a project site totaling 109 acres.

Current Application

Venture Global seeks to export domestically produced LNG in a total volume equivalent to approximately 243.6 Bcf/yr of natural gas, or 0.67 Bcf/d. Venture Global states that it plans to export the LNG from the Project to any non-FTA country which has developed or in the future develops the capacity to import LNG, and with which trade is not prohibited by U.S. law or policy. Venture Global requests this authorization for a 25-year term commencing on the earlier of the date of first export or eight years from the date the requested authorization is granted.

Venture Global seeks to export the requested LNG on its own behalf and as agent for third parties who hold title to the LNG at the time of export. Venture Global states that these third parties may include its “Contract Parties,” which Venture Global states are both (i) reputable, experienced, and credit-worthy international companies focusing on global infrastructure that will provide equity and project finance debt, and (ii) international energy and logistics companies that are experts in various aspects of natural gas and LNG businesses (including liquefaction, marine transportation, LNG terminal, LNG storage and regasification, and power generation businesses).¹⁰

Venture Global states that it will comply with all DOE/FE requirements for exporters and agents as set forth in recent DOE/FE orders, including registering each LNG title holder for whom Venture Global seeks to export as agent. Venture Global proposes that this registration include a written statement by the title holder acknowledging and agreeing to comply with all

⁹ Copies of the three executed Lease Option Agreements, in redacted form, are attached to the Venture Global Letter.

¹⁰ App. at 5.

applicable requirements set forth in Venture Global’s export authorization, and to include those requirements in any subsequent purchase or sale agreement entered into by that title holder.

Venture Global states that 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 transportation of the LNG to LNG import facilities via ocean-going carriers.¹¹

Venture Global states that it has projects under development in multiple countries. It emphasizes 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. According to Venture Global, if it receives the requested non-FTA export authorization, it intends to dedicate this portion of the total authorized volume of LNG to deliveries from the Project to the Republic of Haiti (one of the poorest countries in the world)—a proposal that Venture Globe states is a unique and significant benefit in the public interest.

Venture Global states that it seeks authorization to export LNG produced from the United States natural gas supply and transmission network. Venture Global states that natural gas will be procured from the interstate and intrastate natural gas grid at points of liquidity upstream from the Project. Venture Global states that the Project site is located in close proximity to various interstate and intrastate pipeline systems, including those of Tennessee Gas Pipeline Company, ANR Pipeline Company, Bridgeline Holdings, L.P., Columbia Gulf Transmission Company, and Natural Gas Pipeline Company of America. Venture Global anticipates that the Project will be

¹¹ As noted above, the Application states that Venture Global intends to export LNG “either directly or by use of approved LNG containers transported on ocean-going carriers” (App. at 4), but Venture Global later clarified that it no longer seeks authority to export LNG using LNG containers. Venture Global Ltr. at 1.

connected to one or more of these (or other) interstate or Louisiana intrastate pipeline systems through newly constructed, relatively short lateral pipeline(s). Venture Global further states that access to the pipeline grid will enable it to purchase natural gas from multiple sources of conventional and non-conventional U.S. production. Venture Global states that such supplies could be produced across the Gulf Coast region, both onshore and offshore, including traditional production regions and supplies produced from onshore shale formations, including the Barnett, Haynesville, and Bossier shale gas formations. Venture Global states that this supply may be sourced in requisite volumes in the spot market or pursued under long-term arrangements. Venture Global commits to filing all executed long-term purchase agreements with DOE/FE under seal, as set forth in recent DOE/FE orders.¹²

Public Interest Considerations

Venture Global states that the proposed export of LNG to non-FTA countries is consistent with the public interest under section 3(a) of the NGA, 15 U.S.C. § 717b(a). In support of this position, Venture Global discusses: (i) the domestic need for the LNG proposed to be exported; (ii) domestic energy security and international impacts, including its plan to devote a portion of the exports from its Project to the Republic of Haiti; and (iii) other public benefits associated with its proposed exports, including impacts on the price of U.S. natural gas, environmental benefits, benefits to national security and foreign relations, and economic benefits.

Focusing on domestic need for the LNG, Venture Global states that domestic natural gas resources are abundant, environmentally friendly, and affordable. It asserts that domestic

¹² 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*, DOE/FE Order No. 2833, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Free Trade Nations, at 5-6 (Sept. 7, 2010).

resources are sufficient to meet both the domestic consumption demand and any expected level of LNG exports—including those proposed by Venture Global—in the long-term. According to Venture Global, recent technological developments in the natural gas industry have led to significant increases in domestically-produced natural gas, particularly with regard to non-conventional production from onshore shale formations. Citing data from the U.S. Energy Information Administration (EIA), Venture Global states that total dry natural gas production in the United States was approximately 24.04 trillion cubic feet (Tcf) 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 2005.¹³

Focusing on projections from EIA’s Annual Energy Outlook 2013 Early Release (AEO 2013 Early Release),¹⁴ Venture Global states that U.S. production will continue to increase significantly in the coming years. According to Venture Global, the Reference Case in the AEO 2013 Early Release projects that domestic dry gas production will increase to 33.14 Tcf by 2040,¹⁵ an increase of 44% compared to the 2011 production levels. Citing this data, Venture Global contends that the United States will become a net exporter of LNG in 2016 and a net exporter of natural gas in 2020.¹⁶ Venture Global further contends that, while domestic gas consumption is expected to increase over time and reach 29.83 Tcf in 2040, U.S. supply will grow faster, leading to increasing levels of excess supply over time.

Venture Global asserts that the increase in U.S. gas reserves in recent years has been as dramatic as the growth in production. According to Venture Global, EIA estimated proved dry natural gas reserves of approximately 304.6 Tcf as of year-end 2010—the largest level in U.S.

¹³ See <http://www.eia.gov/dnav/ng/hist/n9070us2a.htm>.

¹⁴ U.S. Energy Information Administration, Annual Energy Outlook 2013 with Projections to 2040 (April 2013), available at: [http://www.eia.gov/forecasts/aeo/pdf/0383\(2013\).pdf](http://www.eia.gov/forecasts/aeo/pdf/0383(2013).pdf).

¹⁵ *Id.*, EIA, 2013 AEO Early Release at Table A1.

¹⁶ *Id.*, EIA, 2013 AEO Early Release at 11.

history and an increase of roughly one-third compared to EIA's estimate of proved reserves of 204.4 Tcf as of 2005.¹⁷

Venture Global next states that the Potential Gas Committee, in its biennial report on potential U.S. supplies, concluded that the United States possesses a technically recoverable natural gas resource potential of 2,384 Tcf, the highest resource evaluation in the Potential Gas Committee's 48-year history.¹⁸ Venture Global states that when the Potential Gas Committee'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, representing an increase of 486.1 Tcf over the Potential Gas Committee's evaluation in 2010.

Venture Global contends that, for purposes of comparison with current reserves, total U.S. gas consumption in 2011 was approximately 25.5 Tcf, meaning that the total available supply exceeds 105 years of the 2011 consumption levels. Venture Global asserts that, 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.

Venture Global further states that numerous reports have projected sufficient volumes of domestic natural gas to meet both domestic demand and LNG exports.¹⁹ Citing the 2012 study conducted by NERA Economic Consulting (NERA) as part of DOE's LNG Export Study,²⁰ Venture Global states that LNG exports will provide a net economic benefit to the United States, regardless of the amount of LNG exported from the United States.

¹⁷ See http://www.eia.gov/dnav/ng/hist/rngr11nus_1a.htm.

¹⁸ See <http://potentialgas.org/press-release>.

¹⁹ 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.

²⁰ 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.

Venture Global maintains that it seeks to export relatively small volumes of LNG, as compared to other long-term LNG export applications granted by or pending before DOE/FE. Further, Venture Global states that its proposed volume of LNG—equivalent to approximately 243.6 Bcf/yr of natural gas—is *de minimis* in the national gas market, where growing supplies are far in excess of that domestic need. Venture Global states that, given the current and projected amounts of domestic supply and demand of natural gas described above, its proposed export authorization will not have a negative impact on domestic needs for natural gas and therefore is not inconsistent with the public interest.

Venture Global also contends that its proposed export volumes to non-FTA countries are sufficiently small that they will have a minimal effect, if any, on domestic energy supply. Further, according to Venture Global, the NERA study and other studies have demonstrated that the proposed export of LNG will not have a substantial impact on the domestic price of natural gas. Additional details can be found in Venture Global's Application, which is posted on the DOE/FE website at:

http://www.fossil.energy.gov/programs/gasregulation/authorizations/2013_applications/13_69_1ng.pdf

Environmental Impact

According to Venture Global, a grant of the Application would not constitute a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.* Venture Global states that it will be seeking all necessary federal, state, and local permits to construct the necessary export facilities for the Project. Once plans for the Project are developed further, it will request permission to commence the Federal Energy Regulatory Commission's (FERC) mandatory pre-filing process

under NEPA and will file an application for the necessary FERC authorization for the construction and operation of its facilities. Venture Global states that, consistent with prior orders by DOE/FE, the requested authorization should be conditioned on its receipt of all necessary FERC authorizations of the facilities needed for the export of LNG.

DOE/FE Evaluation

The Application will be reviewed pursuant to section 3(a) of the NGA, 15 U.S.C. § 717b(a), and DOE will consider any issues required by law or policy. To the extent determined to be relevant, these issues will include the domestic need for the natural gas proposed to be exported, the adequacy of domestic natural gas supply, U.S. energy security, and the cumulative impact of the requested authorization and any other LNG export application(s) previously approved on domestic natural gas supply and demand fundamentals. DOE may also consider other factors bearing on the public interest, including the impact of the proposed exports on the U.S. economy (including GDP, consumers, and industry), job creation, the U.S. balance of trade, and international considerations; and whether the authorization is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements. Parties that may oppose this Application should address these issues in their comments and/or protests, as well as other issues deemed relevant to the Application.

NEPA requires DOE to give appropriate consideration to the environmental effects of its decisions. No final decision will be issued in this proceeding until DOE has met its environmental responsibilities.

Due to the complexity of the issues raised by the Applicant, interested persons will be provided 60 days from the date of publication of this Notice in which to submit comments, protests, motions to intervene, notices of intervention, or motions for additional procedures.

Public Comment Procedures

In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Any person wishing to become a party to the proceeding must file a motion to intervene or notice of intervention, as applicable. The filing of comments or a protest with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 C.F.R. Part 590.

Filings may be submitted using one of the following methods: (1) e-mailing the filing to fergas@hq.doe.gov, with FE Docket No. 13-69-LNG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Oil and Gas Global Security and Supply at the address listed in **ADDRESSES**; or (3) hand delivering an original and three paper copies of the filing to the Office of Oil and Gas Global Supply at the address listed in **ADDRESSES**. All filings must include a reference to FE Docket No. 13-69-LNG. PLEASE NOTE: If submitting a filing via email, please include all related documents and attachments (e.g., exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are filed in a timely

manner. Any hardcopy filing submitted greater in length than 50 pages must also include, at the time of the filing, a digital copy on disk of the entire submission.

A decisional record on the Application will be developed through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. A party seeking intervention may request that additional procedures be provided, such as additional written comments, an oral presentation, a conference, or trial-type hearing. Any request to file additional written comments should explain why they are necessary. Any request for an oral presentation should identify the substantial question of fact, law, or policy at issue, show that it is material and relevant to a decision in the proceeding, and demonstrate why an oral presentation is needed. Any request for a conference should demonstrate why the conference would materially advance the proceeding. Any request for a trial-type hearing must show that there are factual issues genuinely in dispute that are relevant and material to a decision and that a trial-type hearing is necessary for a full and true disclosure of the facts.

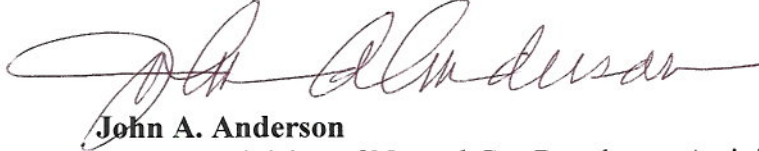
If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Opinion and Order may be issued based on the official record, including the Application and responses filed by parties pursuant to this notice, in accordance with 10 C.F.R. § 590.316.

The Application is available for inspection and copying in the Division of Natural Gas Regulatory Activities docket room, Room 3E-042, 1000 Independence Avenue, S.W., Washington, DC 20585. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. The Application and any filed protests, motions to intervene or notice of interventions, and comments will also be available

electronically by going to the following DOE/FE Web address:

<http://www.fe.doe.gov/programs/gasregulation/index.html>.

Issued in Washington, D.C., on May 20, 2014.

A handwritten signature in dark ink, appearing to read "John A. Anderson". The signature is fluid and cursive, with a large initial "J" and "A".

John A. Anderson

Director, Division of Natural Gas Regulatory Activities
Office of Oil and Gas Global Security and Supply
Office of Oil and Natural Gas