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To: [LNGStudy](#)
Cc: [Lo Baugh, Leslie](#)
Subject: 2012 LNG Export Study
Date: Thursday, January 24, 2013 1:42:28 PM
Attachments: [Gulf Coast Cover letter to Comments 01242013.pdf](#)
[Comments of Gulf Coast LNG Export, LLC to 2012 LNG Export Study.pdf](#)

Please find attached a cover letter and Comments of Gulf Coast LNG Export, LLC to the 2012 LNG Export Study.

Thank you

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January 24, 2013

VIA EMAIL: LNGStudy@hq.doe.gov

Honorable Steven Chu
Secretary
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

RE: **2012 Export Study
Comments of Gulf Coast LNG Export, LLC**

Dear Secretary Chu:

Please find attached the initial comments of Gulf Coast LNG Export, LLC on the 2012 LNG Export Study. These comments are filed pursuant to the DOE/FE request for comments on the study and more specifically on the macroeconomic analysis and the methodology employed in that study.

Sincerely yours,

Brownstein Hyatt Farber Schreck, LLP



Les Lo Baugh
Attorney for Commenter

LEL:prh

Attachment
LA 51882 v1:010538.0041

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

**INITIAL COMMENTS
ON
“2012 LNG EXPORT STUDY”
by
Gulf Coast LNG Export, LLC**

**I.
BACKGROUND**

In January of 2012 Gulf Coast LNG Export, LLC (“Gulf Coast”) filed an application (“Application”) with the Office of Fossil Energy (“FE”) of the Department of Energy (“DOE”) under section 3 of the Natural Gas Act (“NGA”), 15 U.S.C. 717b, Part 590 of the Regulations of the DOE,¹ and Section 201 of the Energy Policy Act of 1992.² The requested authorization to export LNG to FTA countries was approved without limitation by DOE/FE Order No. 3163 on October 16, 2012. The requested authorization to export to U.S. domestic LNG to non-FTA countries is currently pending until after completion of the comments on the 2012 LNG Export Study.

In the pending Gulf Coast export docket, Gulf Coast clear stated why its requested LNG exports should be expeditiously approved. It has also filed extensive comments in response to “protests” by “interveners”. These comments by Gulf Coast re-affirmed that the Gulf Coast proposed LNG export is in the public interest. Since those Gulf Coast comments are germane to the subject of the 2012 LNG Export Study, Gulf Coast hereby incorporates such comments by reference as part of these initial comments.

¹ 10 C.F.R. § 590 (2010).

² Pub. L. No. 102-486, § 201, 106 Stat. 2776, 2866 (1992) (codified as amended at 15 U.S.C. § 717b(c) (2010)).

II.
DOE's 2012 LNG EXPORT STUDY

The 2012 LNG Export Study was commissioned by DOE to assist it in evaluating the macroeconomic impacts of LNG exports. This study is in two parts: (1) the study performed by the Energy Information Administration ("EIA") and (2) the work performed by NERA Economic Consulting ("NERA"), a private non-governmental consulting organization. The EIA confined its own analysis to specific assumptions provided by DOE. It was therefore limited in scope and did not comprehensively address various matters including the macroeconomic impacts of LNG exports on the U.S. economy. The EIA study was input for the NERA study.

DOE invited public initial comments on the 2012 LNG Export Study on or before January 25, 2013 and reply comments to initial comments no later than February 25, 2013. All comments, both initial and reply, are to become part of the record of all LNG export application pending before the DOE/FE.

III.
LEGAL STANDARD UNDER THE NATURAL GAS ACT

The legal requirements under the Natural Gas Act for approval of applications to export LNG to non-FTA countries are clearly established by the Natural Gas Act which provides that "unless after opportunity for hearing, [DOE] finds that the proposed export will not be consistent with the public interest."³ This rebuttable presumption that Gulf Coast's proposed LNG exports to non-FTA countries are in the public interest remains unchanged by the 2012 LNG Export Study.⁴ The burden of proof rests on the shoulders of opponents. No persuasive affirmative evidence has been present that Gulf Coast's proposed exports are not in the public interest. The Gulf Coast application for LNG exports to non-FTA countries must therefore be approved.

IV
COMMENTS OF ON THE 2012 LNG EXPORT STUDY

The principle finding and the conclusion of the NERA study is that:

"Across all [modeled] scenarios, the U.S. was projected to gain net economic benefits from allowing LNG exports. Moreover, for every one of the market scenarios examined, net economic benefits increased as the level of LNG exports increased. In particular, scenarios with unlimited exports always had higher net economic benefits than corresponding cases with limited

³ 15 USC 717(a).

⁴ DOE/FE Order No. 2961, Sabine Pass Liquefaction, LLC, FE Docket No. 10-111-LNG, page 28.

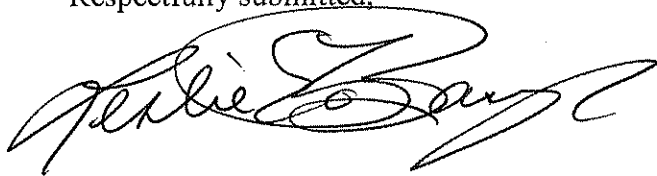
exports.”⁵

Gulf Coast believes that the 2012 LNG Export Study uses in part unduly conservative input. Therefore, the NERA analysis understates the benefits that the proposed LNG exports will have definitely for the United States. For instance both the EIA study, as well as both the specific EIA gas reserve and demand forecasts used by NERA caused the NERA conclusions to understate the benefits of LNG exports. Those NERA conclusions, which very strongly support LNG exports at all levels, would have been even more positive if the input had been less conservative. Nevertheless, the NERA study is certainly valuable input to DOE. It unequivocally confirms the statutory presumption that Gulf Coast’s proposed LNG exports are in the public interest.

VI. CONCLUSION

WHEREFORE, for the foregoing reasons Gulf Coast respectfully asserts that, pursuant to Section 3 of the NGA and Section 201 of the Energy Policy Act, that the DOE/FE should, without further delay or limitation, expeditiously grant its application for authorization for long-term, multi-contract authorization to export domestic LNG to any country which has or will develop the capacity to import LNG via ocean-going carrier, and with which trade is not prohibited by U.S. law or policy.

Respectfully submitted,



Attorneys for Gulf Coast LNG
January 24, 2013

⁵ *Macroeconomic Impacts of LNG Export from the United States*, NERA Economic Consulting (“NERA Study”, December 3, 2012, Page 1.