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Jennifer Brough
Partner
701 8th Street, N.W.
Suite 500
Washington, DC 20001
Telephone: 202-220-6965
Fax: 202-220-6945
www.lockelord.com

August 18, 2023

VIA E-FILING TO FERGAS@HQ.DOE.GOV

Office of Fuels Programs
Fossil Energy
Office of Fossil Energy and Carbon Management
U.S. Department of Energy
Docket Room 3F-056, FE-50
Forrestal Building
1000 Independence Avenue SW
Washington, DC 20585
Attn: Mrs. Amy Sweeney

Re: Lake Charles Exports, LLC – Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries and Request for Expedited Consideration

Dear Mrs. Sweeney:

Enclosed for filing on behalf of Lake Charles Exports, LLC (“LCE”), please find attached LCE’s Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Countries and Request for Expedited Consideration. As noted therein and in light of the extensive record developed at the DOE/FECM over the last twelve years, LCE respectfully requests that DOE/FECM issue the requested authorization on or before February 19, 2024. This filing includes the following:

1. Transmittal Letter
2. Application
3. Appendix A – Verification
4. Appendix B – Opinion of Counsel
5. Confidential Exhibits – Underlying Property Documents for the Liquefaction Project site

LCE hereby requests privileged and confidential treatment of the Confidential Exhibits and an exemption from disclosure under the Freedom of Information Act, 5 U.S.C. § 552, as amended, and the applicable rules of the DOE, including 10 C.F.R. §§ 590.202(e) and 1004.11.

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Pursuant to 10 C.F.R. § 590.207, LCE has transmitted the \$50.00 filing fee via pay.gov. Please return a date-stamped copy of the filing at your earliest convenience. Should you have any questions regarding the foregoing, please do not hesitate to contact the undersigned.

Sincerely,

/s/ Jennifer L. Brough

Jennifer L. Brough

Counsel for Lake Charles Exports, LLC

**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT**

Lake Charles Exports, LLC

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Docket No. 23 -87- LNG

**APPLICATION OF LAKE CHARLES EXPORTS, LLC FOR
LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO
NON-FREE TRADE AGREEMENT COUNTRIES
AND REQUEST FOR EXPEDITED CONSIDERATION**

Thomas P. Mason
President, LNG
Lake Charles Exports, LLC
8111 Westchester Drive, Suite 600
Dallas, TX 75225
(214) 981-0700
tom.mason@energytransfer.com

Thomas E. Knight
Jennifer Brough
Locke Lord LLP
701 8th Street, NW
Suite 500
Washington, DC 20001
(202) 220-6922
tknight@lockelord.com
jbrough@lockelord.com

Dated: August 18, 2023

developed at DOE/FECM over the last 12 years as noted below, LCE respectfully requests that DOE/FECM issue the requested authorization on or before February 19, 2024. In support of this Application, LCE respectfully states as follows:

I.
REQUEST FOR EXPEDITED CONSIDERATION OF APPLICATION

LCE respectfully requests that this Application be processed in an expedited fashion due to the unique circumstances presented herein. LCE already is authorized to export the requested 851 Bcf/year of LNG from the Lake Charles Terminal pursuant to orders wherein DOE/FECM held that the export of this amount of LNG is not inconsistent with the public interest under NGA section 3 and that such exports “are likely to generate net economic benefits to the United States.”² LCE is not seeking to export any additional volumes of LNG from the Lake Charles Terminal.³ Nothing has changed with respect to DOE/FECM’s original analysis approving exports from the Lake Charles Terminal and therefore this Application is not inconsistent with the public interest.

Energy Transfer, LP (“Energy Transfer”) (along with its various subsidiaries, including LCE, Lake Charles LNG Export, Trunkline Gas Company, LLC and Lake Charles LNG Company, LLC) is the developer of the Liquefaction Project. The Liquefaction Project has been diligently pursued since 2012, with approximately \$350 million of development costs being incurred to date. Lake Charles LNG has obtained all required federal, state and local authorizations and permits related to construction and operation of the Liquefaction Project facilities and such authorizations and permits remain valid and are in full force and effect. LCE notes herein the extensive efforts it has undertaken to further advance the Liquefaction Project, including entering into definitive long-term LNG offtake contracts for 7.9 mtpa of LNG. Also, just in this past month, LCE entered into

² LCE, DOE/FE Order No. 3324-A at 122.

³ Upon DOE/FECM issuing an order approving this Application for LCE to export up to 851 Bcf/year of LNG to non-FTA countries, LCE will file to vacate its authorizations set out in DOE/FE Order Nos. 3324 and 4011.

several Heads of Agreements related to long-term LNG offtake from the Liquefaction Project for an aggregate of 3.6 mtpa of LNG. Such efforts add to the ample evidence that LCE's request in this Application is not inconsistent with the public interest.

The Federal Energy Regulatory Commission ("FERC") has authorized the construction of the Liquefaction Project facilities at the Lake Charles Terminal and such authorization remains in full force and effect.⁴ Potential environmental impacts were fully studied by FERC as the lead agency for review under the National Environmental Policy Act ("NEPA") and set out in the final environmental impact statement ("EIS"). DOE/FECM (as a cooperating agency) reviewed, affirmed and adopted the final EIS in originally issuing the final non-FTA export authorization to LCE. DOE/FECM stated that "[a]fter an independent review, and having been a cooperating agency in the EIS preparation, DOE/FE adopted FERC's final EIS for the Lake Charles Liquefaction Project."⁵ This final EIS adopted by DOE/FECM is still valid and in full effect and can be fully relied upon here. In addition, DOE/FECM issued a categorical exclusion from the preparation of an environmental impact statement or environmental assessment under NEPA in connection with LCE's Order No. 4011 because no additional construction beyond that previously authorized by FERC was required.

FERC's authorization for the Liquefaction Project is for the full design production capacity of the facilities, which matches the export quantity requested herein. LCE confirms that the Liquefaction Project area, which is a brownfield site, has not experienced any significant changes and the environmental findings underlying the final Environmental Impact Statement remain valid.

⁴ *Lake Charles LNG Co., LLC et al.*, 153 FERC ¶ 61,300 (2015), *reh'g denied*, 155 FERC ¶ 61,328 (2016).

⁵ *LCE*, DOE/FE Order No. 3324-A at 10 ("After an independent review, and having been a cooperating agency in the EIS preparation, DOE/FE adopted FERC's final EIS for the Lake Charles Liquefaction Project (FERC/EIS0258F, adopted as DOE/EIS-0491), and EPA published a notice of the adoption on July 15, 2016.").

As recently as 2022, FERC affirmed that “[t]he authorization order’s environmental analysis remains valid.”⁶

Despite LCE and its affiliates making substantial and substantive efforts to advance the Liquefaction Project, LCE will not be able to “commence export operations using the planned liquefaction facilities” by December 16, 2025.⁷ Therefore, LCE is filing for a new export authorization that will be evaluated under current DOE/FECM policies with the most recent market information and presumably will have a condition that LCE must commence export operations using the planned liquefaction facilities within 7 years from the date of the new authorization (presumably sometime in 2031). As noted herein, there have been no material changes to the scope of the Liquefaction Project, its proposed facilities or commercial prospects. As described in extensive detail below, LCE and its affiliates have made considerable progress in securing the level of long-term offtake commitments and equity participation commitments that will position LCE and its affiliate to make an affirmative final investment decision with respect to the Liquefaction Project. These existing offtake customers and prospective offtake customers have specific needs for LNG to be produced by the Liquefaction Project that are time sensitive, such as the need of SK Gas Trading LLC to obtain LNG for a natural gas power plant currently under construction in South Korea and the need of the prospective Japanese customer described below to supply LNG for natural gas power plants in Japan. As a result, a delay in receiving approval of this Application on an expedited basis will likely result in the exercise of termination rights in existing offtake agreements as well as a discontinuation of negotiations and discussions related to the remaining offtake volume and equity participation. Considering these factors, LCE

⁶ *Lake Charles LNG Co., LLC et al.*, 179 FERC ¶ 61,086 at P 12 (2022).

⁷ *See Lake Charles Exports, LLC*, DOE/FE Order No. 3324-A at 151.

respectfully requests expedited consideration of this Application and an order on or before February 19, 2024.

II. **BACKGROUND**

Import Terminal

In 1977, the Federal Power Commission, predecessor to FERC initially authorized Trunkline LNG Company (“Trunkline LNG”), the predecessor to Lake Charles LNG Company, LLC (“Lake Charles LNG”), to construct and operate the Lake Charles Terminal to receive, store and regasify LNG imported from Algeria.⁸ At the same time, FERC authorized Trunkline Gas Company (“Trunkline”)⁹ to construct an approximate 46-mile gas pipeline lateral extending from the tailgate of the Lake Charles Terminal to Trunkline’s existing interstate natural gas pipeline system in Longville, Louisiana to transport the gas that was made available by the revaporization of the imported LNG.¹⁰ The Lake Charles Terminal received imported LNG in 1982. Deliveries were suspended in 1983, but resumed in 1989 when FERC authorized several requests to modify and expand the Lake Charles Terminal and the import services.¹¹

In 2001, BG LNG Services, LLC entered into a firm service agreement with Trunkline LNG and subscribed all of the uncommitted firm capacity of the Lake Charles Terminal for the receipt, storage and vaporization of imported LNG.¹² Consistent therewith, Trunkline LNG expanded and enhanced the Lake Charles Terminal through the construction of additional storage

⁸ *Trunkline LNG Co. and Trunkline Gas Co.*, 58 FPC 726 (1977), amended on reh’g, 58 FPC 2935 (1977).

⁹ Like LCE and Lake Charles LNG Export, Trunkline and Lake Charles LNG are wholly-owned subsidiaries of Energy Transfer LP.

¹⁰ *Trunkline Gas*, 58 FPC 726 at 744.

¹¹ *Trunkline LNG Co. et al.*, 49 FERC ¶ 61,199 (1989), order clarifying and amending certificate, 69 FERC ¶ 61,129 (1994).

¹² Since September 2005 (when Duke Energy LNG’s service agreement expired), BG LNG Services, LLC has been the sole import customer of the Lake Charles Terminal.

capacity, additional gas-fired vaporization capacity, and an additional marine berth.¹³ In addition, Trunkline LNG received authorization from FERC in 2006 to construct and operate ambient air vaporization equipment and natural gas liquids extraction capability.¹⁴ With respect to imports, the Lake Charles Terminal achieved a firm sustained send-out capacity of 1.8 Bcf/day of gas (13.7 million tons per annum (“mtpa”) of LNG) and a peak send-out capacity of 2.1 Bcf/day.¹⁵ The Lake Charles Terminal has four LNG storage tanks with a combined capacity of approximately 2.7 million barrels (425,000 cubic meters) of LNG, or approximately 9.0 Bcf of gas.

Export Terminal – FERC Authorizations

As a result of the shale revolution in the United States, a newly abundant supply of natural gas precipitated a dramatic decrease in United States natural gas prices, making LNG imports uneconomic. Accordingly, Trunkline LNG decided to expand its existing LNG import terminal and regasification facility at Lake Charles to also provide for liquefaction and export facilities (“Liquefaction Project”). On March 30, 2012, Trunkline LNG and Trunkline requested FERC to commence the pre-filing review process required by 18 C.F.R. § 157.21 for the Liquefaction Project, which FERC approved on April 6, 2012.¹⁶ Trunkline LNG spent nearly two years engaged in FERC’s mandatory pre-filing process.

On March 25, 2014, Trunkline LNG and Trunkline filed for authorizations at FERC for the Liquefaction Project. Trunkline LNG explained that the Lake Charles Terminal is an existing 152-acre LNG import terminal that will require modifications to existing facilities and systems to

¹³ See *CMS Trunkline LNG Co., LLC*, 101 FERC ¶ 61,300 (2002) and 100 FERC ¶ 61,217 (2002) (authorizing, among other things, (i) the addition of a fourth storage tank to increase the total storage capacity to 9.0 Bcf and (ii) the construction of LNG pumps and vaporizers to increase the daily sustainable sendout capability to 1,200 MMcf/day); *Trunkline LNG Co., LLC*, 105 FERC ¶ 61,137 (2003) (authorizing the modification of unloading facilities).

¹⁴ *Trunkline LNG Co., LLC*, 117 FERC ¶ 61,339 at P 2 (2006).

¹⁵ *Id.* at P 5.

¹⁶ *Trunkline LNG Co., LLC et al.*, Docket No. PF12-8-000, Approval of Pre-filing Request (issued Apr. 6, 2012).

integrate with the proposed export components.¹⁷ The Liquefaction Project is an approximate 286-acre site adjacent to the existing import facilities¹⁸ and will have three liquefaction trains with LNG and vapor tie-ins to the existing import terminal and feed gas line from the Trunkline LNG meter station. Certain modifications to the existing facilities and systems at the LNG import terminal will be required as part of the Liquefaction Project, including (i) installation of larger in-tank LNG pumps; (ii) replacement of LNG loading arms at the west dock; (iii) modifications to boil-off compression and handling systems; (iv) expansion and integration of electrical systems; (v) installation of LNG rundown lines from liquefaction area to LNG storage tanks; (vi) expansion and integration of security system; (vii) integration of control and emergency shutdown systems; (viii) expansion and integration of telecommunication system; (ix) installation of larger vapor return pipeline from each dock to the LNG tanks; (x) installation of a marine flare; (xi) addition of mooring dolphins and breasting dolphins at west dock; (xii) addition of breasting dolphins at east dock; (xiii) construction of temporary construction docks; and (xiv) dredging of temporary construction docks with disposal onshore.¹⁹

FERC authorized the Liquefaction Project on December 17, 2015 to include three liquefaction trains, with a design production capacity of 16.45 mtpa of LNG, to be constructed and placed into service in phases.²⁰ The Liquefaction Project also will incorporate major existing LNG infrastructure at the Lake Charles Terminal that was constructed in connection with the import terminal and regasification facility, including the four LNG storage tanks (with a combined

¹⁷ Application for Authorization under Section 3 of the Natural Gas Act for the Proposed Lake Charles Liquefaction Project, *Lake Charles LNG Co., LLC, et al.*, Docket No. CP14-120-000 (filed Mar. 25, 2014).

¹⁸ See Exhibits 1.1 et al. filed under seal as Confidential setting out the underlying property documents for the Liquefaction Project.

¹⁹ Application for Authorization under Section 3 of the Natural Gas Act for the Proposed Lake Charles Liquefaction Project, *Lake Charles LNG Co., LLC, et al.*, Docket No. CP14-120-000 (filed Mar. 25, 2014) at Resource Report 1 (General Project Description), pages 1-5 to 1-6.

²⁰ *Lake Charles LNG Co., LLC et al.*, 153 FERC ¶ 61,300 (2015), *reh'g denied*, 155 FERC ¶ 61,328 (2016) (“FERC Authorization Order”).

capacity of approximately 2.7 million barrels (425,000 cubic meters) of LNG, or approximately 9.0 Bcf of gas), two deep water docks capable of handling large LNG vessels, LNG sendout facilities, and other infrastructure on the existing Lake Charles Terminal.²¹ FERC recognized that the “Liquefaction Project is located on, and adjacent to, the footprint of the previously-approved, existing [import] terminal.”²² FERC concluded that “[m]uch of the land in the area was previously disturbed during construction of the [import] terminal, and, as a result, we concur with the findings set forth in the final EIS that most of the proposed project’s environmental impacts would be reduced to less than significant levels with the implementation of Lake Charles LNG’s proposed mitigation and the conditions required in [the FERC Authorization] Order.”²³ Accordingly, FERC found that the Liquefaction Project “is not inconsistent with the public interest.”²⁴

The FERC Authorization Order also authorized Trunkline’s proposed modifications to its system in order to enable the delivery of 2.6 Bcf/day of natural gas to the Lake Charles Terminal, enable bi-directional flow (north-south) in Trunkline’s system and enable increased access to natural gas supplies. FERC’s approval included construction of (i) a new 11-mile long, 42-inch diameter pipeline, (ii) a new 6-mile long, 24-inch diameter pipeline, (iii) a new 103,175

²¹ In particular, the following existing facilities and systems at the Lake Charles Terminal will be incorporated into the Liquefaction Project: (i) two shipping berths (east dock and west dock), each equipped with mooring and breasting dolphins (each dock contains four liquid loading arms and one vapor return arm; one arm on each dock serves as a hybrid arm that can be used for liquid loading or vapor return); (ii) four LNG storage tanks: three with a capacity of 95,000 m³ and one with a capacity of 140,000 m³, for a total combined capacity of 425,000 m³; (iii) LNG sendout facilities, including 12 pumps, 14 vaporizers, and 2 boil-off gas compressors; (iv) hazard detection, control and prevention systems, cryogenic piping and insulation, and electrical and instrumentation systems; (v) a firewater system; (vi) a natural gas liquids recovery system; (vii) ancillary utilities, buildings and service facilities; (viii) access roads and terminal road; and (ix) existing dredge spoil management area. Final Environmental Impact Statement, *Lake Charles LNG Co., LLC*, Docket Nos. CP14-119-000 et al. (issued Aug. 14, 2015) at 2-6 and 2-10.

²² FERC Authorization Order at P 38.

²³ *Id.* DOE/FECM participated in FERC’s environmental review as a cooperating agency and therefore was permitted to adopt FERC’s final Environmental Impact Statement for the Liquefaction Project because DOE/FECM conducted an independent review of the final Environmental Impact Statement and determined that its comments and conditions had been satisfied. *LCE*, DOE/FE Order No. 3324-A at 127-128, citing 40 C.F.R. § 1506.3(c); *see also Lake Charles LNG Export*, DOE/FE Order No. 3868 at 136.

²⁴ FERC Authorization Order at P 39.

horsepower compressor station, (iv) a new 15,900 horsepower compressor unit at an existing compressor station and (v) new meter stations, piping modifications and related facilities.²⁵ Based on the benefits Trunkline’s new construction will provide to the market, and the minimal adverse effects on existing shippers, other pipelines and their captive customers, and on landowners and surrounding communities, FERC found that pursuant to NGA section 7(c) the public convenience and necessity required approval of Trunkline’s proposed facilities described above.²⁶

Export Terminal – DOE Authorizations

In the FERC Authorization Order, FERC recognized DOE/FECM’s²⁷ conditional order granting LCE long-term authorization to export LNG from the Lake Charles Terminal to non-FTA nations.²⁸ In the August 7, 2013 conditional order, DOE/FECM “concluded that the opponents of the LCE Application have not demonstrated that the requested authorization will be inconsistent with the public interest”, finding in particular that the opponents have not “overcome the statutory presumption that the proposed export authorization is consistent with the public interest.”²⁹ DOE/FECM found substantial evidence of economic and other public benefits of the Liquefaction Project, holding that the proposed exports “are likely to yield net economic benefits to the United States.”³⁰ In addition, DOE/FECM found that exporting natural gas will lead to net benefits to the United States economy and can counteract concentration within global LNG markets, thereby diversifying international supply options and improving energy security for United States allies

²⁵ *Id.* at P 21.

²⁶ *Id.* at P 56.

²⁷ DOE’s Office of Fossil Energy (FE) changed its name to the Office of Fossil Energy and Carbon Management (FECM) on July 4, 2021.

²⁸ FERC Authorization Order at P 37; *LCE*, DOE/FE Order No. 3324. In addition, DOE/FECM issued an order granting LCE long-term authorization to export LNG from the Lake Charles Terminal to FTA nations. *Lake Charles Exports, LLC*, DOE/FE Order No. 2987 (issued Jul. 22, 2011).

²⁹ *LCE*, DOE/FE Order No. 3324 at 6 and 125.

³⁰ *Id.* at 6.

and trading partners.³¹ On balance, DOE/FECM found that the likely net economic benefits and other non-economic or indirect benefits outweighed the potential negative impacts of the proposed exports.³²

DOE/FECM subsequently issued LCE a final authorization finding that the protestor to LCE's application "has not demonstrated that the proposed exports will be inconsistent with the public interest, as would be required to deny LCE's Application under NGA section 3(a)."³³ DOE/FECM found that several factors support granting LCE authorization to export LNG in an amount equivalent to 730 Bcf/year of natural gas:

First, the record supports a finding that there is ample supply of natural gas available to support the exports contemplated in the Application without affecting the availability of natural gas to meet domestic demand.

Second, as discussed below, the record demonstrates that domestic natural gas can be liquefied and exported to foreign markets in the volumes proposed in the Application with only a nominal effect on U.S. prices due to the proposed exports.

Third, we agree with LCE and the commenters supporting the Liquefaction Project that substantial economic and public benefits, including reductions to the U.S. trade deficit and the generation of significant tax revenues for federal, state, and local governmental entities, will follow from a grant of the Application.³⁴

In particular, DOE/FECM found that LCE's proposed exports to non-FTA countries "are likely to generate net economic benefits for the United States" and that there will be no "deleterious

³¹ *Id.* at 124.

³² *Id.*

³³ *LCE*, DOE/FE Order No. 3324-A at 11; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868 at 10. On July 29, 2016, DOE/FECM issued *LCE*, DOE/FE Order No. 3324-A and *Lake Charles LNG Export*, DOE/FE Order No. 3868, wherein it made substantially similar findings in both orders that the export of LNG to non-FTA countries from the Liquefaction Project was not inconsistent with the public interest. In addition, DOE/FECM explained that "[b]ecause the source of LNG for all four of these export authorizations is the proposed Lake Charles Liquefaction Project, none of the volumes authorized for export in those orders – DOE/FE Order Nos. 2987 [*LCE*], 3252 [*Lake Charles LNG Export*], 3324-A [*LCE*], and 3868 [*Lake Charles LNG Export*] – are additive to one another." *LCE*, DOE/FE Order No. 3324-A at 3-4.

³⁴ *LCE*, DOE/FE Order No. 3324-A at 121.

economic and societal impacts” as result of such exports.³⁵ DOE/FECM concluded that it did not find there to be an adequate basis to conclude that the Liquefaction Project will be inconsistent with the public interest and therefore authorized LCE’s proposed exports to non-FTA countries.³⁶ As it did in DOE/FECM Order No. 3324, DOE/FECM found that “[o]n balance, we find that the potential negative impacts of LCE’s proposed exports are outweighed by the likely net economic benefits and by other non-economic or indirect benefits.”³⁷

LCE then applied for, and DOE/FECM authorized, the export of an additional 121 Bcf/year of natural gas (0.33 Bcf/day) to FTA and non-FTA countries from the Lake Charles Terminal.³⁸ The previously approved 730 Bcf/year of natural gas and the 121 Bcf/year of natural gas totals the design production of the Lake Charles Terminal as approved by FERC.³⁹ DOE/FECM’s grant of this authorization was supported by the following: (i) the requested export amount will have no practical impact on the domestic supply of natural gas in the United States or natural gas markets, (ii) DOE/FECM’s export studies project that exports of LNG will generate net economic benefits to the broader United States economy, and (iii) the proposed exports will benefit the liquidity of international natural gas markets and make a positive contribution to the United States’ trade balance.⁴⁰ DOE/FECM ruled that it has “not found an adequate basis to conclude that LCE’s proposed exports of LNG to non-FTA countries will be inconsistent with the public interest.”⁴¹

³⁵ *Id.* at 122; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868 at 130.

³⁶ *LCE*, DOE/FE Order No. 3324-A at 140 and 150; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868 at 151.

³⁷ *LCE*, DOE/FE Order No. 3324-A at 139; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868 at 151.

³⁸ *LCE*, DOE/FE Order No. 4011; *see also Lake Charles LNG Export*, DOE/FE Order No. 4010. On June 29, 2017, DOE/FECM issued *LCE*, DOE/FE Order No. 4011 and *Lake Charles LNG Export*, DOE/FE Order No. 4010, wherein it made substantially similar findings in both orders that the additional export volumes of LNG to FTA and non-FTA countries from the Liquefaction Project was not inconsistent with the public interest.

³⁹ FERC Authorization Order at P 10, n. 13.

⁴⁰ *LCE*, DOE/FE Order No. 4011 at 25; *see also Lake Charles LNG Export*, DOE/FE Order No. 4010 at 26.

⁴¹ *LCE*, DOE/FE Order No. 4011 at 42; *see also id.* at 13 (“On the basis of this record, DOE/FE has determined that it has not been demonstrated that the proposed exports of LNG will be inconsistent with the public interest, as would be required to deny the Application under NGA section 3(a).”); *see also Lake Charles LNG Export*, DOE/FE Order No. 4010 at 13 and 43.

In addition, DOE/FECM issued a categorical exclusion from the preparation of an environmental impact statement or environmental assessment under NEPA for LCE's request for authorization for 121 Bcf/year.⁴² Specifically, DOE/FECM applied categorical exclusion B5.7 of its regulations (10 C.F.R. Part 1021, Subpart D, Appendix B5), which applies to export activities requiring minor operational changes to existing projects, but no new construction. LCE's application for a new authorization to export LNG from the Lake Charles Terminal fell within the scope of the B5.7 categorical exclusion because no additional construction beyond that previously authorized or modification of the approved facilities was required.⁴³ DOE/FECM also noted that the Liquefaction Project has already been evaluated under NEPA and approved by FERC.⁴⁴

Export Terminal – FERC and DOE Extensions

FERC granted Lake Charles LNG's request for extension of time to construct and place into service the Liquefaction Project until December 16, 2025.⁴⁵ Also, DOE/FECM granted LCE's request to amend its authorizations to extend the time for LCE to commence export operations out to December 16, 2025.⁴⁶ DOE/FECM found that “[n]o facts associated with LCE's original applications, and no requirements of the non-FTA authorizations, are affected by this extension beyond the additional time period for LCE to commence export operations.”⁴⁷ DOE/FECM concluded that granting the extension “has not been shown to be inconsistent with the public interest under NGA section 3(a).”⁴⁸

⁴² *LCE*, DOE/FE Order No. 4011 at 12, citing U.S. Dep't of Energy, Categorical Exclusion Determination, *Lake Charles Exports, LLC*, FE Docket No. 16-110-LNG (issued Jun. 29, 2017); *see also Lake Charles LNG Export*, DOE/FE Order No. 4010 at 12.

⁴³ *LCE*, DOE/FE Order No. 4011 at 30-31; *see also Lake Charles LNG Export*, DOE/FE Order No. 4010 at 30-31.

⁴⁴ *Id.*

⁴⁵ Ltr. Order (Request for an Extension of Time), *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (issued Dec. 5, 2019).

⁴⁶ *Lake Charles Exports, LLC*, DOE/FE Order Nos. 3324-B et al. (issued Oct. 6, 2020); *see also Lake Charles LNG Export Co., LLC*, DOE/FE Order Nos. 3868-A et al. (issued Oct. 6, 2020).

⁴⁷ *LCE*, DOE/FE Order No. 3324-B at 6; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868-A at 6.

⁴⁸ *LCE*, DOE/FE Order No. 3324-B at 7; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868-A at 7.

On February 3, 2022, Lake Charles LNG filed a second request with FERC for an extension of the construction deadline for an additional three years out to December 16, 2028. FERC noted that construction deadlines may be extended for good cause and that it generally will grant an extension if the movant files for an extension within a timeframe during which the environmental findings underlying FERC’s authorization can be expected to remain valid. FERC advised that good cause can be shown by a project sponsor demonstrating that it made good faith efforts to meet its deadline but encountered circumstances that prevented it from doing so.⁴⁹ On May 6, 2022, FERC granted the extension request to December 16, 2028 based on Energy Transfer’s and its affiliates’ continuing commitment to the Liquefaction Project, noting their active efforts to pursue long-term offtake contracts and completing front-end engineering design with engineering, procurement and contracting companies and the expenditure of several hundreds of millions of dollars to advance the Liquefaction Project.⁵⁰ FERC held that “[t]he unforeseeable impacts of the COVID-19 pandemic combined with [the movants’] continued interest in the [Liquefaction] project satisfy the Commission’s good cause inquiry.”⁵¹

FERC also found that the second extension request represents only a change to the timing, not the nature of the Liquefaction Project and therefore an extension will not undermine its findings in the FERC Authorization Order, including its environmental findings and finding that the Liquefaction Project is required by the public convenience and necessity.⁵² FERC explicitly held that “[t]he authorization order’s environmental analysis remains valid.”⁵³ FERC also held that

⁴⁹ *Lake Charles LNG Co., LLC et al.*, 179 FERC ¶ 61,086 at P 8 (2022).

⁵⁰ *Id.* at P 21.

⁵¹ *Id.*

⁵² *Id.* at P 10.

⁵³ *Id.* at P 12.

“[a]pproval of a request for extension of time is an administrative action and is not considered to be a major Federal action significantly affecting the quality of the human environment.”⁵⁴

LCE subsequently filed a second request with DOE/FECM for an extension of the time for it to commence export operations out to December 16, 2028. On April 21, 2023, DOE/FECM found that LCE had not shown good cause under NGA section 3(a) for the second extension.⁵⁵ DOE/FECM advised that notwithstanding the denial, LCE’s existing export authorizations remain in effect and

...should LCE be unable to commence exports by December 16, 2025, it is welcome to resubmit a non-FTA request so that it can be evaluated under current policies with the most recent market information.⁵⁶

As demonstrated herein, LCE and its affiliates have made substantial and substantive efforts to advance the Liquefaction Project but they will not be able to “commence export operations using the planned liquefaction facilities” by December 16, 2025.⁵⁷ Therefore, pursuant to DOE/FECM’s advice in the June 2023 order, LCE is filing for a new export authorization that presumably will have a condition that LCE must commence export operations using the planned liquefaction facilities within 7 years from the date of the new authorization (presumably sometime in 2031). LCE anticipates that it may commence export operations approximately mid-2028. Nevertheless, LCE requests that DOE issue a 7 year start of export operations condition in order to account for any delays in the date of commencement of export operations that may occur for a project of this

⁵⁴ *Id.* at P 17, citing in part, *Eagle Crest Energy Co.*, 168 FERC ¶ 61,186 at P 22 (2019) (holding that an extension of time to comply with a license requirement to commence and complete construction by a certain date, that involves no construction or changes to the project development, is an administrative action appropriately excluded from further NEPA review), *aff’d sub nom., Natal Parks Conservation Ass’n v. FERC*, 6 F.4th 1044 (9th Cir. 2021).

⁵⁵ *Lake Charles Exports, LLC*, DOE/FECM Order Nos. 3324-C et al. (issued Apr. 21, 2023), *reh’g denied*, DOE/FECM Order Nos. 3324-D et al. (issued Jun. 21, 2023); *see also Lake Charles LNG Export Co., LLC*, DOE/FECM Order Nos. 3868-B et al. (issued Apr. 21, 2023), *reh’g denied*, DOE/FECM Order Nos. 3868-C et al. (issued Jun. 21, 2023).

⁵⁶ *LCE*, DOE/FECM Order Nos. 3324-D et al. at 5; *see also Lake Charles LNG Export*, DOE/FECM Order Nos. 3868-C et al. at 5.

⁵⁷ *See Lake Charles Exports, LLC*, DOE/FE Order No. 3324-A at Ordering Paragraph (D) (issued Jul. 29, 2016).

size. As noted below, there have been no material changes to the scope of the Liquefaction Project, its proposed facilities or commercial prospects, other than entering into additional agreements with customers and potential customers and suppliers. The only change is the need for additional time for LCE to commence export operations and hence the request for the 7 year condition to start as of the date of the issuance of the new requested authorization.

Actions Taken to Progress the Liquefaction Project

LCE and the various Energy Transfer affiliates diligently have pursued the development of the Liquefaction Project since 2012, with the Liquefaction Project incurring approximately \$350 million of development costs. Energy Transfer has more than 40 employees actively working on the Liquefaction Project in the areas of engineering and construction, finance, commercial development, legal, public relations, and government affairs, as well as a number of third-party consulting firms providing services related to engineering and construction, commercial development, and finance. In addition to their efforts at DOE/FECM and FERC to obtain the necessary authorizations, LCE and its affiliates are undertaking a wide range of activities in furtherance of the Liquefaction Project, as set out below.

Construction and Design Activities

- In April 2019, the Liquefaction Project issued an Invitation to Tender to prospective LNG engineering, procurement, and construction (“EPC”) bidders to construct the Liquefaction Project.⁵⁸ Also, in the second quarter of 2019, the Liquefaction Project executed contracts with LNG EPC companies to verify existing front-end engineering design.

⁵⁸ Originally, BG LNG Services, LLC contracted for 100% of the capacity of the LNG export terminal and BG Energy Merchants, LLC contracted for 100% of the capacity of the Trunkline facilities. Following issuance of the FERC Authorization Order, BG Group plc (the parent company of BG LNG Services, LLC and BG Energy Merchants, LLC) was acquired by Shell Oil Company’s (“Shell”) parent company in a complex international merger. The resulting merger and integration process required a reevaluation of the Liquefaction Project by Shell and the negotiation of new project framework agreements. This process resulted in the execution of a new Project Framework Agreement in March 2019, between subsidiaries of Energy Transfer and Shell that established a detailed process for the development of the Liquefaction Project. Nevertheless, on March 30, 2020, Shell withdrew as a Liquefaction Project sponsor.

- In the spring of 2020, LCE received bids from two EPC contractors for the EPC of the Liquefaction Project components not already constructed. Those bids came just as the effects of COVID-19 began to cause a major worldwide economic downturn—a downturn that, among other things, almost entirely shut down the demand for long-term LNG contractual commitments by international customers who could not forecast future demand for LNG based on the unknown duration and extent of the impacts of the pandemic. In early to mid-2022, as the effects of COVID-19 began to lessen and worldwide demand for LNG began to increase following Russia’s invasion of Ukraine, LCE ramped up its development activities. This process included the commencement of discussions with the two EPC contractors who previously submitted EPC bids in the summer of 2022.
- The COVID-19 pandemic caused significant supply chain issues that resulted in severe shortages of LNG critical equipment, particularly electrical components, heat exchangers, turbines and compressors, as well as substantial increases in the cost of materials. These issues ultimately led to the determination by EPC contractors that they could not honor prior EPC bids but would need to commence a 9-month process in early Fall of 2022 to solicit updated bids from every supplier of materials and parts for the Liquefaction Project. This process for obtaining new bids was time-consuming and arduous and cost LCE millions of dollars. Subsequent to receiving final EPC bids in May 2023, LCE has been negotiating an EPC contract with one of the bidding EPC contractors and expects to conclude these negotiations by the end of September 2023.
- Lake Charles LNG has received authorizations from FERC and has performed ground disturbance construction at the Liquefaction Project site, including tree clearing of 150 acres, construction of test piles, and installation of erosion control devices.⁵⁹ After completion of such construction, FERC conducted inspections of the construction and filed Construction Inspection Reports.⁶⁰ Recently, Lake Charles LNG received authorization from FERC for site preparation work, including geotechnical investigations, site clearing, relocation of an existing road and an existing pipeline and the plugging of an oil and gas well on the site.⁶¹ In early 2023, Lake Charles LNG completed initial geotechnical and certain aspects of additional site clearing work. LCE also has executed contracts with third-party construction contractors to implement the remaining FERC-approved site preparation work.

⁵⁹ See Letter Order Approving Notice to Proceed with Tree Clearing of the Liquefaction Facility Site, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (issued Feb. 23, 2016); Letter Order Approving Notice to Proceed with Test Piles, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (issued Feb. 26, 2016).

⁶⁰ Construction Inspection Report, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (filed Mar. 29, 2016); Construction Inspection Report, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (filed Jun. 22, 2016).

⁶¹ See Letter Order Granting Variance Approval to Relocate Alcoa Pipeline, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (issued Apr. 18, 2023); Letter Order Granting Notice to Proceed with Certain Activities, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (issued Jan. 23, 2023).

- Lake Charles LNG has obtained all required federal, state and local authorizations and permits related to construction and operation of the Liquefaction Project facilities. Such authorizations and permits have been maintained, remain valid and are in full force and effect.
 - Lake Charles completed the review and revalidation of the facility Waterway Suitability Assessment, which the U.S. Coast Guard approved in February 2023. As part of the revalidation, Lake Charles LNG requested and received an increase in the number of authorized vessels in order to allow the Liquefaction Project to operate more efficiently. The then-current authorization of 225 vessels per year would have required that vessels average about 174,000 m³ capacity, among the largest in the LNG fleet, to deliver the 16.45 mtpa certificated capacity. Increasing the number of authorized vessels will allow a wider range of vessel sizes from the LNG fleet to deliver the full capacity of the Lake Charles Terminal. This increase in the number of vessels will not result in increasing the actual production of the Lake Charles Terminal.
- The Liquefaction Project sponsors have secured all land rights for the 256-acre LNG export terminal parcel.⁶²

Commercial and Customer Activities

- LCE has made substantial progress in the commercial development of the Liquefaction Project, as evidenced by fully-executed long-term LNG offtake contracts for 7.9 mtpa of LNG, approximately half of the FERC-approved LNG production capacity of the facility.
 - On March 29, 2022, Energy Transfer announced that it had entered into two 20-year term LNG Sale and Purchase Agreements with ENN Natural Gas and ENN Energy Holdings Limited for a combined 2.7 mtpa of LNG, copies of which were filed with DOE/FECM under seal along with a public summary of the major provisions of these agreements.
 - On May 2, 2022, Energy Transfer announced that it had entered into a 20-year term LNG Sale and Purchase Agreement with Gunvor Singapore Pte Ltd. for 2.0 mtpa of LNG, a copy of which was filed with DOE/FECM under seal along with a public summary of the major provisions of this agreement.

⁶² See Exhibits 1.1 et al. filed under seal as Confidential setting out the underlying property documents for the Liquefaction Project.

- On May 3, 2022, Energy Transfer announced that it had entered into a 18-year term LNG Sale and Purchase Agreement with SK Gas Trading LLC for 0.4 mtpa of LNG, a copy of which was filed with DOE/FECM under seal along with a public summary of the major provisions of this agreement.
- On June 5, 2022, Energy Transfer announced that it had entered into a 25-year term LNG Sale and Purchase Agreement with China Gas Hongda Energy Trading Co., LTD for 0.7 mtpa of LNG, a copy of which was filed with DOE/FECM under seal along with a public summary of the major provisions of this agreement.
- On August 24, 2022, Energy Transfer announced that it had entered into a 20-year term LNG Sale and Purchase Agreement with Shell NA LNG, LLC for 2.1 mtpa of LNG, a copy of which was filed with DOE/FECM under seal along with a public summary of the major provisions of this agreement.
- On July 12, 2023, Energy Transfer announced that it has entered into three non-binding Heads of Agreements related to long-term LNG offtake from the Liquefaction Project for an aggregate of 3.6 mtpa of LNG. The Heads of Agreements are subject to the negotiation and execution of definitive agreements, and upon execution the resulting definitive agreements will be filed with DOE/FECM. Energy Transfer has substantially completed the negotiation of the definitive agreements related to the matters specified in the Heads of Agreement with the Japanese customer and Energy Transfer currently is in the process of negotiating the definitive agreements with the other two companies with respect to the matters specified in the other two Heads of Agreements.
 - One of the Heads of Agreements specifies that a Japanese consortium would purchase 1.6 mtpa of LNG for a 20-year term, subject to an option to convert the offtake arrangement to an equity participation providing for the same volume of LNG.
 - Under another Heads of Agreement, Chesapeake Energy Marketing LLC would supply to Lake Charles LNG volumes of natural gas sufficient to produce 1.0 mtpa of LNG for a period of 15 years and, post liquefaction, Gunvor Singapore Pte Ltd. would purchase LNG from Chesapeake at a price indexed to the Japan Korea Marker (JKM) for a period of 15 years.
 - The other Heads of Agreement is with EQT Corporation, the nation's largest producer of natural gas, and relates to a tolling arrangement for 1.0 mtpa of LNG for a 15-year term.

- Energy Transfer is in active discussions with respect to the remaining volume of LNG necessary to support a final investment decision (FID) to construct the Liquefaction Project.
- At the end of 2020, Lake Charles LNG entered into amended and restated regasification agreements with its LNG import shipper, BG LNG Services, LLC, to supersede and replace the then-existing import service agreements, which allows greater flexibility in the use of existing terminal facilities to enhance liquefaction and export capabilities.

Maintenance and Repair of Lake Charles Terminal

- LCE has continued to maintain and improve existing LNG infrastructure at the Liquefaction Project site. For example, LCE made extensive repairs to the facility in 2020 when the Category 4 Hurricane Laura directly passed over the terminal; LCE fixed damaged utility water fittings and valves at 41 locations throughout the site due to the December 2022 freeze; LCE performed maintenance clearing of the site; and LCE completed the first phases of projects to repair perimeter piles and ameliorate corrosion at certain LNG tanks.⁶³

Trunkline's Activities to Enable Feedstock Gas for the Liquefaction Project

- Trunkline has a pipeline system connected to the Lake Charles Terminal to facilitate the transportation of natural gas from the Lake Charles LNG regasification and import terminal to various natural gas consumers throughout the United States. To facilitate the Liquefaction Project, Trunkline obtained a FERC certificate to make major modifications to its pipeline system, including the addition of approximately 119,000 horsepower of new compression, the addition of approximately 17 miles of pipeline, modifications at certain compressor stations to enable bi-directional flow, and the addition of interconnects with third party pipelines.
- In December 2022, FERC issued Trunkline a notice to proceed with construction of the modifications to the four compressor stations to enable bi-directional flow.⁶⁴ Trunkline has purchased the necessary equipment and expects delivery from the manufacturer at the end of the summer in order to commence construction by September 2023. This pipeline modification project is an integral component of the Liquefaction Project.

⁶³ See Lake Charles Exports, LLC, Docket No. 11-59-LNG, Semi-Annual Report (filed Apr. 3, 2023) at 3-5; Lake Charles Exports, LLC, Docket No. 11-59-LNG, Semi-Annual Report (filed Oct. 4, 2022) at 2-5; Lake Charles Exports, LLC, Docket No. 11-59-LNG, Semi-Annual Report (filed Apr. 1, 2022) at 2-4.

⁶⁴ Letter Order Granting Notice to Proceed with Construction, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (issued Dec. 9, 2022).

- On July 18, 2023, FERC approved a variance as part of the Liquefaction Project for Trunkline to install a flow control valve outside of its Longville Compressor Station fence line.⁶⁵

Financing and Equity Activities

- LCE has engaged a financial advisor related to arranging financing for the Liquefaction Project. LCE also has engaged several consultants to prepare detailed subject matter reports essential for prospective lenders and equity participants; these consultants include an independent engineering consultant, an independent marketing consultant, and an independent environmental consultant. These reports have required months of extensive work by the respective consultants and have recently been completed.
- LCE is in active discussions with parties for a significant portion of the equity financing necessary for the Liquefaction Project.

Efficient Liquefaction Design and Carbon Capture and Sequestration

The Liquefaction Project has been designed to efficiently liquefy natural gas and is expected to consume approximately 5.1% of the natural gas supply as fuel for the liquefaction process, which LCE believes is one of the lowest percentages of all U.S. Gulf Coast liquefaction facilities. This efficient design also is expected to produce a commensurately low quantity of CO₂, as well as low Scope 1 and Scope 2 emissions, as compared to other liquefaction facilities. Based on the currently design of the Liquefaction Project, LCE believes that the Liquefaction Project will have one of the lowest Scope 1 and Scope 2 emissions of all U.S. LNG projects, including those already constructed and those currently proposed.

Energy Transfer and LCE are working on a number of preliminary and potential design enhancements to improve efficiency and reduce greenhouse gas emissions, including the incorporation of a carbon capture and sequestration (“CCS”) component to the Liquefaction Project. This CCS component would be part of a larger CCS project that Energy Transfer is

⁶⁵ Letter Order Granting Variance Approval for Modification at the Longville Compressor Station, *Lake Charles LNG Co., LLC, et al.*, Docket Nos. CP14-119-000 et al. (issued Jul. 18, 2023).

developing in the Lake Charles, Louisiana area pursuant to a Memorandum of Understanding with a third party. This CCS project involves the construction by Energy Transfer of a CO₂ pipeline that would transport CO₂ captured at industrial facilities in the area to a sequestration site being developed by the third party. In mid-2022, the third party filed a permit application for Class VI injection wells in Allen Parish, Louisiana with the Environmental Protection Agency.⁶⁶ If the CCS component is added to the Liquefaction Project, then the Scope 1 and Scope 2 emissions for the Liquefaction Project would be even lower. LCE is in initial discussions with FERC regarding such CCS component but any incorporation of it in the FERC process would not occur until sometime well after the start of construction of the Liquefaction Project.⁶⁷ Energy Transfer has already implemented CCS at several of its existing treating and processing facilities, allowing Energy Transfer to sequester more than 81,000 metric tons of CO₂ on an annual basis.⁶⁸

Energy Transfer Emissions Reduction Efforts

As one of the largest pipeline companies in the United States, Energy Transfer is committed to reducing emissions throughout its operations. Energy Transfer operates and maintains an Environmental Management System to drive improved performance and compliance, while providing necessary capital and personnel to implement Energy Transfer's environmental policies. Energy Transfer's environmental management teams consist of 117 environmental professionals supporting operations and 15 environmental professionals supporting engineering and construction. There are over 8,500 environmental tasks that are completed on an annual basis by the environmental professionals supporting Energy Transfer's operations. Energy Transfer's

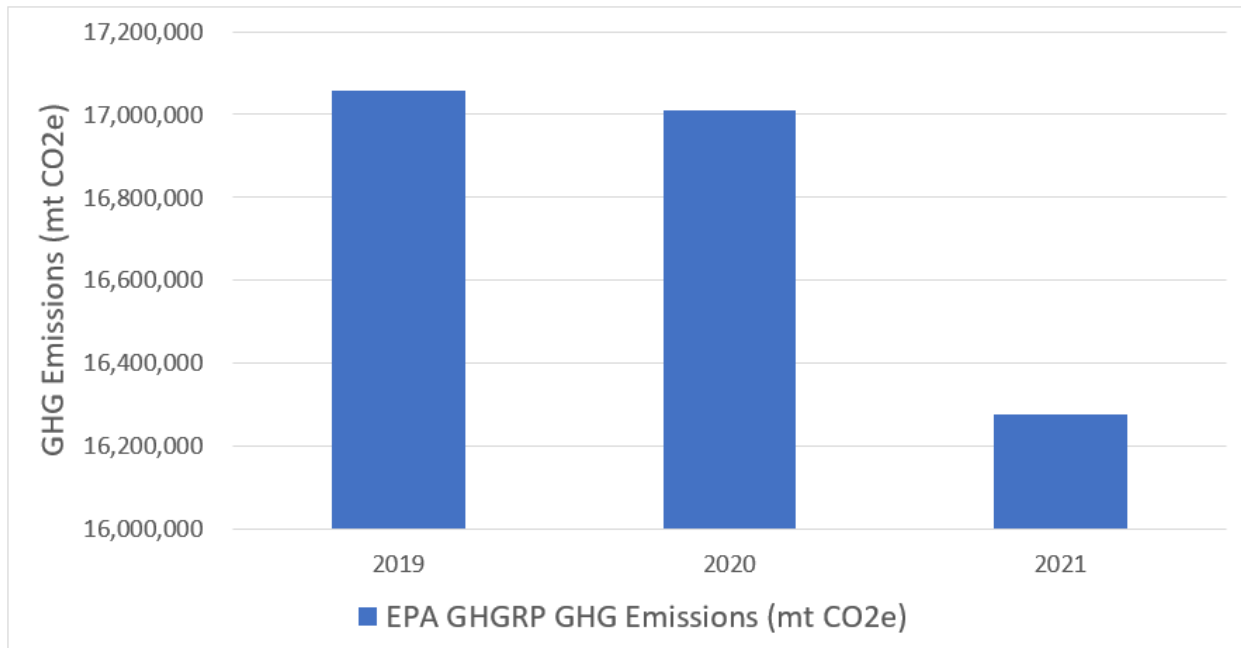
⁶⁶ Class VI well permits allow the injection of CO₂ into deep rock formations. This long-term underground storage is called geologic sequestration. *See* 40 C.F.R. § 146.82 (2023).

⁶⁷ LCE also will coordinate with DOE/FECM regarding the CCS component if it is to be incorporated in the Liquefaction Project.

⁶⁸ <https://energytransfer.com/wp-content/uploads/2022/08/Enviro-Management-2020.pdf>.

environmental professionals are focused on responsibly and efficiently reducing emissions, protecting and preserving the environment, and complying with all applicable regulations.

As part of its 20-plus year initiative to continuously reduce emissions, Energy Transfer recently established a two-tiered Emission Reduction Task Force that works in conjunction with third-party consultants to continue to enhance emission data collection and reporting and explore new technologies to reduce methane emissions. The task force is a multidisciplinary team comprised of functional leaders and an Executive Steering Committee that provide guidance to the working task force. The task force's ongoing efforts related to emission reductions include expanding the existing methane and volatile organic compound ("VOC") leak detection program with additional resources to conduct leak surveys and repair methane emission leaks. This initiative provides for quarterly monitoring of all of Energy Transfer's gas gathering compressor stations, which accounted for 576 inspections and repair of more than 1,000 methane leaks to date in 2023. This initiative also provides for retrofitting existing gas operated pneumatics with compressed air where feasible. Energy Transfer launched the pneumatic replacement initiative in 2022, starting with its New Mexico (Permian Basin) assets and will be expanded throughout its operating footprint. This initiative will provide a zero emission footprint for all replaced pneumatics. Finally, the initiative provides for the development and incorporation of a new pipeline blowdown procedure will reduce and/or prevent pipeline blowdowns when technically and economically feasible. The graph below demonstrates the reduction in GHG emissions since 2019, made possible by the innovative programs and emissions reduction technologies Energy Transfer has implemented.



Energy Transfer incorporates state-of-the-art technology to reduce emissions and minimize environmental impacts. Energy Transfer continues to research new technologies, increase efficiency, and incorporate renewable and alternative energy sources into its operations. In 2022, Energy Transfer announced a partnership with Orbital Sidekick to monitor Energy Transfer’s assets in the Permian Basin using satellite technology. Orbital Sidekick’s satellite technology enables earlier detection and prevention of methane leaks along pipeline rights of way, using hyperspectral data analysis to drive broad improvements in community safety, environmental performance, and overall operating efficiency. Pursuant to this initiative with Orbital Sidekick, Energy Transfer has used this satellite technology to evaluate more than 4,000 square kilometers of pipelines and numerous other types of facilities and equipment and, as a result of these efforts, Energy Transfer has identified and remediated a number of methane leaks. In addition, Energy Transfer has installed approximately 12,000 low-emission pneumatic devices throughout its 90,000 miles of natural gas pipeline systems that allow the safe and efficient adjustment and control of operations through liquid level controllers, pressure regulators, and valve controllers.

Low-emission pneumatic devices allow Energy Transfer to effectively prevent approximately 61 tons (2.9 million standard cubic feet) of methane emissions every day.

Energy Transfer also utilizes optical gas imaging (OGI) cameras at many of its 2,200 gas gathering and processing facilities. These optical gas imaging cameras represent leading edge technology and are an integral part of a rigorous leak detection and repair (LDAR) program. The cameras can pinpoint the exact location of emissions originating from various components (valves, flanges, pumps, pipe fittings, etc.) located within processing and compression facilities. In addition to reducing VOC and methane emissions, the optical gas imaging camera inspections improve safety, reduce costs, prevent product loss, maintain equipment integrity, and are part of Energy Transfer's safety management plan. These cameras equip the highly skilled technicians with the technology to quickly evaluate facilities in accordance with state and federal environmental regulations.

In addition, thermal oxidizers are an important emission control device that reduce the environmental footprint of natural gas operations. In most cases, these devices are installed voluntarily in an effort to go above and beyond the regulations. Thermal oxidizers destroy VOCs and convert methane to CO₂ (a less carbon-intensive greenhouse gas), thereby reducing VOC and methane emissions by 98 percent or more. Thermal oxidizers are used at many of Energy Transfer's more than 50 natural gas processing and sweetening plants.

Energy Transfer also has implemented an innovative liquids management process throughout much of its natural gas gathering pipeline system through installation of stabilizers at gas processing plants. All 44 stabilizers, which reduce the vapor pressure of natural gas liquids for storage and transport, have vapor recovery units that recover VOC and methane emissions from the stabilization process and route them back into the plant for processing. In addition to the

stabilizers, large specially designed slug catchers are used at the inlets of the gas processing facilities to separate the incoming gas and liquids, preventing the liquids from entering the gas stream. This process manages and stores liquids within pipelines and pressure vessels, thereby eliminating VOC emissions (which occur when vapor is released as the pressure of the liquid changes) and methane emissions that may be associated with liquid storage tanks. These captured liquids are transferred to the natural gas processing plants where the liquid is stabilized. By stabilizing the liquid instead of storing it in a traditional liquid storage tank, a single 10,000 barrel per day stabilizer can prevent the release of approximately 40,000 tons of VOCs and methane emissions per year. This process also prevents VOC and methane emissions from tanks as related to the liquid loading/unloading that occur when vapors are displaced as a tank is filled, and when volatile organics are displaced due to changes in tank temperature and pressure (tank working and breathing losses).

In remote areas where local commercial power is unavailable, Energy Transfer often uses thermoelectric generators which are solid-state devices that convert heat flux (temperature differences) directly into electrical energy through a phenomenon called the Seebeck effect. These generators consume up to 50 percent less fuel than competitive technologies and are tied directly into the nearby pipelines. They use natural gas as a fuel source for heat and produce low voltage that keeps batteries charged for reliable communication with the gas control centers.

To further limit environmental impacts, Energy Transfer implements a variety of techniques to optimize its operations, reduce power consumption, and reduce indirect emissions across its network of oil pipelines. These techniques include: (1) allocating larger volumes of crude oil to the more energy efficient pipelines and ensuring that oil is balanced across both heavy and light crude lines, (2) operating pipelines at consistent flow rates leads to more energy efficient

operation and less overall power consumption, (3) adding drag reducing agent to the crude oil to reduce pipeline fluid friction – this allows oil to flow more efficiently and can even allow complete bypass of some pump stations, and (4) introducing power limits on some stations to avoid unnecessary spikes on the flow rate.

In 2021, Energy Transfer joined The Environmental Partnership, a growing coalition of nearly 100 energy companies committed to continuously improving the industry’s environmental performance. The Environmental Partnership provides a forum for sharing information related to emissions reduction practices, and analyzing best practices and technological breakthroughs in order to help improve the partnership’s understanding of emissions and how best to reduce them.

Community Engagement and Environmental Justice

Energy Transfer has been an active community partner in Lake Charles, Louisiana for over 40 years as it has constructed, expanded and operated the import terminal over this time frame and Energy Transfer enjoys good relationships with community stakeholders. Energy Transfer is a regular contributor to local organizations that support the Lake Charles area and the state as a whole. Following Hurricanes Laura and Delta in 2020, the American Red Cross allocated some of Energy Transfer’s annual \$500,000 donation to its Disaster Relief Fund to assist those impacted in the Lake Charles area. Additionally, Energy Transfer and the Got Our Troops Foundation provided a \$25,000 donation in 2021 to the members of the Lake Charles National Guard in recognition of their heroic recovery efforts during Hurricanes Laura and Delta. Energy Transfer also has been a longtime supporter of SOWELA Technical Community College in Lake Charles, most recently donating \$55,000 to its scholarship endowment. In addition, Energy Transfer’s statewide efforts also have been significant. Since 2020, Energy Transfer has donated more than \$270,000 to Louisiana non-profit organizations, such as local hurricane relief organizations and

emergency responder organizations, Sheriffs and Police Juries, family and youth initiatives, food banks, children's athletics, hospitals, school districts, and McNeese State University, to name a few.

Energy Transfer's employees volunteer to assist many of the agencies that Energy Transfer supports, including Energy Transfer's Partner in Education Oak Park Middle School. Energy Transfer also partners with other operating companies in the Lake Charles area through the Lake Area Industry Alliance. The Lake Area Industry Alliance holds annual events supporting the community, including the Educator's Institute, the Chem Expo, and the city-wide Paint Collection Program. The Educator's Institute focuses on engagement with area educators to focus on familiarizing them with local plant operations and their environmental and safety programs, as well as career opportunities for students. The Chem Expo invites all Calcasieu Parish seventh grade students to participate in experiments at various interactive stations. The 2022 Chem Expo had over 2,100 participants. Employees of the Lake Charles LNG operation support these events with donations and volunteer hours.

As part of developing the Liquefaction Project, Energy Transfer has donated over \$600,000 to local institutions and agencies. This includes a \$250,000 donation to SOWELA Technical Community College to purchase equipment and introduce new classes required for industry-based qualifications in Process Technology and Industrial Instrumentation. Donations also included environmental conservation for rehabilitating reef habitat in Lake Calcasieu, STEM programs with the Calcasieu Parish school system, vocational education through scholarships for workforce training, road safety by way of public school campus infrastructure improvements (including modifications to the pickup and drop-off area for a local elementary school), and community development through youth programs. Employees of the Lake Charles LNG operation supported

many of these events with volunteer hours, including being mentors to the recipients of workforce development scholarships.

Energy Transfer also has partnered with Ducks Unlimited to help conserve and restore important habitats in Louisiana, Texas and Ohio where Energy Transfer's operations overlap several of Ducks Unlimited's priority landscapes. Energy Transfer contributed \$5.2 million to be used for multiple efforts, including Duck Unlimited's Gulf Coast Initiative in Louisiana.

The socioeconomic and environmental justice impacts of the Liquefaction Project were extensively reviewed by FERC, with DOE/FECM as a cooperating agency. In the final Environmental Impact Statement for the Liquefaction Project, FERC concluded that construction of the Liquefaction Project would not have a significant adverse impact on local populations, employment, provision of community services, or property values and that there would not be any disproportionately high or adverse environmental and human health impacts on low-income and minority populations from construction or operation of the Liquefaction Project.⁶⁹ FERC found that construction of the Liquefaction Project would result in positive impacts in the community due to increases in construction jobs, payroll taxes, purchases made by the workforce, and expenses associated with the acquisition of material goods and equipment.⁷⁰ Since 2020, Energy Transfer has paid the State of Louisiana \$16,732,656 in Ad Valorem property taxes alone. FERC found that operation of the Liquefaction Project would have a positive effect on the local governments' tax revenues due to the increase in property taxes that would be collected.⁷¹ In 2022,

⁶⁹ Final Environmental Impact Statement, *Lake Charles LNG Co., LLC*, Docket Nos. CP14-119-000 et al. (issued Aug. 14, 2015) at 4-104.

⁷⁰ *Id.* at 5-15 – 5-16.

⁷¹ *Id.*

these findings were affirmed by FERC in issuing the second extension of time for construction of the Liquefaction Project facilities.⁷²

III.
EXISTING DOE/FECM LNG EXPORT AUTHORIZATIONS

LCE already holds authorizations issued by DOE/FECM to export 730 Bcf/year and 121 Bcf/year from the Lake Charles Terminal to non-FTA countries. These authorizations total 851 Bcf/year, which is the FERC-approved capacity of the Lake Charles Terminal and is the same amount that LCE is requesting in this Application. LCE is not seeking to export any additional volumes of LNG from the Lake Charles Terminal. LCE understands that “[b]ecause the source of LNG for these authorizations is the Lake Charles Terminal, the volumes authorized for export in these orders ... are not additive.”⁷³ Accordingly, the total exports authorized from the Lake Charles Terminal will not increase if DOE/FECM grants LCE’s requested authorization set out in this Application. In addition, upon DOE/FECM issuing an order approving this Application for LCE to export up to 851 Bcf/year of LNG to non-FTA countries, LCE will file to vacate its authorizations set out in DOE/FE Order Nos. 3324 and 4011.

LCE’s DOE/FECM authorizations are summarized below:

Lake Charles Exports, LLC

<u>Order No. and Date Issued</u>	<u>Amendment and Date Issued</u>	<u>FTA/Non-FTA</u>	<u>Export Volume Authorized</u>
2987 (July 22, 2011)	2987-A (October 6, 2020)	FTA	730 Bcf/year
3324 (August 7, 2013)	3324-A (July 29, 2016) 3324-B (October 6, 2020) 3324-C (April 21, 2023)	Non-FTA	730 Bcf/year

⁷² *Lake Charles LNG Co., LLC et al.*, 179 FERC ¶ 61,086 at P 15 (2022) (“[W]e note that the Commission recognizes the impact energy infrastructure may have on environmental justice communities, and that the FEIS in this proceeding considered the issues raised by Sierra Club and found there would not be adverse environmental and human health impacts from the export terminal.”).

⁷³ *LCE*, DOE/FE Order No. 4011 at n. 10; *see also Lake Charles LNG Export*, DOE/FE Order No. 4010 at n. 11.

<u>Order No. and Date Issued</u>	<u>Amendment and Date Issued</u>	<u>FTA/Non-FTA</u>	<u>Export Volume Authorized</u>
	3324-D (June 21, 2023)		
4011 (June 29, 2017)	4011-A (October 6, 2020) 4011-B (April 21, 2023) 4011-C (June 21, 2023)	FTA and Non-FTA	121 Bcf/year

In addition, because they relate to the Lake Charles Terminal, Lake Charles LNG Export's DOE/FECM authorizations are summarized below:

Lake Charles LNG Export Company, LLC

<u>Order No. and Date Issued</u>	<u>Amendment and Date Issued</u>	<u>FTA/Non-FTA</u>	<u>Export Volume Authorized</u>
3252 (March 7, 2013)	3252-A (March 18, 2015) 3252-B (October 6, 2020)	FTA	730 Bcf/year
3868 (July 29, 2016)	3868-A (October 6, 2020) 3868-B (April 21, 2023) 3868-C (June 21, 2023)	Non-FTA	730 Bcf/year
4010 (June 29, 2017)	4010-A (October 6, 2020) 4010-B (April 21, 2023) 4010-C (June 21, 2023)	FTA and Non-FTA	121 Bcf/year

IV.
10 C.F.R. § 590.202(a)

1. Legal Name Of Applicant

The exact legal name of the applicant is Lake Charles Exports, LLC. LCE is a limited liability company formed under the laws of Delaware with its principal place of business at 1300 Main Street, Houston, Texas 77002. LCE is a wholly owned subsidiary of Energy Transfer LP.

2. Service List Contacts

All correspondence and communications concerning this Application should be directed to the following persons:⁷⁴

Thomas P. Mason
President, LNG
Lake Charles Exports, LLC
8111 Westchester Drive, Suite 600
Dallas, TX 75225-6142
(214) 981-0700
tom.mason@energytransfer.com

Thomas E. Knight
Jennifer Brough
Locke Lord LLP
701 8th Street, NW
Suite 500
Washington, DC 20001
(202) 220-6922
tknight@lockelord.com
jrbrough@lockelord.com

3. Statement Of Action Sought From DOE/FECM

LCE hereby respectfully requests that DOE/FECM grant a new long-term, multi-contract authorization for the export of 851 Bcf/year⁷⁵ of LNG by vessel from the Lake Charles Terminal to non-FTA countries, on its own behalf and as agent for others. As noted above, LCE already holds authorizations issued by DOE/FECM to export 730 Bcf/year and 121 Bcf/year from the Lake Charles Terminal to non-FTA countries. These authorizations total 851 Bcf/year, which is the FERC-approved capacity of the Lake Charles Terminal and is the same amount that LCE is requesting in this Application. LCE is not seeking to export any additional volumes of LNG from the Lake Charles Terminal. LCE understands that “[b]ecause the source of LNG for these authorizations is the Lake Charles Terminal, the volumes authorized for export in these orders ... are not additive.”⁷⁶ There have been no material changes to the scope of the Liquefaction Project, its proposed facilities or commercial prospects, other than entering into additional agreements with customers and potential customers and suppliers. The only change is the need for additional time

⁷⁴ LCE respectfully requests a waiver of Section 590.202(a) of DOE/FECM regulations, 10 C.F.R. § 590.202(a) (2023), to the extent necessary to include more than two persons on the official service list.

⁷⁵ DOE/FECM has confirmed that 851 Bcf/year of natural gas is equivalent to 16.45 mtpa of LNG, which is the FERC-authorized capacity of the Liquefaction Project facilities. *See LCE*, DOE/FE Order No. 4011 at 2-3.

⁷⁶ *LCE*, DOE/FE Order No. 4011 at n. 10; *see also Lake Charles LNG Export*, DOE/FE Order No. 4010 at n. 11.

for LCE to commence export operations and hence the need for the 7 year condition to start as of the date of the new requested authorization. Accordingly, the total exports authorized from the Lake Charles Terminal will not increase if DOE/FECM grants LCE's requested authorization set out in this Application.

LCE requests that the export authority commence on the date of first export following the start of commercial operation of the Lake Charles Terminal through December 31, 2050. LCE's request is consistent with DOE/FECM's Final Policy Statement regarding Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, which established December 31, 2050 as the standard export term for long-term non-FTA authorizations.⁷⁷ A term out to December 31, 2050 is supported by the 2018 LNG Export Study performed by NERA Economic Consulting that concluded that the United States will experience net economic benefits from the export of domestically produced LNG through the 30-year study period, i.e., from 2020 through 2050.⁷⁸ In addition, DOE determined that United States LNG exports will not increase global GHG emissions in a material or predictable way and thus found that the LCA GHG Update "supports the proposition that exports of LNG from the lower-48 states will not be inconsistent with the public interest."⁷⁹ As compared to a shorter term, an export term out to December 31, 2050 will better match the operational life of the Lake Charles Terminal, which is between 30 and 50 years. A longer term also may better maximize LCE's ability to enter into commercial contracts for a longer period of time and help compete in the global market for

⁷⁷ DOE/FE, Final Policy Statement Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, FE Docket Nos. 10-111-LNG, et al. (issued Jul. 29, 2020), 85 Fed. Reg. 52237 (issued Aug. 25, 2020).

⁷⁸ *Id.*, 85 Fed. Reg. 52237, 52240.

⁷⁹ U.S. Dep't of Energy, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas From the United States: 2019 Update— Response to Comments, 85 Fed. Reg. 72, 86 (issued Jan. 2, 2020), cited in Final Policy Statement Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, 85 Fed. Reg. 52237, 52240.

long-term agreements. A term out to December 31, 2050 will provide LCE greater certainty about the long-term regulatory support for its non-FTA exports, which will assist in further marketing the Liquefaction Project to potential customers. DOE/FECM concluded that, if an applicant so requests, “future long-term non-FTA export authorizations, if granted, *will have* a standard export term lasting through December 31, 2050[.]”⁸⁰ Consistent with the terms of recent DOE/FECM orders granting authorizations to export to non-FTA countries, LCE requests an export term to December 31, 2050.⁸¹

As it has done in its current authorizations, LCE is requesting this authorization both on its own behalf and as agent for other parties who will hold title to the LNG at the time of export. The title holder at the point of export⁸² may be LCE or one of LCE’s customers, or another party that has purchased LNG from a customer pursuant to a long-term contract. LCE requests authorization to register each additional LNG title holder for whom LCE seeks to export as agent, with such registration including a written statement by the title holder acknowledging and agreeing to comply with all applicable requirements included by DOE/FECM in LCE’s export authorization, and to include those requirements in any subsequent purchase or sale agreement entered into by that title holder.⁸³ In addition to the registration of any additional LNG title holder for whom LCE seeks to export as agent, LCE will file under seal with DOE/FECM any relevant additional long-term

⁸⁰ Final Policy Statement Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050, 85 Fed. Reg. 52237, 52247 (emphasis added).

⁸¹ See, e.g., *Freeport LNG Expansion, L.P. et al.*, DOE/FECM Order No. 4961 (issued Mar. 3, 2023) at 81; *Cheniere Marketing, LLC, et al.*, DOE/FECM Order No. 4799 (issued Mar. 16, 2022) at 67; *Sabine Pass Liquefaction, LLC*, DOE/FECM Order No. 4800 (issued Mar. 16, 2022) at 68; *Gulf LNG Liquefaction Co., LLC*, DOE/FE Order Nos. 3104-A et al. (issued Jan. 12, 2021) at 9; *Dominion Energy Cove Point LNG, LP*, DOE/FE Order Nos. 3019-B et al. (issued Oct. 21, 2020) at 10.

⁸² “LNG exports occur when the LNG is delivered to the flange of the LNG export vessel.” See *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, DOE/FE Order No. 2913 at n. 4 (issued Feb. 10, 2011); *The Dow Chemical Co.*, FE Order No. 2859 at 7 (issued Oct. 5, 2010).

⁸³ LCE has filed with DOE/FECM the registration for Energy Transfer LNG Export, LLC.

commercial agreements between LCE and such LNG title holder once they have been executed.⁸⁴ This approach conforms to DOE/FECM's goal of ensuring that all authorized exports are permitted and lawful under United States laws and policies, including the rules, regulations, orders, policies and other determinations of the Office of Foreign Assets Control of the U.S. Department of the Treasury.⁸⁵

This approach has been consistently approved by DOE/FECM, including for LCE in its current non-FTA authorizations.⁸⁶ In *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC* ("FLEX"),⁸⁷ DOE/FECM found that "FLEX has requested an acceptable process by which FLEX can act as agent for others who want to export LNG" and that "FLEX's requested agency rights and registration procedures are an alternative to the non-binding policy adopted by DOE/FECM in DOE Opinion and Order No. 2859 . . . which set forth a non-binding policy that the title for all LNG authorized to be exported shall be held by the authorization holder at the point of export."⁸⁸ DOE/FECM also accepted FLEX's proposal to file the relevant long-term commercial agreements under seal once they have been executed.⁸⁹ DOE/FECM stated that "[b]y accepting FLEX's requested registration process and contract terms, DOE/FECM will ensure that the title holder is aware of all requirements in the Order, including destination restrictions, that DOE will have a record of all authorized exports, and that DOE will have direct contact

⁸⁴ LCE has filed with DOE/FECM the long-term agreements it has with ENN Natural Gas, ENN Energy Holdings Limited, Gunvor Singapore Pte Ltd., SK Gas Trading LLC, China Gas Hongda Energy Trading Co., LTD, and Shell NA LNG, LLC.

⁸⁵ See *The Dow Chemical Co.*, DOE/FE Order No. 2859 at 7-8.

⁸⁶ See, e.g., *Cameron LNG, LLC*, DOE/FE Order No. 3797 (issued Mar. 18, 2016); U.S. Dep't of Energy, Letter Order re: Lake Charles Export, LLC, DOE/FE Order No. 2987 (issued Jul. 26, 2016); *LCE*, DOE/FE Order No. 3324 at 130; *LCE*, DOE/FE Order No. 3324-A at 147-48; *LCE*, DOE/FE Order No. 4011 at 50-51; see also *Lake Charles LNG Export*, DOE/FE Order No. 3868 at 159-60; *Lake Charles LNG Export*, DOE/FE Order No. 4010 at 51-52.

⁸⁷ *FLEX*, DOE/FE Order No. 2913.

⁸⁸ *Id.* at 7, citing *The Dow Chemical Co.*, DOE/FE Order No. 2859 at 7-8.

⁸⁹ *FLEX*, DOE/FE Order No. 2913 at 8. The practice of filing contracts after DOE/FE has granted export authorization is well established. See, e.g., *Yukon Pacific Corporation*, ERA Docket No. 87-68-LNG, Order No. 350 (issued Nov. 16, 1989); *Distrigas Corporation*, FE Docket No. 95-100-LNG, Order No. 1115 at 3 (issued Nov. 7, 1995).

information and point of contact with the title holder.”⁹⁰ DOE/FECM concluded that “[t]his process is responsive to current LNG markets and provides an expedited process by which companies seeking to export LNG can do so.”⁹¹ LCE respectfully requests that DOE/FECM approve LCE’s proposed procedure as it is identical to its current authorizations and is consistent with DOE/FECM precedent.⁹²

4. Justification For Action Sought From DOE/FECM

DOE’s review of export applications to non-FTA countries is governed by section 3(a) of the NGA. NGA section 3(a) states that the Assistant Secretary of DOE/FECM “*shall issue* such [an export authorization] upon application, *unless*, after opportunity for hearing, [the Assistant Secretary] finds that the proposed exportation or importation will not be consistent with the public interest.”⁹³ According to DOE/FECM, “[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.”⁹⁴ To overcome this rebuttable presumption an opponent must affirmatively demonstrate that the proposal is inconsistent with the public interest.⁹⁵

⁹⁰ *FLEX*, DOE/FE Order No. 2913 at 8.

⁹¹ *Id.*

⁹² *See, e.g., Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 78-79; *Cheniere Marketing, LLC*, DOE/FECM Order No. 4799 at 68; *Sabine Pass Liquefaction, LLC*, DOE/FECM Order No. 4800 at 69-70; *Gulf LNG Liquefaction Co., LLC*, DOE/FE Order No. 4410 at 63-64 (issued Jul. 31, 2019).

⁹³ 15 U.S.C. § 717b(a) (emphasis added). Authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA (15 U.S.C. § 717b) has been delegated to the Assistant Secretary for FECM in Redelegation Order No. S4-DEL-FE1-2023, issued April 10, 2023.

⁹⁴ *Sabine Pass Liquefaction, LLC*, DOE/FE Docket 10-111-LNG, Opinion and Order Denying Request for Review Under Section 3(c) of the NGA (issued Oct. 21, 2010) at 4; *see also Panhandle Producers and Royalty Owners Assoc. v. Economic Reg. Admin.*, 822 F.2d 1105, 1111 (D.C. Cir. 1987) (“A presumption favoring import authorization, then, is completely consistent with, if not mandated by, the statutory directive.”); *Sierra Club v. DOE*, 867 F.3d 189, 203 (D.C. Cir. 2017) (“We have construed [NGA section 3(a)] as containing a ‘general presumption favoring [export] authorization.’”), quoting *W. Va. Pub. Servs. Comm’n v. DOE*, 681 F.2d 847, 856 (D.C. Cir. 1982); *Ctr. for Biological Diversity v. FERC*, 67 F.4th 1176, 1188 (D.C. Cir. 2023) (same).

⁹⁵ *Sabine Pass*, DOE/FE Docket No. 10-111-LNG, Order Denying Rehearing at 5; *see also Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 (issued Apr. 2, 1999) at 13 (“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.”); *Sierra Club*, 867 F.3d at 203 (“there must be ‘an

DOE/FECM recently held that its “longstanding practice is to conduct an informal adjudication of each non-FTA export application ... and to grant the application unless DOE finds that the proposed exportation will not be consistent with the public interest.”⁹⁶

In addition to the statutory presumption in favor of approval of this Application, there is ample evidence in the public record developed over the past 12 years that exports of LNG, such as requested herein, are in the public interest. As noted herein, LCE already holds authorizations from DOE/FECM to export LNG from the Lake Charles Terminal in the requested amounts to non-FTA countries, wherein DOE/FECM made rulings that there was no basis to conclude that LCE’s export would be inconsistent with the public interest.⁹⁷ In granting LCE’s prior request for export authorization to non-FTA countries, DOE/FECM concluded that the exports proposed from the Lake Charles Terminal “are likely to generate net economic benefits to the United States.”⁹⁸ Such conclusion is equally applicable here. In addition, even before the issuance of LCE’s current DOE/FECM authorizations, LCE and the various Energy Transfer affiliates diligently have pursued the development of the Liquefaction Project, with the Liquefaction Project incurring approximately \$350 million of development costs. LCE noted above the extensive efforts it has undertaken to further advance the Liquefaction Project, including entering into definitive long-term LNG offtake contracts for 7.9 mtpa of LNG and in the last month entering into several Heads

affirmative showing of inconsistency with the public interest’ to deny the application” [under NGA section 3(a.)], quoting *Panhandle Producers and Royalty Owners Assoc.*, 822 F.2d at 1111.

⁹⁶ *Sierra Club et al.*, Order Denying Petition for Rulemaking of Exports of Liquefied Natural Gas (issued Jul. 18, 2023) at 10.

⁹⁷ *See, e.g., LCE*, DOE/FE Order No. 3324 at 6 (LCE’s proposed exports “are likely to yield net economic benefits to the United States”), 125 (opponents have not “overcome the statutory presumption that the proposed export authorization is consistent with the public interest”); *LCE*, DOE/FE Order No. 3324-A at 11 (protestor to LCE’s application “has not demonstrated that the proposed exports will be inconsistent with the public interest, as would be required to deny LCE’s Application under NGA section 3(a.)”); *LCE*, DOE/FE Order No. 4011 at 42 (DOE/FECM ruled that it has “not found an adequate basis to conclude that LCE’s proposed exports of LNG to non-FTA countries will be inconsistent with the public interest.”).

⁹⁸ *LCE*, DOE/FE Order No. 3324-A at 122; *see also Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 55.

of Agreements with respect to further commercial contracts. Such efforts add to the ample evidence that LCE's request in this Application is not inconsistent with the public interest. DOE/FECM previously has found that "LCE is working to complete the export facilities necessary to commence its approved exports, which promotes the public interest under NGA section 3(a)."⁹⁹

Furthermore, DOE/FECM has commissioned numerous studies noting the benefits of LNG exports from the United States.¹⁰⁰ As discussed more fully below, the proposed export of LNG from the Lake Charles Terminal pursuant to this Application is not inconsistent with the public interest.

V.

10 C.F.R. § 590.202(b)

1. The scope of the project, including the volumes of natural gas involved, the dates of commencement and completion of the proposed export, and the facilities to be utilized or constructed

LCE already holds authorizations issued by DOE/FECM to export 730 Bcf/year and 121 Bcf/year from the Lake Charles Terminal to non-FTA countries. These authorizations total 851 Bcf/year, which is the FERC-approved capacity of the Lake Charles Terminal and is the same amount that LCE is requesting in this Application. LCE is not seeking to export any additional volumes of LNG from the Lake Charles Terminal. LCE understands that "[b]ecause the source of LNG for these authorizations is the Lake Charles Terminal, the volumes authorized for export in these orders ... are not additive."¹⁰¹ Accordingly, the total exports authorized from the Lake

⁹⁹ LCE, DOE/FE Order No. 3324-B at 6; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868-A at 6.

¹⁰⁰ Effect of Increased Levels of Liquefied Natural Gas on U.S. Energy Markets, conducted by the U.S. Energy Information Administration upon DOE's request ("2014 EIA LNG Export Study"); The Macroeconomic Impact of Increasing U.S. LNG Exports, conducted jointly by the Center for Energy Studies at Rice University's Baker Institute for Public Policy and Oxford Economics on behalf of DOE ("2015 LNG Export Study"); Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports, conducted by NERA Economic Consulting on behalf of DOE ("2018 LNG Export Study").

¹⁰¹ LCE, DOE/FE Order No. 4011 at n. 10; *see also Lake Charles LNG Export*, DOE/FE Order No. 4010 at n. 11.

Charles Terminal will not increase if DOE/FECM grants LCE's requested authorization set out in this Application.

There have been no material changes to the scope of the Liquefaction Project, its proposed facilities or commercial prospects, other than LCE entering into additional agreements with customers and potential customers and suppliers. The only change is the need for additional time for LCE to commence export operations and hence the need for the 7 year condition to start as of the date of the new requested authorization. FERC has authorized the construction of the Liquefaction Project facilities at the Lake Charles Terminal pursuant to the FERC Authorization Order, which remains in full force and effect.¹⁰²

2. The source and security of the natural gas supply to be exported, including contract volumes and a description of the gas reserves supporting the project during the term of the requested authorization

As set out in its current authorizations, LCE seeks authorization here to export natural gas available in the United States natural gas pipeline system. While LCE anticipates that sources of natural gas will include Texas and Louisiana producing regions and the offshore gulf producing regions, the natural gas to be exported may be produced throughout the Lower 48, which is the world's most liquid natural gas market with an unparalleled transportation infrastructure. LCE already has filed executed long-term LNG export contracts and will continue to do so when new long-term LNG export contracts are executed.

3. Identification of all the participants in the transaction, including the parent company, if any, and identification of any corporate or other affiliations among the participants

LCE is a wholly-owned subsidiary of Energy Transfer. Energy Transfer, through its wholly-owned subsidiaries, including Lake Charles LNG Export Company, LLC, Lake Charles

¹⁰² *Lake Charles LNG Co., LLC et al.*, 153 FERC ¶ 61,300 (2015), *reh'g denied*, 155 FERC ¶ 61,328 (2016).

LNG Company, LLC and Trunkline Gas Company, LLC, is constructing the Liquefaction Project to provide export facilities at the existing Lake Charles Terminal.

4. The terms of the transaction

LCE already has filed executed long-term LNG export contracts and will continue to do so, or cause others to file with DOE/FECM, when new long-term LNG export contracts are executed. LCE also will file, or cause others to file with DOE/FECM, all executed long-term contracts associated with the long-term supply of natural gas to the Lake Charles Terminal.

LCE will file, or cause others to file with DOE/FECM, a non-redacted copy of each contract for public posting. Alternatively, LCE will file, or cause others to file, both a non-redacted copy of the contract filed under seal and either: (i) a redacted version of the contract, or (ii) major provisions of the contract, for public posting, within 30 days of their execution.

To date, the following contracts and public summaries have been filed at DOE/FECM:

- ENN Natural Gas
- ENN Energy Holdings Limited
- Gunvor Singapore Pte Ltd.
- SK Gas Trading LLC
- China Gas Hongda Energy Trading Co., LTD
- Shell NA LNG, LLC

5. The lack of a national or regional need for the gas

DOE/FECM already has concluded that exports from the Lake Charles Terminal are not inconsistent with the public interest.¹⁰³ These findings were based primarily on the conclusion

¹⁰³ LCE, DOE/FE Order No. 3324 at 6, 125; LCE, DOE/FE Order No. 3324-A at 11, 140, 150; LCE, DOE/FE Order No. 4011 at 42; *see also Lake Charles LNG Export*, DOE/FE Order No. 3868 at 10, 151; *Lake Charles LNG Export*, DOE/FE Order No. 4010 at 13, 43.

that domestic supplies of natural gas exceed projected demand.¹⁰⁴ DOE/FECM historically has compared the total volume of natural gas reserves and recoverable resources available to be produced during the proposed export period to total gas demand during the export period to determine whether there is a domestic need for the gas to be exported.¹⁰⁵ To this end, in LCE's DOE/FE Order No. 3324-A, DOE/FECM relied on the 2015 LNG Export Study, as well as updated data from the U.S. Energy Information Administration ("EIA"), to conclude that there exist sufficient natural gas supplies in the United States to support the proposed exports.¹⁰⁶ LCE incorporates by reference the extensive record already developed by DOE/FECM with respect to the exports of LNG from the Lake Charles Terminal.¹⁰⁷

DOE's own studies, and recent EIA data, have only further reinforced the conclusion that exports of LNG from the United States are not inconsistent with the public interest. In DOE/FECM's March 2023 grant of authorization to export LNG to non-FTA countries in *Freeport LNG Expansion, L.P.*, DOE/FECM concluded:

- Based on the 2018 LNG Export Study, DOE concluded that the United States will experience net economic benefits from the issuance of authorizations to export domestically produced LNG.¹⁰⁸
- The 2018 Study further supports the proposition that exports of LNG from the lower-48 states, in volumes up to and including 52.8 Bcf/day of natural gas, will not be inconsistent with the public interest.¹⁰⁹

¹⁰⁴ See, e.g., *LCE*, DOE/FE Order No. 3324-A at 121.

¹⁰⁵ *Phillips Alaska Natural Gas Corp. & Marathon Oil Co.*, DOE/FE Order No. 1473 at 29, 40, 46.

¹⁰⁶ *LCE*, DOE/FE Order No. 3324-A at 63-66, 121.

¹⁰⁷ *LCE*, Docket No. 11-59-LNG, Order Nos. 2987 and 3324; *LCE*, Docket No. 16-110-LNG, Order No. 4011; see also *Lake Charles LNG Export*, Docket No. 13-04-LNG, Order Nos. 3252 and 3868; *Lake Charles LNG Export*, Docket No. 16-109-LNG, Order No. 4010.

¹⁰⁸ *Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 55.

¹⁰⁹ *Id.*

- DOE’s cumulative volume of approved non-FTA exports from the lower-48 states as of today—47.29 Bcf/day of natural gas—is within this upper volume.¹¹⁰
- The assumptions underlying the 2018 Study’s findings remain consistent with more recent assessments of current and future natural gas supply, demand, and prices.¹¹¹
- DOE/FECM took administrative notice of EIA’s recent authoritative projections, set forth in the Annual Energy Outlook 2022 (AEO 2022), issued March 3, 2022. DOE has assessed AEO 2022 to evaluate any differences from AEO 2017, which formed the basis for the 2018 LNG Export Study.¹¹²
- EIA’s projections in AEO 2022 continue to show market conditions that will accommodate increased exports of natural gas.¹¹³

The export of domestic LNG, as proposed by LCE in this Application, should be considered not to be inconsistent with the public interest because United States natural gas available for supply exceeds demand.¹¹⁴ Recently, EIA found in its Annual Energy Outlook 2023 that:

In the Reference case, U.S. natural gas production increases by 15% from 2022 to 2050, and consumption decreases by 6% from its peak in 2022. Across all cases, domestic production outpaces domestic consumption; production increases across all side cases except in the Low Oil and Gas Supply case and Low Oil Price case. ...

In some cases, exports to satisfy growing international demand for natural gas encourage growth in domestic natural gas production. A significant portion of production growth is due to liquefied natural gas (LNG) export demand, which drives the overall increase in natural gas exports.¹¹⁵

¹¹⁰ *Id.*

¹¹¹ *Id.* at 56.

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *See, e.g.*, EIA, Annual Energy Outlook 2023.

¹¹⁵ *Id.* at 27.

LCE’s existing authorized quantity (the same 851 Bcf/year of LNG that is the subject of this Application) already is included within the 47.29 Bcf/day of natural gas that DOE/FECM cumulatively has approved, which is within the upper limit of 52.8 Bcf/day that the 2018 Study found could be exported and will not be inconsistent with the public interest. The volumes requested in this Application are *non-additive* to the quantity already approved by DOE for the Lake Charles Terminal. As demonstrated herein and consistently affirmed by DOE/FECM, recoverable natural gas resources in the United States are sufficient to meet demand for domestic consumption and the proposed export over the long-term. EIA recently conducted a study to explore the effects of future US LNG export volumes on domestic gas prices and domestic consumption.¹¹⁶ EIA concluded that “[d]espite the different natural gas prices produced in the cases we examined, our projected natural gas consumption in the United States changes relatively little between the cases” and “[d]ecreases in natural gas consumption in the end-use sectors is largely offset by increases in natural gas consumption associated with natural gas production, transport and liquefaction.”¹¹⁷ Accordingly, the proposed export authorization will not have a detrimental impact on the domestic supply of natural gas and, therefore, is not inconsistent with the public interest.

The domestic need for the natural gas proposed to be exported is “the only explicit criterion that must be considered in determining the public interest.”¹¹⁸ However, DOE/FECM has “identified a range of factors that it evaluates when reviewing an application for export authorization” focusing on “(i) the domestic need for the natural gas proposed to be exported, (ii) whether the proposed exports pose a threat to the security of domestic natural gas supplies, (iii)

¹¹⁶ EIA, *Issues in Focus: Effects of Liquefied Natural Gas Exports on the U.S. Natural Gas Market*, release date of May 23, 2023.

¹¹⁷ *Id.* at 11.

¹¹⁸ *Phillips Alaska Natural Gas Corp. & Marathon Oil Co.*, DOE/FE Order No. 1473 at 14.

whether the arrangement is consistent with DOE’s policy of promoting market competition, and (iv) any other factors bearing on the public interest as determined by DOE, such as international and environmental impacts.”¹¹⁹

DOE/FECM thoroughly reviewed each of these factors in approving exports by LCE (and Lake Charles LNG Exports) from the Lake Charles Terminal. In DOE/FE Order No. 3324-A, DOE/FECM confirmed that the most recent data supports the conclusion that “substantial economic and public benefits, including reductions to the United States trade deficit and the generation of significant tax revenues for federal, state, and local governmental entities, will follow from a grant of the Application.”¹²⁰ Nothing has transpired in the intervening years that would affect this conclusion. If anything, global events, including the Russian invasion of Ukraine, have only solidified the need for United States LNG around the world. DOE/FECM acknowledged this when it cited Russia’s invasion of Ukraine as justification for authorizing additional LNG exports to diversify global LNG supplies and improve energy security for many United States allies and trading partners.¹²¹

Two of the United States’ most important allies and trading partners are South Korea and Japan. One of the customers of the Liquefaction Project is SK Gas Trading LLC, which is located in South Korea, and one of the parties to a Heads of Agreement is a Japanese company who is

¹¹⁹ *Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 27; *see also Sierra Club et al.*, Order Denying Petition for Rulemaking at 12.

¹²⁰ *LCE*, DOE/FE Order No. 3324-A at 121.

¹²¹ *Magnolia LNG LLC*, DOE/FE Order No. 3909-C at 53 (issued Apr. 27, 2022) (“[I]n light of the recent Russian invasion of Ukraine, there are renewed concerns about energy security for Europe and Central Asia, particularly given the relative share of Russian natural gas supplies into those regions. By authorizing additional exports to non-FTA countries, including to U.S. allies in Europe and elsewhere, this Order will enable Magnolia LNG to help mitigate energy security concerns once it begins exporting U.S. LNG. More generally, to the extent U.S. exports diversify global LNG supplies and increase the volumes of LNG available globally, these additional exports will improve energy security for many U.S. allies and trading partners.”); *see also Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 64-65 (“For example, in light of last year’s Russian invasion of Ukraine, there are renewed concerns about energy security for Europe and Central Asia, particularly given the relative share of Russian natural gas supplies into those regions until recently. By authorizing additional exports to non-FTA countries, including to U.S. allies, this Order will enable FLEX to help mitigate any acute and immediate energy security concerns.”).

spearheading a consortium of Japanese companies to enter into a long-term LNG offtake agreement and be an equity participant in the Liquefaction Project with the participation of the Japanese government. South Korea and Japan also are two of the world's largest importers of LNG.¹²² The United States currently has a FTA with South Korea and it has taken steps with Japan to work more closely together on energy security concerns. In particular, the United States and Japan issued the Energy Security Dialogue Joint Statement, which included the following:

To address the impacts of Russia's invasion of Ukraine on energy markets, the United States and Japan intend to diversify global liquefied natural gas (LNG) markets and increase resilience against short term disruptions as countries move away from unabated fossil fuels and towards a sustainable net-zero future. Japan and the United States discussed the need for diverse and secure supplies of energy, noting support for upstream investment in the United States to enhance energy security. The United States and Japan are committed *to maintaining an enabling regulatory environment to facilitate continued and increasing LNG supplies and to act on issues raised by stakeholders, including in the private sector.*¹²³

With respect to the impact of exports on natural gas prices, DOE's 1984 Policy Guidelines make clear that it is not the policy of the federal government to determine domestic energy prices by approving or disapproving import and export applications.¹²⁴ DOE's policy is that markets, and not the government, should allocate resources, determine supply and demand, and set prices.

¹²² Japan is the top LNG importer in the world. EIA, Country Analysis Brief: Japan (issued Jul. 7, 2023) at 1; South Korea is the third-largest importer of LNG in the world. EIA, Country Analysis Brief: South Korea (issued Apr. 2023) at 5.

¹²³ United States and Japan Energy Security Dialogue Joint Statement, issued Dec. 8, 2022 (emphasis added); *see also* Statement of U.S. Ambassador to Japan, Rahm Emanuel, at the Western States and Tribal Nations Summit, Dec. 12, 2022 ("As the United States ambassador to Japan, I can tell you that the United States is 'all in' with Japan as we co-invest in each other's country and help each other strengthen our energy supply lines. . . . We agreed to work together so that LNG markets [can] overcome disruptions, and we expressed support for investment in the United States. President Putin's invasion of Ukraine and weaponization of energy clearly demonstrate the dangers of depending on despots for your energy security and needs. Industrialized economies cannot be that vulnerable in the future.").

¹²⁴ Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, 49 Fed. Reg. 6684, 6685 (issued Feb. 22, 1984) ("The market, not government, should determine the price and other contract terms of imported [or exported] gas. . . .") ("1984 Policy Guidelines"). While the 1984 Policy Guidelines deal specifically with imports, DOE/FE has found that the principles are applicable to exports. *Phillips Alaska Natural Gas Corp. & Marathon Oil Co.*, DOE/FE Order No. 1473 at 14.

As the DOE/FECM recently stated “[t]he stated goals of the 1984 Policy Guidelines are to minimize federal control and involvement in energy markets and to promote a balanced and mixed energy resource system.”¹²⁵

The 2018 Export Study found that “[i]ncreasing U.S. LNG exports under any given set of assumptions about U.S. natural gas resources and their production leads to only small increases in U.S. natural gas prices;” increased exports will improve the United States balance of trade and GDP; “a large share of the increase in LNG exports is supported by an increase in domestic natural gas production;” and “[n]atural gas intensive [industries] continue to grow robustly at higher levels of LNG exports, albeit at slightly lower rates of increase than they would at lower levels.”¹²⁶ DOE/FECM recently analyzed price impacts “in light of the recent attention on energy prices brought into focus by the market recovery from the coronavirus pandemic and the market impacts of the Russian invasion of Ukraine” and took note “of EIA’s most recent forecast on short-term market conditions set forth in its *Short-Term Energy Outlook* (STEO), issued on February 7, 2023.”¹²⁷ According to DOE/FECM, “[t]he STEO projects that the total domestic production of natural gas in the United States is expected to rise from an average of 98.1 Bcf/d in 2022 to 100.3 Bcf/d in 2023, surpassing pre-Covid-19 pandemic production levels.”¹²⁸

The 2015 LNG Export Study, which analyzed the macroeconomic impact of LNG exports in the range of 12-20 Bcf/day, also supports LCE’s requested authorization. Utilizing the Rice World Gas Trade Model to simulate various alternative scenarios for the future of the global natural gas market and the Oxford Economics Global Economic Model and Global Industry Model to simulate broad macroeconomic and sectoral impacts under the scenarios considered, the 2015

¹²⁵ 1984 Policy Guidelines at 11.

¹²⁶ 2018 DOE Study Response to Comments, 83 Fed. Reg. at 67273.

¹²⁷ *Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 57.

¹²⁸ *Id.*

LNG Export Study concludes that increasing United States exports from 12 Bcf per day to 20 Bcf per day would increase United States gross domestic product by \$7.3 billion to \$20.5 billion annually from 2026 to 2040.¹²⁹

DOE has determined that the 2018 Export Study and the 2015 LNG Export Study are “fundamentally sound” and support the proposition that additional export authorizations are not inconsistent with the public interest.¹³⁰ LCE’s proposed export level is within the quantities studied in the 2018 Export Study and the 2015 LNG Export Study, and these exports and the Lake Charles Terminal itself will have a positive economic impact, consistent with DOE/FECM’s findings in prior orders and with the studies commissioned by DOE and most recent EIA data.

6. The potential environmental impact of the project.

In accordance with the NGA and Energy Policy Act of 2005,¹³¹ FERC (as the lead agency for review under NEPA) already has fully reviewed any potential environmental impacts associated with construction of LNG liquefaction and export facilities at the Lake Charles Terminal. Under DOE’s regulations adopted from the Council on Environmental Quality, “DOE shall cooperate with the other agencies in developing environmental information” and may adopt the findings of FERC’s environmental review to the extent that the Commission satisfactorily addresses comments and suggestions raised by DOE during the process.¹³² This is precisely the approach that DOE/FECM took when it adopted FERC’s final Environmental Impact Statement for the Liquefaction Project.¹³³ DOE/FECM recently confirmed that it will review FERC’s

¹²⁹ 2015 LNG Export Study at 17.

¹³⁰ *Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 57; *see also Sierra Club et al.*, Order Denying Petition for Rulemaking at 14 and 26.

¹³¹ 15 U.S.C. §§ 717b(e), 717n(b)(1).

¹³² 10 C.F.R. § 1021.342 (2023).

¹³³ *See FERC/EIS0258F*, adopted as DOE/EIS-0491. On July 15, 2016, the EPA published a notice of the adoption in the Federal Register. 81 FR 46077. *See also LCE*, DOE/FE Order No. 3324-A at 10 (“After an independent review, and having been a cooperating agency in the EIS preparation, DOE/FE adopted FERC’s final EIS for the Lake Charles

environmental review document for a project and “supplement FERC’s environmental reviews with DOE’s environmental studies, as well as the Marine Transport Technical Support Document (Technical Support Document) prepared by DOE to consider the potential effects associated with transporting natural gas, including LNG, on marine vessels.”¹³⁴

Potential environmental impacts were fully studied by FERC as the lead agency for NEPA review and set out in the final EIS, which DOE/FECM affirmed and adopted in issuing the final non-FTA export authorization to LCE in Order No. 3324-A.¹³⁵ The FERC authorization applicable to the Liquefaction Project is for the full design production capacity of the facilities, which matches the export quantity requested herein.¹³⁶ A complete NEPA review for the full export amount requested has already been completed with DOE/FECM as a cooperating agency. In that NEPA review, including a full Environmental Impact Statement, FERC concluded that “approval of the proposed facilities, if constructed and operated as described in the final EIS, is an environmentally acceptable action.”¹³⁷ LCE confirms that the Liquefaction Project area, which is a brownfield site, has not experienced any significant changes and the environmental findings underlying the final Environmental Impact Statement remain valid.

FERC’s environmental review was thoroughly analyzed, affirmed and adopted by DOE/FECM in issuing the final non-FTA export authorization to LCE in Order No. 3324-A. DOE/FECM stated that “[a]fter an independent review, and having been a cooperating agency in the EIS preparation, DOE/FE adopted FERC’s final EIS for the Lake Charles Liquefaction

Liquefaction Project (FERC/EIS0258F, adopted as DOE/EIS-0491), and EPA published a notice of the adoption on July 15, 2016.”)

¹³⁴ *Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 8.

¹³⁵ *LCE*, DOE/FE Order No. 3324-A at 127-28 (“For the reasons set forth below, DOE/FE has not found that the arguments raised in the FERC proceeding, the current proceeding, or the 2014 and 2015 LNG Export Study proceedings detract from the reasoning and conclusions contained in the final EIS. Accordingly, DOE has adopted the EIS (DOE/EIS-0491), and hereby incorporates FERC’s reasoning and findings in this Order.”).

¹³⁶ FERC Authorization Order at n. 13.

¹³⁷ *Id.* at P 139.

Project.”¹³⁸ As no new construction is proposed here, the final EIS adopted by DOE/FECM is still valid and in full effect and can be fully relied upon.

In 2022, FERC affirmed that the findings in the Environmental Impact Statement for the Liquefaction Project remain valid.¹³⁹ In addition, the United States Court of Appeals for the District of Columbia Circuit affirmed DOE’s prior conclusions that (1) any potential increase in upstream gas production indirectly induced by exports is not reasonably foreseeable; and (2) modelling the impact of exports on net global emissions in LNG-importing nations would be “too speculative to inform the public interest determination.”¹⁴⁰ The gas to be exported from the Lake Charles Terminal will be sourced from the existing United States interstate pipeline grid and any potential increased production is not reasonably foreseeable.

Finally, DOE’s own studies on the life cycle greenhouse gas emissions resulting from LNG exports concluded that, the use of United States LNG exports for power production in European and Asian markets will not increase global GHG emissions from a life cycle perspective, when compared to regional coal extraction and consumption for power production. On this basis, DOE found that the studies support the proposition that exports of LNG from the lower-48 states will not be inconsistent with the public interest.¹⁴¹

VI. **APPENDICES**

The following appendices are included with this Application:

Appendix A	Verification
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¹³⁸ *LCE*, DOE/FE Order No. 3324-A at 10 (“After an independent review, and having been a cooperating agency in the EIS preparation, DOE/FE adopted FERC’s final EIS for the Lake Charles Liquefaction Project (FERC/EIS0258F, adopted as DOE/EIS-0491), and EPA published a notice of the adoption on July 15, 2016.”).

¹³⁹ *Lake Charles LNG Co., LLC et al.*, 179 FERC ¶ 61,086 at P 12 (2022) (“The authorization order’s environmental analysis remains valid.”).

¹⁴⁰ *Sierra Club*, 867 F.3d at 199.

¹⁴¹ *Freeport LNG Expansion*, DOE/FECM Order No. 4961 at 21.

VII.
CONCLUSION

WHEREFORE, for the reasons set forth above, Lake Charles Exports, LLC respectfully requests that DOE/FECM issue an order granting LCE long-term authorization to export 851 Bcf/year of domestic LNG to any country with which the United States does not have a FTA requiring national treatment for trade in natural gas with which trade is not prohibited by United States law or policy for a term ending December 31, 2050. As demonstrated herein, the authorization requested is not inconsistent with the public interest and, accordingly, should be granted pursuant to section 3 of the Natural Gas Act.

Lake Charles Exports, LLC already is authorized to export this same amount of LNG from the Lake Charles Terminal pursuant to orders wherein DOE/FECM held that the export of this amount of LNG is not inconsistent with the public interest under NGA section 3.¹⁴² Accordingly, and in light of the extensive record developed at DOE/FECM over the last 12 years as noted above, LCE respectfully requests that DOE/FECM issue the requested authorization on or before February 19, 2024.

Respectfully submitted,

/s/ Thomas E. Knight

Thomas E. Knight
Jennifer Brough
Locke Lord LLP
701 8th Street, NW, Suite 500
Washington, DC 20001
(202) 220-6922
tknight@lockelord.com
jbrough@lockelord.com

Dated: August 18, 2023

¹⁴² *Lake Charles Exports, LLC*, DOE/FE Order No. 3324 (issued Aug. 7, 2013); *Lake Charles Exports, LLC*, DOE/FE Order No. 3324-A (issued Jul. 29, 2016); *Lake Charles Exports, LLC*, DOE/FE Order No. 4011 (issued Jun. 29, 2017); *see also Lake Charles LNG Export Co., LLC*, DOE/FE Order No. 3868 (issued Jul. 29, 2016); *Lake Charles LNG Export Co., LLC*, DOE/FE Order No. 4010 (issued Jun. 29, 2017).

**APPENDIX A
VERIFICATION**

VERIFICATION

County of Harris


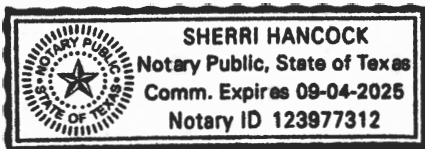
State of Texas

BEFORE ME, the undersigned authority, on this day personally appeared Thomas P. Mason, President, LNG of Lake Charles Exports, LLC, who, having been by me first duly sworn, on oath says that he is duly authorized to make this Verification on behalf of Lake Charles Exports, LLC; that he has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.



Thomas P. Mason
President, LNG
Lake Charles Exports, LLC

SWORN TO AND SUBSCRIBED before me on: August 17, 2023



Notary Public

APPENDIX B
OPINION OF COUNSEL

August 18, 2023

Ms. Amy Sweeney
Office of Fossil Energy and Carbon Management
U.S. Department of Energy
Docket Room 3F-056, FE-50
1000 Independence Avenue, S.W.
Washington, DC 20585

Re: Lake Charles Exports, LLC
Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free
Trade Agreement Countries
Opinion of Counsel

Dear Ms. Sweeney:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. § 590.202(c) (2023). The undersigned is counsel to Lake Charles Exports, LLC. I have reviewed the corporate documents of Lake Charles Exports, LLC and it is my opinion that the proposed export of natural gas as described in the application filed by Lake Charles Exports, LLC to which this Opinion of Counsel is attached as Appendix B, is within the limited liability company powers of Lake Charles Exports, LLC.

Respectfully submitted,

/s/ Kevin Erwin
Associate General Counsel
Lake Charles Exports, LLC