

[6450-01-P]

**DEPARTMENT OF ENERGY**

[FE Docket No. 12-155-LNG]

**Sempra LNG Marketing, LLC; Application for Blanket Authorization to Export Previously Imported Liquefied Natural Gas on a Short-Term Basis**

**AGENCY:** Office of Fossil Energy, DOE.

**ACTION:** Notice of application.

**SUMMARY:** The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application (Application), filed on October 26, 2012, by Sempra LNG Marketing, LLC (Sempra LNG Marketing), requesting blanket authorization to export liquefied natural gas (LNG) that previously had been imported into the United States from foreign sources in an amount up to the equivalent of 250 billion cubic feet (Bcf) of natural gas on a short-term or spot market basis for a two-year period commencing on February 1, 2013.<sup>1</sup> The LNG would be exported from the Cameron LNG Terminal (Cameron Terminal) owned by Sempra LNG Marketing's affiliate Cameron LNG, LLC, in Cameron Parish, Louisiana to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy. The Application was filed under section 3 of the Natural Gas Act (NGA). Protests, motions to intervene, notices of intervention, and written comments are invited.

**DATES:** Protests, motions to intervene or notices of intervention, as applicable, requests for additional procedures, and written comments are to be filed using procedures detailed in the **Public**

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<sup>1</sup> *Sempra LNG Marketing, LLC*, DOE/FE Order No. 2885 (December 3, 2010) extends through January 31, 2013.

**Comment Procedures** section no later than 4:30 p.m., eastern time, **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:**

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

**FOR FURTHER INFORMATION CONTACT:**

Larine Moore or Beverly Howard  
U.S. Department of Energy (FE-34)  
Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy  
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1000 Independence Avenue, SW  
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Edward Myers  
U.S. Department of Energy  
Office of the Assistant General Counsel for  
Electricity and Fossil Energy  
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1000 Independence Ave. SW  
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**SUPPLEMENTARY INFORMATION:**

**Background**

Sempra LNG Marketing, a Delaware limited liability company with its principal place of business in San Diego, California, is a wholly-owned subsidiary of Sempra LNG, a Delaware corporation. Sempra LNG, through its other subsidiaries, owns and operates LNG receipt and storage terminals in North America, including the Cameron Terminal in Cameron Parish, Louisiana.

Sempra LNG Marketing is engaged in the business of purchasing and marketing supplies of LNG. Sempra is a customer of the Cameron Terminal. On June 22, 2012, FE issued DOE/FE Order No. 3122, which granted Sempra LNG Marketing blanket authorization to import LNG from various international sources for a two year period beginning on September 1, 2012. On December 3, 2010, FE issued Order No. 2885, which granted Sempra LNG Marketing authority to export a cumulative total of 250 Bcf of previously imported LNG from the Cameron Terminal to any country with which trade is not prohibited by U.S. law or policy. The export authorization granted by Order No. 2885 is effective for a two year period that commenced on February 1, 2011.

### **Current Application**

In the instant Application, Sempra LNG Marketing requests blanket authorization to export LNG from the Cameron Terminal that has been previously imported into the United States from foreign sources. Sempra requests this authority over a two-year period in an amount up to the equivalent of 250 Bcf of natural gas, on a cumulative basis, over a two-year period beginning on February 1, 2013, immediately on expiration of the authorization in Order No. 2885. Sempra LNG Marketing is seeking such authorization to export previously imported LNG to any country with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by Federal law or policy. Sempra LNG Marketing states that it does not seek authorization to export domestically-produced natural gas or LNG.

Sempra LNG Marketing states that its requested blanket authorization would provide the additional option of exporting volumes of foreign-sourced LNG that are not needed to service the domestic market. Sempra LNG Marketing states that it is not proposing, and is not seeking authorization to export any domestically produced natural gas or LNG. This application seeks authorization only to export LNG that has been previously imported into the United States

Sempra LNG Marketing asserts that no facility modifications or additions are required in order for it to export foreign-sourced LNG from the Cameron Terminal.

### **Public Interest Considerations**

Sempra LNG Marketing states that the requested blanket authorization will allow it to purchase LNG at prevailing international prices for import to the United States, even when prices in other markets may be higher, by giving it the ability to store LNG at the Cameron Terminal and later sell it in the most competitive market. Sempra LNG Marketing states that this ability to react to changing market conditions by either importing LNG for sale in the United States, or importing LNG for subsequent export to other markets will enhance the potential supply of natural gas in the U.S. market. Sempra LNG Marketing states that when gas supplies are in balance with domestic demand, LNG will be imported and used to supplement domestic gas supplies. When there is a surplus of domestic gas supplies, as at the present time, there will be the opportunity to import LNG with the ability to later export it to serve other markets.

In support of its application, Sempra LNG Marketing states that section 3 of the NGA provides that application to export natural gas to foreign countries will be authorized unless there is a finding that they “will not be consistent with the public interest.”<sup>2</sup> Sempra LNG Marketing states that in reviewing an export application, FE applies the principles set forth in DOE Delegation Order No. 0204-111, which focuses primarily on the domestic need for the gas to be exported and the Secretary of Energy’s natural gas policy guidelines.<sup>3</sup>

Sempra LNG Marketing states that in its existing authorization to export foreign-sourced LNG granted in DOE/FE Order No. 2885, FE noted that the “U.S. consumers presently have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other

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<sup>2</sup> 15 U.S.C. 717b.(a). Natural gas is defined to include LNG in 10 C.F.R. Part 590.102(i).

<sup>3</sup> Sempra LNG Marketing referenced 49 FR 6684, February 22, 1984.

sources at competitive prices without drawing on the LNG which Sempra LNG Marketing seeks to export.”<sup>4</sup> Sempra LNG Marketing asserts that the relevant circumstances have not changed in the nearly two years since that finding.

### **Environmental Impact**

Sempra LNG Marketing states that no new facilities or modifications to any existing facilities at the Cameron Terminal would be required in order for Sempra LNG Marketing to export LNG from that facility. Sempra LNG Marketing asserts that exports of LNG from the Cameron Terminal also would not increase the number of LNG carriers that the Cameron Terminal is designed and authorized to accommodate. Finally, Sempra LNG Marketing states that granting this application will not constitute a federal action significantly affecting the human environment within the meaning of the National Environmental Policy Act (NEPA), 42 U.S.C. 4321 *et seq.*

### **DOE/FE Evaluation**

This export Application will be reviewed pursuant to section 3 of the NGA, as amended, and the authority contained in DOE Delegation Order No. 00-002.00L (April 29, 2011) and DOE Redelelegation Order No. 00-002.04E (April 29, 2011). In reviewing this LNG export Application, DOE will consider domestic need for the natural gas, as well as any other issues determined to be appropriate, including whether the arrangement is consistent with DOE’s policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements. Persons that may oppose this Application should comment in their responses on these issues.

The National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 *et seq.*, requires DOE to give appropriate consideration to the environmental effects of its proposed decisions. No final decision will be issued in this proceeding until DOE has met its NEPA responsibilities.

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<sup>4</sup> Quoting Order No. 2885 at 5.

## **Public Comment Procedures**

In response to this notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Any person wishing to become a party to the proceeding must file a motion to intervene or notice of intervention, as applicable. The filing of comments or a protest with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene or notices of intervention must meet the requirements specified by the regulations in 10 CFR part 590. The information contained in any filing will not be held confidential and will be posted to DOE's public website except to the extent confidential treatment is requested and granted.

Filings may be submitted using one of the following methods: (1) e-mailing the filing to [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov), with FE Docket No. 12-155-LNG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Oil and Gas Global Security and Supply at the address listed in ADDRESSES; or (3) hand delivering an original and three paper copies of the filing to the Office of Oil and Gas Global Security and Supply at the address listed in ADDRESSES.

A decisional record on the Application will be developed through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. A party seeking intervention may request that additional procedures be provided, such as additional written comments, an oral presentation, a conference, or trial-type hearing. Any request to file additional

written comments should explain why they are necessary. Any request for an oral presentation should identify the substantial question of fact, law, or policy at issue, show that it is material and relevant to a decision in the proceeding, and demonstrate why an oral presentation is needed. Any request for a conference should demonstrate why the conference would materially advance the proceeding. Any request for a trial-type hearing must show that there are factual issues genuinely in dispute that are relevant and material to a decision and that a trial-type hearing is necessary for a full and true disclosure of the facts.

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

The Application filed by Sempra LNG Marketing is available for inspection and copying in the Office of Natural Gas Regulatory Activities docket room, 3E-042, 1000 Independence Avenue, SW, Washington, DC 20585. The docket room is open between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays. The Application and any filed protests, motions to intervene or notice of interventions, and comments will also be available electronically by going to the following DOE/FE web address:

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

Issued in Washington, D.C., on December 20, 2012.



**John A. Anderson,**  
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Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy