

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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VENTURE GLOBAL CALCASIEU PASS, LLC )  
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FE DOCKET NO. 15-25-LNG

ORDER GRANTING LONG-TERM, MULTI-CONTRACT AUTHORIZATION  
TO EXPORT LIQUEFIED NATURAL GAS BY VESSEL  
FROM THE PROPOSED VENTURE GLOBAL CALCASIEU PASS LNG PROJECT  
IN CAMERON PARISH, LOUISIANA,  
TO FREE TRADE AGREEMENT NATIONS

DOE/FE ORDER NO. 3662

JUNE 17, 2015

## **I. DESCRIPTION OF REQUEST**

On February 9, 2015, Venture Global Calcasieu Pass, LLC (Calcasieu Pass) filed an application (Application)<sup>1</sup> with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA)<sup>2</sup> for long-term, multi-contract authorization to export liquefied natural gas (LNG) produced from domestic sources in a volume equivalent to approximately 132.8 billion cubic feet per year (Bcf/yr) of natural gas (0.36 Bcf/day). Calcasieu Pass seeks authorization to export the LNG by vessel from the proposed Venture Global Calcasieu Pass Project, a natural gas liquefaction and LNG export terminal to be located on the Calcasieu Ship Channel in Cameron Parish, Louisiana (Project). Calcasieu Pass seeks authorization to export this LNG for a 25-year term from the Project to: (i) any country with which the United States currently has, or in the future will have, a free trade agreement (FTA) requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (FTA countries)<sup>3</sup>; and (ii) any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries). Calcasieu Pass seeks to export this LNG on its own behalf and as agent for other entities who hold title to the LNG at the time of export. Calcasieu Pass requests that this authorization commence on the earlier of the date of first export or seven years from the date the authorization is issued (June 17, 2022).

Calcasieu Pass currently holds two long-term FTA export authorizations from DOE/FE, originally granted to Calcasieu Pass's predecessor, Venture Global LNG, LLC (Venture Global).

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<sup>1</sup> Venture Global Calcasieu Pass, LLC; Application of Venture Global Calcasieu Pass, LLC for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Free Trade and Non-Free Trade Agreement Countries, FE Docket No. 15-25-LNG (Feb. 9, 2015) [hereinafter Calcasieu Pass App.].

<sup>2</sup> The 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 FE in Redelegation Order No. 00-006.02 issued on November 12, 2014.

<sup>3</sup> The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

DOE/FE issued the first FTA authorization, DOE/FE Order No. 3345, on September 27, 2013, in FE Docket No. 13-69-LNG.<sup>4</sup> DOE/FE issued the second FTA authorization, DOE/FE Order No. 3520, on October 10, 2014, in FE Docket 14-88-LNG.<sup>5</sup> In a notice issued on December 3, 2014, DOE/FE recognized that all rights and obligations under both orders transferred from Venture Global to Calcasieu Pass, following a corporate reorganization.<sup>6</sup> Each order authorizes Calcasieu Pass to export domestically produced LNG from the Project to FTA countries in a volume equivalent to 243.6 Bcf/yr of natural gas, for a total authorized FTA export volume of 487.2 Bcf/yr of natural gas under both orders. The second order, DOE/FE Order No. 3520, also authorizes Calcasieu Pass to export previously imported LNG as part of the approved export volume.

Calcasieu Pass states that the requested export volume (132.8 Bcf/yr) is incremental and therefore additive to the volume of LNG previously authorized by DOE/FE for export to FTA countries in the existing two FTA orders. Specifically, Calcasieu Pass asserts that the requested volume represents the difference between the potential peak liquefaction output of the Project (620 Bcf/yr) and the total export quantity authorized in the existing two FTA orders (487.2 Bcf/yr of natural gas). *See infra* § II (Procedural History).

The portion of the Application that seeks authorization to export domestically produced LNG to FTA countries will be reviewed pursuant to NGA section 3(c), 15 U.S.C. § 717b(c), and

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<sup>4</sup> *Venture Global Calcasieu Pass, LLC (formerly Venture Global LNG, LLC)*, DOE/FE Order No. 3345, FE Docket No. 13-69-LNG, Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations (Sept. 27, 2013).

<sup>5</sup> *Venture Global Calcasieu Pass, LLC (formerly Venture Global LNG, LLC)*, DOE/FE Order No. 3520, FE Docket No. 14-88-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Venture Global LNG Project in Cameron Parish, Louisiana, to Free Trade Agreement Nations (Oct. 10, 2014).

<sup>6</sup> U.S. Dep't of Energy, Notice of Corporate Reorganization or Change in Control and Amendment of Authorization to Export Liquefied Natural Gas to Free Trade Agreement Countries, FE Docket Nos. 13-69-LNG & 14-88-LNG (Dec. 3, 2014) [hereinafter Notice].



approved in this Order. As set forth below, the requested export volume approved in this Order brings Calcasieu Pass's total authorized FTA export volume to 620 Bcf/yr of natural gas under all three FTA orders (this Order and DOE/FE Order Nos. 3345 and 3520), or 1.70 Bcf per day.<sup>7</sup> The portion of the Application that seeks authorization to export domestically produced LNG to non-FTA countries will be reviewed pursuant to NGA section 3(a), 15 U.S.C. § 717b(a), and addressed in a separate order.

## II. **BACKGROUND**

**Applicant.** Calcasieu Pass states that it is a Delaware limited liability company with its principal place of business in Washington, D.C. Calcasieu Pass is a wholly-owned, single-purpose subsidiary of Venture Global LNG, Inc., created for purposes of facilitating the financing and development of the Project.<sup>8</sup>

**Liquefaction Project.** Calcasieu Pass states that, with the development of the proposed Project, it intends to be a long-term, low-cost producer of LNG by utilizing highly efficient and low cost, modular, mid-scale LNG liquefaction technology.

Calcasieu Pass states that the proposed Project will be comprised of multiple LNG facility components (the Terminal) to be located at the approximately 203.6 acre greenfield site (the Site), together with two large-diameter gas pipelines and above-ground facilities to bring feed gas to the Terminal from interconnection points with existing interstate and intrastate pipelines in Cameron Parish, Louisiana.<sup>9</sup> According to Calcasieu Pass, the main liquefaction components will consist of 10 liquefaction blocks, with each block consisting of one gas

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<sup>7</sup> See *infra* at 8 (Table 1).

<sup>8</sup> Additional information about Calcasieu Pass's corporate family, including its parent company, is set forth in the Application at 4-5.

<sup>9</sup> Calcasieu Pass states that additional details about the planned Project facilities are available in the draft Resource Report I filed with the Federal Energy Regulatory Commission (FERC) in Docket No. PF-15-2 on November 10, 2014.

pretreatment system, two single mixed refrigerant liquefaction units, and ancillary support facilities. Calcasieu Pass states that each block will be capable of producing a nominal one million metric ton per annum (mtpa) of LNG.

Calcasieu Pass also proposes to construct various other facilities at the Site to support the liquefaction and export operation, including two 200,000 cubic meter above-ground LNG storage tanks, two LNG berthing docks within a common LNG berthing area, and an electric generation facility to provide approximately 600 megawatts of power for the Terminal facilities.

According to Calcasieu Pass, the Site extends for approximately 3,700 feet along the Calcasieu Ship Channel and has a maximum width of approximately 3,400 feet. It is bordered by the Calcasieu Ship Channel to the west, private property to the north and east, and the Cameron Jetty Pier Facility and state lands along the Gulf of Mexico shoreline to the south.<sup>10</sup>

Calcasieu Pass states that it holds an exclusive right to lease the entire Site, having entered into an Amended and Restated Real Estate Lease Option Agreement.<sup>11</sup> Additionally, Calcasieu Pass states that it has entered into a binding letter agreement providing an exclusive right to lease an additional approximately 59 acre parcel of land adjacent to the northern border of the Site.

Calcasieu Pass states that it hopes to close construction financing, construct the Project, and enter commercial operations by mid-2019.

**Procedural History.** Pertinent parts of Calcasieu Pass's procedural history are summarized below.

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<sup>10</sup> A map depicting the location of the Site is attached to the Application as Appendix C.

<sup>11</sup> A redacted version of the Amended and Restated Real Estate Lease Option Agreement is attached to the Application as Appendix D. *See* Calcasieu Pass App. at 7 n.9 (describing history of various lease agreements for the Site).

On September 27, 2013, DOE/FE issued Order No. 3345 in FE Docket No. 13-69-LNG. That order authorized Calcasieu Pass (known at that time as Venture Global) to export domestically produced LNG from the Project to FTA countries in a volume equivalent to approximately 243.6 Bcf/yr of natural gas for a 25-year term, commencing on the earlier of the date of first export or eight years from the date the authorization was issued (September 27, 2021).<sup>12</sup>

On September 22, 2014, Venture Global submitted to DOE/FE (in relevant part) an Application to Transfer FTA Export Authorization and to Modify Pending Applications, pertaining to DOE/FE Order No. 3345 and the then-pending FTA application in FE Docket No. 14-88-LNG.<sup>13</sup> In that filing, Venture Global described a corporate reorganization, which included the creation of the Calcasieu Pass entity. Venture Global asked DOE/FE to transfer the FTA authorization issued in DOE/FE Order No. 3345, as well as any FTA authorization to be issued in FE Docket No. 14-88-LNG, from Venture Global to Calcasieu Pass.

On October 10, 2014, DOE/FE issued Order No. 3520 in FE Docket No. 14-88-LNG. This second FTA order authorized Calcasieu Pass (known at that time as Venture Global) to export both domestically produced LNG and previously imported LNG from the Project to FTA countries in a volume equivalent to approximately 243.6 Bcf/yr of natural gas for a 25-year term, commencing on the earlier of the date of first export or seven years from the date the authorization is issued (October 10, 2021).<sup>14</sup>

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<sup>12</sup> *Venture Global Calcasieu Pass, LLC*, DOE/FE Order No. 3345, *supra* at 3 n.4.

<sup>13</sup> See *Venture Global LNG, LLC*, Application to Transfer FTA Export Authorization, and to Modify Pending Applications in FE Docket Nos. 13-69-LNG & 14-88-LNG, to Reflect a Corporate Reorganization and the Formation of *Venture Global Calcasieu Pass, LLC*, FE Docket Nos. 13-69-LNG & 14-88-LNG (Sept. 22, 2014).

<sup>14</sup> *Venture Global Calcasieu Pass, LLC*, DOE/FE Order No. 3520, *supra* at 3 n.5.



On December 3, 2014, consistent with DOE/FE's newly-published Revised Procedures for a Change in Control,<sup>15</sup> DOE/FE issued a notice granting Venture Global's application concerning its corporate reorganization, and recognizing Calcasieu Pass as the new authorization holder in DOE/FE Order Nos. 3345 and 3520.<sup>16</sup>

In the current Application, Calcasieu Pass asserts that, at the time its first two export applications were submitted to DOE/FE, the combined volume of 487.2 Bcf/yr of natural gas (equivalent to approximately 10 mtpa of LNG) represented the nominal design liquefaction capacity of the Project. After completion of the Project's pre-Front End Engineering and Design study, however, Calcasieu Pass has determined that the Project's peak, potential liquefaction output will be as much as 12 mtpa of LNG, which it states is equivalent to 620 Bcf/yr of natural gas assuming a scenario of lean gas supply within its design.<sup>17</sup> Therefore, Calcasieu Pass seeks the requested incremental export volume (132.8 Bcf/yr) to ensure that its combined export authorizations will cover its peak production.<sup>18</sup>

As set forth below, DOE/FE is granting Calcasieu Pass's requested authorization in this Order. With this Order, Calcasieu Pass now holds three long-term FTA export authorizations in a total volume of LNG not to exceed 620 Bcf/yr of natural gas, as summarized in Table 1.

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<sup>15</sup> See U.S. Dep't of Energy, Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,641 (Nov. 5, 2014).

<sup>16</sup> See Notice, *supra* at 3 n.6. In a separate notice issued in both docket proceedings, DOE/FE also granted the portion of Venture Global's application asking it to recognize Calcasieu Pass as the new applicant in both pending non-FTA export proceedings.

<sup>17</sup> Calcasieu Pass App. at 3, 10; *see also id.* at 11-12 (describing factors that may result in the Project's peak liquefaction capability reaching 12 mtpa of LNG).

<sup>18</sup> *See id.* at 12.

**Table 1: Orders Issued by DOE/FE to Calcasieu Pass for the Export of LNG to FTA Countries from the Proposed Venture Global Calcasieu Pass Project**

<b>Docket No.</b>	<b>Order No.</b>	<b>Date Issued</b>	<b>Volume (Bcf/yr)</b>	<b>Type</b>
13-69-LNG	3345	September 27, 2013	243.6	25 years, multi-contract
14-88-LNG	3520	October 10, 2014	243.6	25 years, multi-contract
15-25-LNG	3662	June 17, 2015	132.8	25 years, multi-contract
<b>Total Volume</b>			<b>620.0</b>	

**Source of Natural Gas.** Calcasieu Pass asserts that the Site is located near various major interstate and intrastate natural gas pipeline systems, including the systems of Transcontinental Gas Pipe Line Company LLC, ANR Pipeline Company, Tennessee Gas Pipeline Company, Bridgeline Holdings, L.P., Columbia Gulf Transmission Company, and Natural Gas Pipeline Company of America. Calcasieu Pass states that its proposed Project includes two new lateral pipelines that will connect to the existing interstate natural gas pipeline network in the Project area and will transport feed gas for the liquefaction and power generation facilities. According to Calcasieu Pass, one pipeline lateral will extend approximately 23.8 miles to the east of the Site to a new interconnection in the vicinity of ANR Pipeline Company’s Grand Chenier facility in eastern Cameron Parish. The second pipeline lateral will extend approximately 18.5 miles to the west of the Site from a new interconnection in the vicinity of Transcontinental Gas Pipe Line Company LLC’s Cameron Meadows facility in western Cameron Parish.

Calcasieu Pass states that the natural gas to be exported as LNG from the Project will be sourced from any of a variety of liquid supply points upstream from the Project. According to Calcasieu Pass, the natural gas will be transported over the integrated natural gas pipeline grid to the Project’s pipeline laterals, then to the Terminal. Calcasieu Pass states that access to the



pipeline grid will enable it, or its customers, to purchase natural gas from many sources of conventional and non-conventional U.S. production, including conventional Gulf Coast production regions; nearby shale gas plays such as the Barnett, Haynesville, and Bossier formations; and the Marcellus and Utica shale regions. Calcasieu Pass states that the feed gas will be sourced in requisite volumes in the spot market or purchased under long-term arrangements.

**Business Model.** Calcasieu Pass requests this authorization on its own behalf and as agent for other entities who hold title to the LNG at the time of export. Calcasieu Pass states that it will comply with all DOE/FE requirements for exporters and agents, including registration requirements. Calcasieu Pass further states that, when acting as agent, it will register with DOE/FE each LNG title holder for which it seeks to export LNG as agent, and will comply with other registration requirements as set forth in recent DOE/FE orders.

Calcasieu Pass asserts that it has not yet entered into any binding contracts with customers for the export of LNG from the Project, but has made significant progress in negotiations with potential customers. Calcasieu Pass states that it will file copies or summaries of any long-term gas supply or long-term export contracts with DOE/FE pursuant to DOE's regulations.

**Environmental Review.** Calcasieu Pass states that, on October 10, 2014, it initiated the FERC Pre-Filing process in FERC Docket No. PF15-2, and that it is actively working with other agencies with a role in approving the Project.

### III. FINDINGS

(1) Section 3(c) of the NGA was amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486) to require that applications requesting authority for (a) the import and export of natural gas, including LNG, from and to a nation with which there is in effect a FTA requiring national treatment for trade in natural gas, and/or (b) the import of LNG from other international sources, be deemed consistent with the public interest and granted without modification or delay. This Application falls within section 3(c), as amended, and therefore, DOE/FE is charged with granting the requested authorization without modification or delay.<sup>19</sup>

(2) In light of DOE's statutory obligation to grant this Application without modification or delay, there is no need for DOE/FE to review other arguments asserted by Calcasieu Pass in support of the Application. The instant grant of authority should not be read to indicate DOE's views on those arguments or on Calcasieu Pass's request for non-FTA export authorization.

(3) The countries with which the United States has an FTA requiring national treatment for trade in natural gas currently are: Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore.

(4) As described above, Calcasieu Pass requests authorization to export LNG on its own behalf and as agent for other entities who hold title to the LNG at the time of export. DOE/FE previously addressed the issue of Agency Rights in DOE/FE Order No. 2913,<sup>20</sup> which granted Freeport LNG Expansion, L.P., *et al.* (collectively, FLEX) authority to export LNG to FTA

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<sup>19</sup> DOE further finds that the requirement for public notice of applications and other hearing-type procedures in 10 C.F.R. Part 590, are applicable only to applications seeking to export natural gas, including LNG, to countries with which the United States does not have a FTA requiring national treatment for trade in natural gas.

<sup>20</sup> *Freeport LNG Expansion, L.P., et al.*, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations (Feb. 10, 2011).

countries. In that order, DOE/FE approved a proposal by FLEX to register each LNG title holder for whom FLEX sought to export LNG as agent. DOE/FE found that this proposal was an acceptable alternative to the non-binding policy adopted by DOE/FE in *The Dow Chemical Company*,<sup>21</sup> which established that the title for all LNG authorized for export must be held by the authorization holder at the point of export. We find that the same policy considerations that supported DOE/FE's acceptance of the alternative registration proposal in DOE/FE Order No. 2913 apply here as well.

DOE/FE reiterated its policy on Agency Rights procedures in *Gulf Coast LNG Export, LLC*.<sup>22</sup> In *Gulf Coast*, DOE/FE confirmed that, in LNG export orders in which Agency Rights have been granted, DOE/FE shall require registration materials filed for, or by, an LNG titleholder (Registrant) to include the same company identification information and long-term contract information of the Registrant as if the Registrant had filed an application to export LNG on its own behalf.<sup>23</sup>

To ensure that the public interest is served, the authorization granted herein shall be conditioned to require that where Calcasieu Pass proposes to export LNG as agent for other entities who hold title to the LNG (Registrants), Calcasieu Pass must register with DOE/FE those entities on whose behalf it will export LNG in accordance with the procedures and requirements described herein.

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<sup>21</sup> *The Dow Chemical Company*, DOE/FE Order No. 2859, FE Docket No. 10-57-LNG, Order Granting Blanket Authorization to Export Liquefied Natural Gas, at 7-8 (Oct. 5, 2010), discussed in *Freeport LNG*, DOE/FE Order No. 2913, at 7-8.

<sup>22</sup> *Gulf Coast LNG Export, LLC*, DOE/FE Order No. 3163, FE Docket No. 12-05-LNG, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel from the Proposed Brownsville Terminal to Free Trade Agreement Nations (Oct. 16, 2012).

<sup>23</sup> *See id.* at 7-8.



(5) Section 590.202(b) of DOE’s regulations requires applicants to supply transaction specific factual information “to the extent practicable.”<sup>24</sup> Additionally, DOE regulations at 10 C.F.R. § 590.202(e) allow confidential treatment of the information supplied in support of or in opposition to an application if the submitting party requests such treatment, shows why the information should be exempted from public disclosure, and DOE determines it will be afforded confidential treatment in accordance with 10 C.F.R. § 1004.11.

(6) DOE/FE will require that Calcasieu Pass file or cause to be filed with DOE/FE any relevant long-term commercial agreements (contracts) pursuant to which Calcasieu Pass exports LNG as agent for a Registrant once they have been executed. DOE/FE finds that the submission of all such agreements or contracts within 30 days of their execution using the procedures described below will be consistent with the “to the extent practicable” requirement of section 590.202(b). By way of example and without limitation, a “relevant long-term commercial agreement” would include an agreement with a minimum term of two years, such as a long-term sales contract involving LNG stored or liquefied at the Project.

(7) DOE/FE also will require Calcasieu Pass to file any long-term contracts Calcasieu Pass enters into providing for the long-term export of LNG on its own behalf from the Project. DOE/FE finds that the submission of these contracts within 30 days of their execution using the procedures described below will be consistent with the “to the extent practicable” requirement of section 590.202(b).

(8) In addition, DOE/FE finds that section 590.202(c) of DOE/FE’s regulations<sup>25</sup> requires that Calcasieu Pass file, or cause to be filed, all long-term contracts associated with the

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<sup>24</sup> 10 C.F.R. § 590.202(b).

<sup>25</sup> *Id.* § 590.202(c).

long-term supply of natural gas to the Project within 30 days of their execution that either Calcasieu Pass or the Registrant enters into.

(9) DOE/FE recognizes that some information in Calcasieu Pass's or a Registrant's long-term commercial agreements associated with the export of LNG, and/or long-term contracts associated with the long-term supply of natural gas to the proposed Calcasieu Pass Project, may be commercially sensitive. DOE/FE therefore will provide Calcasieu Pass the option to file or cause to be filed either unredacted contracts, or in the alternative: (A) Calcasieu Pass may file, or cause to be filed, long-term contracts under seal, but it also will file either: i) a copy of each long-term contract with commercially sensitive information redacted, or ii) a summary of all major provisions of the contract(s) including, but not limited to, the parties to each contract, contract term, quantity, any take or pay or equivalent provisions/conditions, destinations, re-sale provisions, and other relevant provisions; and (B) the filing must demonstrate why the redacted information should be exempted from public disclosure.

To ensure that DOE/FE destination and reporting requirements included in the Order are conveyed to subsequent title holders, DOE/FE will include as a condition of this authorization that future contracts for the sale or transfer of LNG exported pursuant to the Order shall include an acknowledgement of these requirements.

### **ORDER**

Pursuant to section 3 of the NGA, it is ordered that:

A. Calcasieu Pass is authorized to export domestically produced LNG by vessel from the proposed Venture Global Calcasieu Pass Project, to be located on the Calcasieu Ship Channel in Cameron Parish, Louisiana. The volume authorized in this Order is equivalent to approximately 132.8 Bcf/yr of natural gas for a 25-year term, beginning on the earlier of the date of first export

or seven years from the date the authorization is issued (June 17, 2022), and is additive to the volumes authorized for export in DOE/FE Order No. 3345 (FE Docket No. 13-69-LNG) and DOE/FE Order No. 3520 (FE Docket No. 14-88-LNG). Calcasieu Pass is authorized to export this LNG on its own behalf and as agent for other entities who hold title to the natural gas, pursuant to one or more long-term contracts (a contract greater than two years).

B. This LNG may be exported to Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore, and to any nation with which the United States subsequently enters into a FTA requiring national treatment for trade in natural gas, provided that the destination nation has the capacity to import LNG via ocean going vessels. FTA countries are currently identified by DOE/FE at:

<http://www.fossil.energy.gov/programs/gasregulation/index.html>.

C. Calcasieu Pass shall ensure that all transactions authorized by this Order are permitted and lawful under U.S. laws and policies, including the rules, regulations, orders, policies, and other determinations of the Office of Foreign Assets Control of the United States Department of the Treasury. Failure to comply with this requirement could result in rescission of this authorization and/or other civil or criminal remedies.

D. (i) Calcasieu Pass shall file, or cause others to file, with the Office of Oil and Gas Global Security and Supply a non-redacted copy of all executed long-term contracts associated with the long-term export of LNG on its own behalf or as agent for other entities from the Project. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if Calcasieu Pass has filed the contracts described in the preceding sentence under seal or subject to a claim of confidentiality or privilege, within 30 days of their



execution, Calcasieu Pass shall also file, or cause others to file, for public posting either: i) a redacted version of the contracts described in the preceding sentence, or ii) major provisions of the contracts. In these filings, Calcasieu Pass shall state why the redacted or non-disclosed information should be exempted from public disclosure.

(ii) Calcasieu Pass shall file, or cause others to file, with the Office of Oil and Gas Global Security and Supply a non-redacted copy of all executed long-term contracts associated with the long-term supply of natural gas to the Project. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if Calcasieu Pass has filed the contracts described in the preceding sentence under seal or subject to a claim of confidentiality or privilege, within 30 days of their execution, Calcasieu Pass shall also file, or cause others to file, for public posting either: i) a redacted version of the contracts described in the preceding sentence, or ii) major provisions of the contracts. In these filings, Calcasieu Pass shall state why the redacted or non-disclosed information should be exempted from public disclosure.

E. Calcasieu Pass shall include, and require others for whom Calcasieu Pass acts as agent to include, the following provision in any agreement or other contract for the sale or transfer of LNG exported pursuant to this Order:

Customer or purchaser acknowledges and agrees that it will resell or transfer LNG purchased hereunder for delivery only to countries identified in Ordering Paragraph B of DOE/FE Order No. 3662, issued June 17, 2015, in FE Docket No. 15-25-LNG, and/or to purchasers that have agreed in writing to limit their direct or indirect resale or transfer of such LNG to such countries. Customer or purchaser further commits to cause a report to be provided to Venture Global Calcasieu Pass, LLC that identifies the country of destination, upon delivery, into which the exported LNG was actually delivered, and to include in any resale contract for such LNG the necessary conditions to ensure that Venture Global Calcasieu Pass, LLC is made aware of all such actual destination countries.

F. Calcasieu Pass is permitted to use its authorization in order to export LNG as agent for other entities, after registering the other parties with DOE/FE. Registration materials shall include an acknowledgement and agreement by the Registrant to supply Calcasieu Pass with all information necessary to permit Calcasieu Pass to register that person or entity with DOE/FE, including: (1) the Registrant's agreement to comply with this Order and all applicable requirements of DOE's regulations at 10 C.F.R. Part 590, including but not limited to destination restrictions; (2) the exact legal name of the Registrant, state/location of incorporation/registration, primary place of doing business, and the Registrant's ownership structure, including the ultimate parent entity if the Registrant is a subsidiary or affiliate of another entity; (3) the name, title, mailing address, e-mail address, and telephone number of a corporate officer or employee of the Registrant to whom inquiries may be directed; (4) within 30 days of execution, a copy of any long-term contracts not previously filed with DOE/FE, described in Ordering Paragraph D of this Order.

G. Each registration submitted pursuant to this Order shall have current information on file with DOE/FE. Any changes in company name, contact information, change in term of the long-term contract, termination of the long-term contract, or other relevant modification, shall be filed with DOE/FE within 30 days of such change(s).

H. As a condition of this authorization, Calcasieu Pass shall ensure that all persons required by this Order to register with DOE/FE have done so. Any failure by Calcasieu Pass to ensure that all such persons or entities are registered with DOE/FE shall be grounds for rescinding in whole or in part the authorization.

I. Within two weeks after the first export of domestically produced LNG occurs from the Venture Global Calcasieu Pass Project, Calcasieu Pass shall provide written notification of the

date that the first export of LNG authorized in Ordering Paragraph A above occurred.

J. Calcasieu Pass shall file with the Office of Oil and Gas Global Security and Supply, on a semi-annual basis, written reports describing the progress of the proposed Venture Global Calcasieu Pass Project. The reports shall be filed on or by April 1 and October 1 of each year, and shall include information on the progress of the Project, the date the facility is expected to be operational, and the status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts.

K. Prior to any change in control of the authorization holder, Calcasieu Pass must obtain the approval of the Assistant Secretary for Fossil Energy. For purposes of this Ordering Paragraph, a “change in control” shall include any change, directly or indirectly, of the power to direct the management or policies of Calcasieu Pass, whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.<sup>26</sup>

L. Monthly Reports: With respect to the LNG exports authorized by this Order, Calcasieu Pass shall file with the Office of Oil and Gas Global Security and Supply, within 30 days following the last day of each calendar month, a report indicating whether exports of LNG have been made. The first monthly report required by this Order is due not later than the 30<sup>th</sup> day of the month following the month of first export. In subsequent months, if exports have not occurred, a report of “no activity” for that month must be filed. If exports of LNG have occurred, the report must give the following details of each LNG cargo: (1) the name(s) of the

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<sup>26</sup> See U.S. Dep’t of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,641 (Nov. 5, 2014).



authorized exporter registered with DOE/FE; (2) the name of the U.S. export terminal; (3) the name of the LNG tanker; (4) the date of departure from the U.S. export terminal; (5) the country (or countries) of destination into which the LNG was actually delivered; (6) the name of the supplier/seller; (7) the volume in Mcf; (8) the price at point of export per million British thermal units (MMBtu); (9) the duration of the supply agreement (indicate spot sales); and (10) the name(s) of the purchaser(s).

(Approved by the Office of Management and Budget under OMB Control No. 1901-0294)

M. All monthly report filings shall be made to U.S. Department of Energy (FE-34), Office of Fossil Energy, Office of Oil and Gas Global Security and Supply, P.O. Box 44375, Washington, D.C. 20026-4375, Attention: Natural Gas Reports. Alternatively, reports may be e-mailed to [ngreports@hq.doe.gov](mailto:ngreports@hq.doe.gov), or may be faxed to Natural Gas Reports at (202) 586-6050.

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