

July 24, 2014

VIA ELECTRONIC DELIVERY

Mr. John A. Anderson Office of Fossil Energy U.S. Department of Energy Docket Room 3F-056, FE-50 Forrestal Building 1000 Independence Avenue, S.W. Washington, DC 20585

RE: Louisiana LNG Energy LLC, Docket Nos. 14-19-LNG and 14-29-LNG Supplement to Applications for Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Countries

Dear Mr. Anderson:

On February 5, 2014, Louisiana LNG Energy LLC ("LLNG") filed an application for authorization to export two million metric tons of LNG per annum for a term of 25 years to Free Trade Agreement countries.¹ On February 18, 2014, LLNG filed an application for authorization to export two million metric tons of LNG per annum for a term of 25 years to Non-Free Trade Agreement countries.²

LLNG submits for filing in the above-referenced dockets the enclosed supplement to its applications. Please contact the undersigned at (713) 203-3054 if you have any questions regarding this filing.

Respectfully submitted,

Thomas W. Burgess Vice President, Marketing Louisiana LNG Energy LLC

¹ Louisiana LNG Energy LLC, DOE/FE Docket No. 14-19-LNG (filed Feb. 5, 2014).

² Louisiana LNG Energy LLC, DOE/FE Docket No. 14-29-LNG (filed Feb. 18, 2014).

UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

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Louisiana LNG Energy LLC

Docket Nos. 14-19-LNG 14-29-LNG

SUPPLEMENT TO APPLICATIONS OF LOUISIANA LNG ENERGY LLC FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT AND NON-FREE TRADE AGREEMENT COUNTRIES

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UNITED STATES OF AMERICA DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY

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Louisiana LNG Energy LLC

Docket Nos. 14-19-LNG 14-29-LNG

SUPPLEMENT TO APPLICATIONS OF LOUISIANA LNG ENERGY LLC FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS TO FREE TRADE AGREEMENT AND NON-FREE TRADE AGREEMENT COUNTRIES

On February 5, 2014, Louisiana LNG Energy LLC ("LLNG") filed an application for authorization to export two million metric tons of LNG per annum for a term of 25 years to Free Trade Agreement ("FTA") countries.³ On February 18, 2014, LLNG filed an application for authorization to export two million metric tons of LNG per annum for a term of 25 years to Non-Free Trade Agreement ("Non-FTA") countries.⁴ Pursuant to 10 C.FR. § 590.204(a), LLNG hereby submits this supplement to the applications filed in the above-referenced dockets.

I. <u>DESCRIPTION OF THE APPLICANT</u>

The exact legal name of the applicant is Louisiana LNG Energy LLC. LLNG is a limited liability company formed under the laws of Texas with its principal place of business at 2115 Forest Falls Drive, Suite 100, Houston, Texas 77345-1778. LLNG is owned and controlled by five members who also serve as officers of the LLC. The five members and their respective ownership interests are as follows:

- James H. Lindsay 20%
- Ralph Summers 20%
- J.Q. Delap 20%

³ Louisiana LNG Energy LLC, DOE/FE Docket No. 14-19-LNG (filed Feb. 5, 2014).

⁴ Louisiana LNG Energy LLC, DOE/FE Docket No. 14-29-LNG (filed Feb. 18, 2014).

- Steven P. Martin 20%
- Thomas W. Burgess 20%

LLNG intends to transfer a controlling ownership interest from the five equal members listed above to ArcLight Capital Partners, LLC a Massachusetts-based private equity firm specializing in the energy sector.

II. <u>EXPORT VOLUME</u>

In both applications, LLNG requested authorization to export a total of two million metric tons per year ("MTPA") of LNG. The two MTPA requested in the FTA and Non-FTA applications is non-additive.

In the FTA application, LLNG used a conversion factor of 48.7 bcf of natural gas per million metric tons of LNG to calculate a bcf equivalent of approximately 97.4 bcf of natural gas. In the intervening time between LLNG's filing of the FTA and Non-FTA applications, DOE/FE issued an order authorizing the export of LNG by Cameron LNG, LLC. In that order, DOE/FE used a conversion factor of 51.7 bcf of natural gas per million metric tons of LNG.⁵ Accordingly, in its Non-FTA application, LLNG used a conversion factor of 51.7 bcf of natural gas per million metric tons of LNG to calculate a bcf equivalent of approximately 103.4 bcf of natural gas.

LLNG herein clarifies that it is requesting authorization to export a total of two MTPA of LNG, which is equivalent to approximately 103.4 bcf of natural gas. LLNG respectfully requests that DOE/FE issue both the FTA and Non-FTA authorizations in an amount equivalent to 103.4 bcf of natural gas.

⁵ See Cameron LNG, LLC, DOE/FE Order No. 3391 at 8 (Feb. 11, 2014).

III. EXPORT SOURCES

LLNG seeks authorization to export natural gas available in the United States natural gas pipeline system. While LLNG 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 United States.

LLNG proposes to construct approximately 2.3 miles of 24-inch diameter, natural gas pipeline. The pipeline will interconnect with the High Point Gas Transmission interstate pipeline system located north of the facility. This pipeline interconnection will provide LLNG access to approximately 1,400,000 MMcf/day of natural gas supplies from multiple supply basins, including four major interstate pipeline systems. Metering and any additional compressors as may be required shall be installed by LLNG on the LLNG site.

IV. MARINE LOADING TERMINAL AND LNG TRUCK LOADING FACILITIES

LLNG plans to construct both a marine loading terminal and LNG truck loading facilities. The marine loading terminal will consist of one berth for LNG cargo ships ranging in size from 130,000 to 175,000 m3 cargo capacity. The terminal will have cryogenic loading arms for the loading of LNG. A vapor return arm will be installed in order to transfer boil-off gas from the vessel to the boil-off gas handling system. The LNG storage tanks will be fitted with pumps to transfer LNG to cargo ships a loading rate of 10,000 m3 per hour, which will permit a 175,000 m3 vessel to be loaded in 18 hours.

An LNG truck loading station will be fenced off and separate from the main liquefaction facility site with an associated separate entrance and exit. Two truck loading bays, with weigh stations, will have pumps to transfer LNG from the LNG storage tanks to the trucks and flexible cryogenic hoses will enable the transfer of LNG to each truck at a rate of approximately 400 gallons per minute. Hoses will send boil-off gas to the boil-off gas handling system.

V. MODULAR CONSTRUCTION OF THE LIQUEFACTION FACILITY

LLNG plans to construct a liquefaction facility on a 200 acre site near mile marker 46 on the East Bank of the Mississippi River down-river from the Port of New Orleans in Plaquemines Parish, Louisiana. The liquefaction facility components will be built in a modular fashion and assembled on-site. Specifically, construction is anticipated to proceed as follows:

- Chart Industries, Inc. ("Chart") will design the gas pre-treatment components, including the amine, CO₂ removal unit, molecular sieve dehydration, mercury removal, and heavy hydrocarbon removal unit in its offices located in The Woodlands, Texas. This equipment will then be manufactured in the Houston, Texas area and shipped via barge to Chart's facility in New Iberia, Louisiana for assembly. Other components of the liquefaction facility, including the heat exchangers that make up the cold box, will be designed and manufactured at Chart's La Crosse, Wisconsin location and shipped via truck to the New Iberia, Louisiana facility for assembly. This equipment will then be loaded onto barges and transported from Chart's New Iberia, Louisiana facility to the LLNG facility site in Plaquemines Parish, Louisiana.
- The air coolers for the liquefaction facility will be designed and manufactured by Chart in its Tulsa, Oklahoma facility. The air coolers will then be loaded onto barges at the Port of Catoosa in Oklahoma for transport to the LLNG facility site.
- Matrix Service Company ("Matrix") will shape the steel for the LNG storage tanks at its Catoosa, Oklahoma steel-shaping facility. Once all of the steel has been shaped, it will be loaded onto a barge at the Port of Catoosa, Oklahoma and transported to a secure laydown area in the New Orleans, Louisiana area. Once

the LLNG facility site has been prepared for receipt of the steel, the steel will be loaded onto barges and transported to the LLNG facility for the erection of the LNG storage tanks.

 Gas turbines for on-site power generation will be manufactured by Rolls-Royce at its Mount Vernon, Ohio facility. The turbines will be loaded onto barges and shipped to the LLNG facility site.

VI. <u>CONCLUSION</u>

WHEREFORE, for the reasons set forth above, Louisiana LNG Energy LLC respectfully requests that the DOE/FE accept this supplement to its applications and issue the following orders: (1) granting LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Free Trade Agreement countries for a term of 25 years and (2) granting LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term authorization to export two MTPA (103.4 bcf of natural gas) of domestic LNG to Energy LLNG long-term energy LLNG long-term energy for a term of 25 years.

Respectfully submitted,

Thomas W. Burgess Vice President, Marketing

On behalf of Louisiana LNG Energy LLC

Dated: July 24, 2014

VERIFICATION

I, Thomas W. Burgess, state that I am the Vice President, Marketing of Louisiana LNG Energy LLC and am duly authorized to make this Verification on behalf of Louisiana LNG Energy LLC; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information and belief.