

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

SABINE PASS LIQUEFACTION, LLC

)
) DOCKET NO. 15-171-LNG
)
)

ORDER GRANTING BLANKET AUTHORIZATION
TO EXPORT LIQUEFIED NATURAL GAS BY VESSEL
FROM THE SABINE PASS LNG TERMINAL
LOCATED IN CAMERON PARISH, LOUISIANA

DOE/FE ORDER NO. 3767

JANUARY 13, 2016

I. SUMMARY

On November 6, 2015, Sabine Pass Liquefaction, LLC (Sabine Pass) filed an application (Application)¹ with the Office of Fossil Energy (FE) of the Department of Energy (DOE) under section 3 of the Natural Gas Act (NGA), 15 U.S.C. § 717b,² requesting blanket authorization to engage in short-term exports of liquefied natural gas (LNG) from the Sabine Pass Liquefaction Project³ in Cameron Parish, Louisiana. Sabine Pass seeks authorization to export this LNG in a volume up to the equivalent of 600 billion cubic feet (Bcf) of natural gas on a cumulative basis over a two-year period commencing the earlier of the date of the first short-term export or January 15, 2016, 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. Sabine 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.

Based on a review of the record in this proceeding, DOE/FE finds that it has not been demonstrated the exports proposed in the Application are inconsistent with the public interest. For reasons discussed below, we grant Sabine Pass' Application. This authorization permits the requested LNG exports by vessel on a short-term or spot market basis from the Sabine Pass Terminal subject to the terms and conditions set forth below.

¹ Application of Sabine Pass Liquefaction, LLC for Blanket Authorization to Export Liquefied Natural Gas, FE Docket No. 15-171-LNG (Nov. 6, 2015).

² 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 17, 2014.

³ The Liquefaction Project is being developed by Sabine Pass and its affiliate, Sabine Pass LNG, L.P., at the existing Sabine Pass LNG import, storage and vaporization terminal in Cameron Parish, Louisiana. The Federal Energy Regulatory Commission ("FERC") authorized the construction and operation of Stages 1 and 2 of the Liquefaction Project consisting of four LNG production trains (*i.e.*, Trains 1, 2, 3 and 4). *See Sabine Pass Liquefaction, LLC & Sabine Pass LNG, L.P., Order Granting Section 3 Authorization*, 139 FERC ¶ 61,039 (2012), *reh'g & stay denied*, 140 FERC ¶ 61,076 (2012); *Sabine Pass Liquefaction, LLC & Sabine Pass LNG, L.P., Order Amending Section 3 Authorization*, 144 FERC ¶ 61,099 (2013); *Sabine Pass Liquefaction, LLC & Sabine Pass LNG, L.P., Order Amending Section 3 Authorization*, 146 FERC ¶ 61,117 (2014), *reh'g denied*, 148 FERC ¶ 61,200 (2014) [collectively, hereinafter *FERC Liquefaction Project Orders*].

II. BACKGROUND

Applicant. According to the Application, Sabine Pass Liquefaction, LLC is authorized to do business in Louisiana and Texas, and has its principal place of business in Houston, Texas. Sabine Pass states that it is an indirect subsidiary of Cheniere Energy, Inc., a Delaware corporation with its principal place of business in Houston, Texas. Sabine Pass states that Cheniere Energy is a developer of LNG import and export terminals and natural gas pipelines on the Gulf Coast, including the Sabine Pass Liquefaction Project.

Sabine Pass Liquefaction Project Procedural History. Sabine Pass states that it is currently constructing the Sabine Pass Liquefaction Project. As relevant here, to date, DOE/FE has issued three final long-term, multi-contract orders under NGA Section 3 authorizing Sabine Pass to export LNG from Stages 1 and 2 (Trains 1 through 4) of the Liquefaction Project.⁴ In this regard, Sabine Pass currently has long-term, multi-contract authorization to export LNG up to the equivalent of 803 Bcf/yr of natural gas, for a twenty-year term, to countries with which the United States does not have a free trade agreement (FTA) that requires national treatment for trade in natural gas (non-FTA countries). In addition, Sabine Pass also has long-term, multi-contract authorization to export LNG up to the equivalent of 1,006 Bcf/yr to countries with

⁴ *Sabine Pass Liquefaction, LLC, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Free Trade Nations*, DOE/FE Order No. 2833, DOE/FE Docket No. 10-85-LNG (Sep. 7, 2010); *Sabine Pass Liquefaction, LLC, Final Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Non-Free Trade Agreement Nations*, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG (Aug. 7, 2012), *reh'g and stay denied*, *Sabine Pass Liquefaction, LLC, Opinion and Order Denying Request for Rehearing of Order Denying Motion for Late Intervention, Dismissing Request for Rehearing of Order No. 2961-A, and Dismissing Motion for a Stay Pendente Lite*, DOE/FE Order No. 2961-B, FE Docket No. 10-111-LNG (Jan. 25, 2013); *Sabine Pass Liquefaction, LLC, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal in Cameron Parish, Louisiana, to Free Trade Agreement Nations*, DOE/FE Order No. 3595, FE Docket No. 14-92-LNG (Feb. 12, 2015), *Errata Notice*, DOE/FE Order Nos. 3595 & 3384, FE Docket Nos. 14-92-LNG & 13-121-LNG (Feb. 24, 2015) [collectively, hereinafter, *Stages 1 & 2 Orders*].

which the United States has a FTA that requires national treatment for trade in natural gas (FTA countries). The FTA and non-FTA export volumes are not additive.

Additionally, Sabine Pass states that in order to align its DOE/FE export authorization with the optimized design production capacity of Stages 1 and 2 of the Liquefaction Project as authorized by the Federal Energy Regulatory Commission (FERC),⁵ it has submitted an application to DOE/FE requesting long-term, multi-contract authorization to export up to the equivalent of an additional 203 Bcf per year of natural gas, for a twenty-year term, to non-FTA countries.⁶ That application is currently pending.

Sabine Pass states that it expects Train 1 of the Liquefaction Project to be completed and commence operations in early 2016.⁷

III. CURRENT APPLICATION

Sabine Pass states that its request for blanket authorization in this proceeding is made in anticipation of the start of liquefaction operations at the Sabine Pass Liquefaction Project. Sabine Pass states that the purpose of the requested authorization is to enable it to engage in short-term exports of domestically produced LNG produced both prior and subsequent to commercial operations if and when appropriate market opportunities arise. Sabine Pass requests such blanket authorization for itself and as agent for third parties who may hold title to the LNG at the time of export to export volumes of LNG up to 600 Bcf cumulatively over a two-year period commencing the earlier of the date of first short-term export or January 15, 2016. Sabine

⁵ See *FERC Liquefaction Project Orders*, *supra* note 3. FERC has issued orders approving a combined maximum production capacity for the four liquefaction trains comprising Stages 1 and 2 of the Liquefaction Project of approximately 20 mtpa, or 1,0006 Bcf/per year. This annual LNG production capacity represents the combined, maximum or peak capacity of the four LNG trains based on the final, optimized design of the Liquefaction Project.

⁶ *Sabine Pass Liquefaction, LLC*, Application for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, FE Docket No. 15-63-LNG (Apr. 20, 2015).

⁷ The Sabine Pass Liquefaction Project is being constructed in two Stages; Sabine Pass notes that construction of the remaining liquefaction trains will be completed on a staggered basis following the completion of Train 1.

Pass further affirms that, when acting as agent for third parties, it will provide DOE/FE with a written statement by the title holder acknowledging and agreeing to comply with all requirements in the Sabine Pass export authorization and include those requirements in any subsequent purchase or sale agreement entered into by the title holder.

Environmental Review. Sabine Pass states that no environmental review of this Application under the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. §§ 4321 *et seq.*, is required. According to Sabine Pass, the proposed blanket export of LNG would not require any changes to the Sabine Pass Liquefaction Project facilities and, therefore, consistent with DOE/FE precedent, granting this application would be categorically excluded from NEPA review.

IV. APPLICANTS PUBLIC INTEREST ANALYSIS

Sabine Pass states that pursuant to Section 3 of the NGA, DOE/FE is required to authorize exports to a foreign country unless there is a finding that such exports “will not be consistent with the public interest.”⁸ Sabine Pass asserts that Section 3 thus creates a statutory presumption in favor of approving this Application, which opponents bear the burden of overcoming.⁹ Further, Sabine Pass states that in evaluating an export application, DOE/FE applies the principles described in DOE Delegation Order No. 0204-111 (which focuses primarily on domestic need for the gas to be exported) and the Secretary’s natural gas policy

⁸ 15 U.S.C. 717b.

⁹ Sabine Pass states (Application at 5) that in *Panhandle Producers & Royalty Owners Ass’n v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987), the court found that Section 3 of the NGA “requires an affirmative showing of inconsistency with the public interest to deny an application” and that a “presumption favoring ... authorization ... is completely consistent with, if not mandated by, the statutory directive.” Sabine Pass also cites to *Indep. Petroleum Ass’n v. ERA*, 870 F.2d 168, 172 (5th Cir. 1989); *Panhandle Producers and Royalty Owners Ass’n v. ERA*, 847 F.2d 1168, 1176 (5th Cir. 1988).

guidelines.¹⁰ Sabine Pass concludes, for reasons stated below, that Sabine Pass' proposal to export LNG on a short-term blanket basis to those non-FTA countries with the capacity to import LNG via ocean-going carrier and with which trade is not prohibited by U.S. law or policy is consistent with Section 3 of the NGA and DOE/FE policy.

Sabine Pass states that DOE/FE undertook a robust public interest analysis in granting Sabine Pass' request for long-term multi contract export authorization from Stages 1 and 2 of the Liquefaction Project.¹¹ Sabine Pass asserts that granting the short-term blanket export authorization requested herein would provide Sabine Pass, the first entity authorized to construct and place in service a liquefaction and export facility in the lower-48 states, with enhanced operational flexibility and the ability to export LNG cargoes that may be rejected by customers under one or more long-term contracts. According to Sabine Pass, each of the four liquefaction trains comprising Stages 1 and 2 of the Liquefaction Project will be brought on line on a staggered basis at three to six month intervals, starting in early 2016. Sabine Pass expects that exports pursuant to the authorization requested herein would ramp up over time as each of the four trains begins production.

Sabine Pass observes that in granting recent applications for short-term blanket export authorization, DOE/FE has taken administrative notice of publicly-available natural gas supply and demand forecasts by the U.S. Energy Information Administration ("EIA") to conclude:

Inasmuch as domestic natural gas production levels are projected to reach an amount that well exceeds the amount of natural gas proposed for short-term export in [the] Application, we find that United States consumers will continue to have access to substantial quantities of natural gas sufficient to meet domestic demand from multiple other sources at competitive prices without drawing on the LNG which [the applicant]

¹⁰ See *New Policy Guidelines and Delegation Orders From Secretary of Energy to Economic Regulatory Administration and Federal Energy Regulatory Commission Relating to the Regulation of Imported Natural Gas*, 49 Fed. Reg. 6,684 (Feb. 22, 1984).

¹¹ See *Stages 1 & 2 Orders*, *supra*, note 6.

seeks to export.¹²

Sabine Pass states that the most recent EIA projections confirm the adequacy of domestic natural gas supplies to meet demand during the two-year term for which Sabine Pass seeks blanket export authorization. Specifically, the EIA's *Annual Energy Outlook 2015* projected that total domestic dry natural gas production would increase by 4.76 trillion cubic feet ("Tcf") per year between 2012 and 2020 (from 24.06 to 28.82 Tcf per year), while total domestic natural gas consumption would only increase by 0.61 Tcf per year during the same time period (from 25.53 to 26.14 Tcf per year).¹³

As such, Sabine Pass states that the requested export authorization is consistent with the public interest.

V. MOTION TO INTERVENE

The American Petroleum Institute's Motion to Intervene. On December 23, 2015, The American Petroleum Institute (API) filed a motion to intervene in FE Docket No. 15-171-LNG. API states that it is a national trade association representing more than 650 member companies involved in all aspects of the oil and natural gas industry in the United States, including owners and operators of LNG import and export facilities in the United States and around the world, as well as owners and operators of LNG vessels, global LNG traders, and manufacturers of essential technology and equipment used along the LNG value chain. API further states that its

¹²Sabine Pass cites (Application at 6) to *Eni USA Gas Marketing LLC, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel*, DOE/FE Order No. 3628, FE Docket No. 15-13-LNG (Apr. 23, 2015) at 7; *Sempra LNG Marketing, LLC, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel*, DOE/FE Order No. 3587, FE Docket No. 14-177-LNG (Jan. 30, 2015) at 6-7; *Chevron U.S.A. Inc., Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel*, DOE/FE Order No. 3567, FE Docket No. 14-119-LNG (Dec. 22, 2014) at 6; and *Cheniere Marketing, LLC, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas by Vessel*, DOE/FE Order No. 3442, FE Docket No. 14-31-LNG (June 6, 2014) at 6-7.

¹³EIA, *Annual Energy Outlook 2015 with Projections to 2040*, (Table A13) A-27 (Apr. 2015), available at [http://www.eia.gov/forecasts/aeo/pdf/0383\(2015\).pdf](http://www.eia.gov/forecasts/aeo/pdf/0383(2015).pdf).

members have extensive experience with the drilling and completion techniques used in producing domestic natural gas resources. For these reasons, API states that it has a direct and immediate interest in these proceedings that cannot be adequately protected by any other party.

API's motion is unopposed.

VI. DECISION

A. Standard of Review

Pursuant to sections 301(b) and 402 of the DOE Organization Act, 42 U.S.C. § 7151(b) and 42 U.S.C. § 7172, DOE/FE is responsible for evaluating the instant Application under section 3 of the NGA. Insofar as Sabine Pass is proposing to export LNG to FTA countries, section 3(c) of the NGA provides that such exports "shall be deemed to be consistent with the public interest" and such applications "shall be granted without modification or delay." 15 U.S.C. § 717b(c). Accordingly, we are granting that portion of the Application that concerns exports to FTA countries without condition, as further set forth in the Order below.

On the other hand, to the extent Sabine Pass is seeking authority to export LNG to non-FTA countries, section 3(a) of the NGA sets forth the applicable standard of review. Section 3(a) provides:

[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the [Secretary of Energy] authorizing it to do so. The [Secretary] shall issue such order upon application, unless after opportunity for hearing, [he] finds that the proposed exportation or importation will not be consistent with the public interest. The [Secretary] may by [the Secretary's] order grant such application, in whole or part, with such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate.

15 U.S.C. § 717b(a).

Under section 3(a), the import and export of natural gas, including LNG, from and to non-FTA nations, will be granted unless it is shown that it would be inconsistent with the public

interest to do so. Furthermore, in evaluating an export application under this standard, DOE/FE applies the principles described in DOE Delegation Order No. 0204-111, which focus primarily on domestic need for the natural gas to be exported, as described in the Secretary's natural gas policy guidelines,¹⁴ and any other matters determined to be appropriate to a determination of the public interest. In addition, 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.

B. Public Interest Review (Non-Environmental)

DOE/FE has already granted long-term, multi-contract authorization to Sabine Pass to export domestically produced LNG from Stages 1 and 2 (Trains 1 through 4) of the Sabine Pass Liquefaction Project in a volume up to the equivalent of 803 Bcf/yr to non-FTA countries.¹⁵ DOE conducted a full public interest review under NGA section 3(a) for those non-FTA exports, including an evaluation of the domestic need for the natural gas proposed for export. Based on that review, DOE found that it had not been shown that a grant of the requested long-term non-FTA authorization would be inconsistent with the public interest.

The short-term LNG exports proposed in this proceeding represent a volume of natural gas equivalent to 600 Bcf over two years, which averages to 300 Bcf/yr during the two year period of the requested authorization. This volume is significantly less than the 803 Bcf/yr of non-FTA exports that DOE/FE previously reviewed and authorized. Provided that the volumes proposed for export in this proceeding, when added to any volumes exported under Sabine Pass'

¹⁴ New Policy Guidelines and Delegations Order Relating to Regulation of Imported Natural Gas, 49 Fed. Reg. 6684 (Feb. 22, 1984).

¹⁵ *Sabine Pass Liquefaction, LLC, Final Opinion and Order Granting Long-Term Multi-Contract Authority to Export LNG by Vessel from Cameron LNG Terminal in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations*, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG (Aug. 7, 2012).

long-term export authorization, do not exceed 803 Bcf on an annual (*i.e.*, consecutive 12 month) basis, the public interest impacts of the total exports will not increase as a consequence of our approval of the Application in this proceeding. Consequently, no additional public interest review beyond that conducted in the earlier non-FTA export proceedings is warranted. Furthermore, we note that the Application in this proceeding is unopposed and, therefore, there has been no challenge to the proposed short-term export authorization. Under these circumstances, we find that it has not been shown that the proposed exports will be inconsistent with the public interest, provided that the total exports to non-FTA countries do not exceed 803 Bcf on an annual basis during the terms of the existing long-term and the new short-term authorizations.

C. Agency Rights

As described above, Sabine 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. 2913,¹⁶ which granted Freeport LNG Expansion, L.P., *et al.* (collectively, FLEX) authority to export LNG to FTA nations. 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*,¹⁷ 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

¹⁶ *Freeport LNG Expansion, L.P., et al., Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations*, DOE/FE Order No 2913, FE Docket No. 10-160-LNG (Feb. 10, 2011).

¹⁷ *The Dow Chemical Company, Order Granting Blanket Authorization to Export Liquefied Natural Gas*, DOE/FE Order No. 2859, DOE/FE Docket No. 10-57-LNG (Oct. 5, 2010) at 7-8, discussed in *Freeport LNG*, DOE/FE Order No. 2913, at 7-8.

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*.¹⁸ 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.¹⁹

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

D. Environmental Review

FERC completed an environmental review of the Sabine Pass Liquefaction Project that satisfies the requirements of the National Environmental Policy Act (NEPA) pursuant to an application for a certificate of public convenience and necessity under section 7 of the NGA, 15 USC § 717f. That review included an environmental assessment (EA) that addressed the potential environmental impacts of the construction and operation of the liquefaction and pipeline elements of the Sabine Pass Liquefaction Project.²⁰ The Liquefaction Project capacity reviewed by FERC in the EA was 20 million metric tons per year, equivalent to LNG exports of

¹⁸ *Gulf Coast LNG Export, LLC, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel from the Proposed Brownsville Terminal to Free Trade Agreement Nations*, DOE/FE Order No. 3163, DOE/FE Docket No. 12-05-LNG (Oct. 16, 2012).

¹⁹ *See id.* at 7-8.

²⁰ *Sabine Pass Liquefaction, LLC. and Sabine Pass LNG, L.P.*, Environmental Assessment for Sabine Pass Liquefaction Project, Cameron Parish, Louisiana, FERC Docket No. 11-72-000 (December 2011).

1,006 Bcf/year of natural gas.

Subsequently, on August 7, 2012, DOE/FE adopted FERC's EA and issued a Finding of No Significant Impact²¹ in response to Sabine Pass' long-term non-FTA export application.²² DOE conducted its environmental review of Sabine Pass' long-term non-FTA export application as part of its public interest review of the application under section 3(a) of the NGA as well as to meet its obligations under NEPA. As stated previously, DOE/FE granted that application in an amount up to the equivalent to 803Bcf/yr of natural gas for a 20-year term.²³

Sabine has stated that approval of its Application in this proceeding will not require additional construction or modification to the previously approved facilities. This statement has not been challenged. Under these circumstances, we find that approval of the Application will not result in any incremental environmental impacts versus the environmental impacts previously reviewed.

The Department's regulations at 10 CFR Part 1021, Subpart D, Appendix B5, provide a list of categorical exclusions from preparation of either an Environmental Impact Statement or an EA under NEPA. Specifically, categorical exclusion B5.7 provides a categorical exclusion where approvals or disapprovals of authorizations to import or export natural gas under NGA section 3 involve minor operational changes but not new construction. Sabine Pass' proposed exports from the Sabine Pass Project in the Application fall within the scope of the B5.7 categorical exclusion because no new construction or modification to the Sabine Pass Project

²¹ Finding of No Significant Impact for Sabine Pass Liquefaction, LLC Regarding Order Granting Long-Term Authorization to Export Liquefied Natural Gas From Sabine Pass LNG Terminal to Non-Free Trade Nations (Aug. 7, 2012).

²² *Sabine Pass Liquefaction, LLC*, Application of Sabine Pass Liquefaction, LLC for Long-Term Authorization to Export Liquefied Natural Gas, , FE Docket No. 10-111-LNG (Sep. 7, 2010).

²³ *Sabine Pass Liquefaction, LLC, Final Opinion and Order Granting Long-Term Multi-Contract Authority to Export LNG by Vessel from Cameron LNG Terminal in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations*, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG (Aug. 7, 2012).

facilities reviewed by FERC will be necessary due to DOE/FE approval of the Application. Accordingly, on January 13, 2016, DOE/FE issued a Categorical Exclusion Determination for the proposed export action.²⁴

E. American Petroleum Institute's Motion to Intervene

API's motion to intervene is unopposed, and therefore it is deemed granted. 10 C.F.R. § 590.303(g).

F. Conclusion

After due consideration based on all facts and evidence of record, DOE/FE finds that a grant of the export application is not inconsistent with the public interest. Further, the proposed exports qualify for a categorical exclusion under NEPA, such that no EA or EIS will be required. DOE/FE therefore grants Sabine Pass' Application, as set forth below.

ORDER

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

A. Sabine Pass is authorized to export domestically produced LNG from the Sabine Pass Liquefaction Project by vessel, up to the equivalent of 600 Bcf of natural gas, pursuant to transactions that have terms of no longer than two years. Sabine Pass is authorized to export this LNG on its own behalf or as agent for other entities who hold title to the natural gas at the time of export. This authorization shall be effective for a two-year term beginning on the earlier of the date of first short-term export, or January 15, 2016, and extending until the earlier of two years from the date of first short-term export, or January 15, 2018.

B. The volume of LNG authorized for export to non-FTA countries in this Order, when combined with the volume of LNG approved for export in *Sabine Pass Liquefaction, LLC*, Final

²⁴ U.S. Dept. of Energy Categorical Exclusion Determination Form, Office of Fossil Energy, issued to Sabine Pass Liquefaction, LLC, FE Docket No. 15-171-LNG (Jan. 13, 2016).

Opinion and Order Granting Long-Term Multi-Contract Authority to Export LNG by Vessel from Cameron LNG Terminal in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG (August 7, 2012), shall not exceed a total of 803 Bcf during any consecutive 12 month period.

C. The LNG authorized for export in this Order may be exported by vessel from the Sabine Pass Terminal to any country with the capacity to import ocean-going LNG carriers and with which trade is not prohibited by U.S. law or policy.

D. Sabine 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.

E. Sabine Pass shall include, and require others for whom Sabine 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 with the capacity to import ocean-going LNG carriers and identified in Ordering Paragraph B of DOE/FE Order No. 3767, issued January 13, 2016, in FE Docket No. 15-171-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 Sabine Pass Liquefaction, LLC that identifies the country (or countries) into which the LNG or natural gas was actually delivered and/or received for end use, and to include in any resale contract for such LNG the necessary conditions to ensure that Sabine Pass Liquefaction, LLC is made aware of all such countries.

F. Sabine Pass is permitted to use its authorization in order to export LNG as agent for other entities, after registering the other entities with DOE/FE. Registration materials shall

include an acknowledgement and agreement by the Registrant to supply Sabine Pass with all information necessary to permit Sabine 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; and (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.

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

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

I. Within two weeks after the first export of domestically produced LNG occurs from Train 1 of the Sabine Pass LNG Terminal, Sabine Pass shall provide written notification of the date that the first export of LNG authorized in Ordering Paragraph A above occurred.

J. Monthly Reports: With respect to the LNG exports authorized by this Order, Sabine Pass shall file with the Office of Regulation and International Engagement, 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 30th 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 authorized exporter; (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) into which the LNG or natural gas is actually delivered and/or received for end use; (6) the name of the supplier/seller; (7) the volume in thousand cubic feet (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)

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

Issued in Washington, D.C., on January 13, 2016.



John A. Anderson
Director, Office of Regulation and International Engagement
Office of Oil and Natural Gas