UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

CORPUS CHRISTI LIQUEFACTION, LLC FE DOCKET NO. 15-97-LNG

ORDER GRANTING LONG-TERM, MULTI-CONTRACT AUTHORIZATION TO EXPORT LIQUEFIED NATURAL GAS BY VESSEL FROM THE CORPUS CHRISTI LNG TERMINAL IN SAN PATRICIO AND NUECES COUNTIES, TEXAS, TO FREE TRADE AGREEMENT NATIONS

DOE/FE ORDER NO. 3699

AUGUST 27, 2015
I. DESCRIPTION OF REQUEST

On June 1, 2015, Corpus Christi Liquefaction, LLC (CCL) 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)² for long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG) in a volume equivalent to approximately 514 billion cubic feet per year (Bcf/yr) of natural gas (1.41 Bcf per day). CCL seeks to export the LNG by vessel from its natural gas liquefaction project, which is currently under construction in San Patricio and Nueces Counties, Texas (CCL Project). As discussed below, CCL and its affiliate, Cheniere Marketing, LLC (Cheniere Marketing), already have received authorizations from the Federal Energy Regulatory Commission (FERC) and DOE/FE, respectively, to construct and develop three liquefaction trains (Trains 1, 2, and 3) to liquefy natural gas at the CCL Project for export to foreign markets.³ In this Application, CCL seeks authorization from DOE/FE to export an additional volume of domestically produced LNG from two new liquefaction trains—Trains 4 and 5, which are part of a proposed expansion of the CCL Project (Stage 3 Project).⁴

CCL seeks authorization to export this LNG for a 20-year term from the CCL 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)⁵; and (ii) any other country with which

---

¹ Corpus Christi Liquefaction, LLC, Application for Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations, FE Docket No. 15-97-LNG (June 1, 2015) [hereinafter App.].
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 12, 2014.
³ See, e.g., App. at 3-4 n.8.
⁴ Id. at 3.
⁵ 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,
trade is not prohibited by U.S. law or policy (non-FTA countries). CCL seeks to export this LNG on its own behalf and as agent for other entities who will hold title to the LNG at the time of export. CCL requests that the authorization commence on the earlier of the date of first export from the CCL Project or eight years from the date the requested authorization is issued (August 27, 2023).

The portion of CCL’s 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 approved in this Order. 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.6

In granting the FTA portion of CCL’s Application, we find that the authorized export volume from Trains 4-5 (514 Bcf/yr) is additive to the volumes of LNG from Trains 1-3 previously authorized by DOE/FE for export to FTA countries in DOE/FE Order No. 3164 (as amended in DOE/FE Order No. 3164-A) in FE Docket No. 12-99-LNG, which is equivalent to 767 Bcf/yr of natural gas.7 Accordingly, the grant of this Order—CCL’s second long-term FTA export authorization—brings CCL’s total authorized FTA export volume to 1,281 Bcf/yr from Trains 1-5 of the CCL Project.8

---

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.


8 See infra at 6 (Table 1).
II. **BACKGROUND**

**Applicant.** CCL is a Delaware limited liability company with its principal place of business in Houston, Texas. CCL is a wholly-owned subsidiary of Cheniere Energy, Inc. (Cheniere Energy), a Delaware corporation with its primary place of business in Houston, Texas. Cheniere Energy, both individually and through its affiliate, Cheniere Energy Partners, is a developer of LNG terminals and natural gas pipelines on the Gulf Coast of the United States, including the CCL Project and the Sabine Pass Liquefaction Project.

DOE/FE notes that Cheniere Marketing, CCL’s corporate affiliate referenced herein, is also a Delaware limited liability company with its principal place of business in Houston, Texas. Cheniere Marketing is an indirect subsidiary of Cheniere Energy.¹⁰

**Liquefaction Project.** CCL states that the CCL Project is currently under construction in San Patricio and Nueces Counties, Texas. The CCL Project, as approved by FERC, presently consists of Trains 1-3, three LNG storage tanks, two marine berths, and associated facilities.¹¹ CCL states that the Stage 3 Project consists of adding Trains 4 and 5, as well as a fourth LNG tank, to expand the CCL Project. Additionally, new associated interstate natural gas pipeline facilities will be constructed (Stage 3 Pipeline). CCL anticipates that construction of the Stage 3 Project will commence by 2017, with exports commencing as early as 2021.

---

⁹ See App. at 2, 8; see also Cheniere Marketing, LLC and Corpus Christi Liquefaction, LLC, DOE/FE Order No. 3638, FE Docket No. 12-97-LNG, Final Order and Opinion Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Corpus Christi Liquefaction Project to Be Located in Corpus Christi, Texas, to Non-Free Trade Agreement Nations, at 15 (May 12, 2015).

¹⁰ See Cheniere Marketing, LLC and Corpus Christi Liquefaction, LLC, DOE/FE Order No. 3638, at 14.

¹¹ See App. at 2 n.5 (stating that FERC authorized the construction and operation of the CCL Project in 2014) (citing Corpus Christi Liquefaction, LLC & Cheniere Corpus Christi Pipeline, L.P., 149 FERC ¶ 61,283 (Dec. 30, 2014), reh’g denied, 151 FERC ¶ 61,098 (May 6, 2015).
**Procedural History.** Pertinent aspects of CCL’s procedural history are summarized as follows:

On October 16, 2012, DOE/FE issued Order No. 3164, in which it authorized Cheniere Marketing, acting on its own behalf and as agent for third parties, to export domestically produced LNG from the CCL Project to FTA nations in a volume equivalent to 767 Bcf/yr of natural gas (2.1 Bcf/d) for a 25-year period.12

On August 15, 2014, Cheniere Marketing submitted a filing asking DOE/FE to add CCL as an authorization holder of DOE/FE Order No. 3164, together with Cheniere Marketing.13 On October 29, 2014, in DOE/FE Order No. 3164-A, DOE/FE granted Cheniere Marketing’s request and added CCL as a joint authorization holder with the same rights and obligations of Cheniere Marketing.14

In the Application before DOE/FE, CCL requests long-term authorization for the export of LNG in an amount equivalent to 514 Bcf/yr of natural gas, which CCL states represents the additional capacity expected for the Stage 3 Project (Trains 4 and 5). DOE/FE is granting CCL’s requested authorization in this Order. With this Order, CCL now holds two long-term FTA export authorizations for Trains 1-5 in a total volume of LNG not to exceed 1,281 Bcf/yr of natural gas, as summarized in Table 1.

---

12 Cheniere Marketing, LLC, et al., DOE/FE Order No. 3164, supra at 3 n.7. As discussed above, CCL was later added as a joint authorization holder for this order.


Table 1: Orders Issued by DOE/FE for the Export of Domestic LNG to FTA Countries from the Corpus Christi Liquefaction Project

<table>
<thead>
<tr>
<th>Docket No.</th>
<th>Order No.</th>
<th>Date Issued</th>
<th>Trains</th>
<th>Volume (Bcf/yr)</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-97-LNG</td>
<td>3699</td>
<td>August 27, 2015</td>
<td>4-5</td>
<td>514</td>
<td>20 years, multi-contract</td>
</tr>
<tr>
<td><strong>Total Volume (FTA)</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>1,281</strong></td>
<td></td>
</tr>
</tbody>
</table>

Additionally, on May 12, 2015, in DOE/FE Order No. 3638, DOE/FE granted final authorization to CCL and Cheniere Marketing (collectively, CMI) to export LNG from the CCL Project (Trains 1-3), on their own behalf and as agent for third parties, to any country with which the United States does not have a FTA requiring national treatment for trade in natural gas and with which trade is not prohibited by U.S. law or policy (non-FTA countries). The authorized volume of LNG to be exported is equivalent to approximately 767 Bcf/yr of natural gas (2.1 Bcf per day) for a period of 20 years. This non-FTA export volume is not additive to the authorized volume in CCL’s FTA export authorization for Trains 1-3 (DOE/FE Order No. 3164); however, it is additive to the authorized volume in this Order, which pertains to exports of LNG solely from Trains 4 and 5.

**Source of Supply.** CCL states that it will purchase natural gas to be used as fuel and feedstock for LNG production from the interstate and intrastate grid at points of interconnection with the Stage 3 Pipeline and other interconnected pipelines and points of liquidity. According to CCL, the proximity of the CCL Project to multiple interstate and intrastate pipelines will enable it to purchase natural gas from multiple conventional and unconventional basins located

---

15 *Cheniere Marketing, LLC and Corpus Christi Liquefaction, LLC, DOE/FE Order No. 3638, supra* 4 n.9.
across Texas, the region, and the nation.\textsuperscript{16} CCL states that this supply can be sourced in large volumes in the spot market, or pursued under long-term arrangements.

**Business Model.** CCL is requesting this authorization on its own behalf and as agent for other parties who will hold title to the LNG at the time of export. CCL states that, to date, it has not entered into any natural gas purchase agreements or related LNG export contracts for the proposed exports. CCL states that it will comply with all DOE/FE requirements for exporters and agents, including registration requirements. CCL 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.

**Environmental Review.** CCL asserts that the potential environmental impact of the Stage 3 Project will be reviewed by FERC pursuant to the National Environmental Policy Act of 1969 (NEPA), 42 U.S.C. § 4321 et seq. CCL anticipates that FERC will serve as the lead agency and DOE will participate as a cooperating agency in the environmental review. CCL states that, concurrently with its filing of the Application, it has asked FERC to initiate the pre-filing review process for the Stage 3 Project, as well as for the Stage 3 Pipeline.

**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

\textsuperscript{16} CCL states that the historically prolific Texas and Louisiana onshore gas fields; the gas fields in the Permian, Anadarko, and Hugoton basins; and the emerging unconventional gas fields in the Barnett, Haynesville, Eagle Ford, Fayetteville, Woodford, and Bossier basins represent the most significant sources of shale gas production.
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.\(^{17}\)

(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 CCL in support of the Application. The instant grant of authority should not be read to indicate DOE/FE’s views on those arguments or on CCL’s request for non-FTA export authorization.

(3) The countries with which the United States has a 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, CCL 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,\(^{18}\) which granted Freeport LNG Expansion, L.P., \textit{et al.} (collectively, FLEX) authority to export LNG to FTA 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 \textit{The Dow Chemical Company},\(^{19}\) 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

\(^{17}\) 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.


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*. 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 title-holder (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.

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

(5) Section 590.202(b) of DOE’s regulations requires applicants to supply transaction-specific factual information “to the extent practicable.” 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 CCL file or cause to be filed with DOE/FE any relevant long-term commercial agreements (contracts) pursuant to which CCL exports LNG as agent for a

---


21 See *id.* at 7-8.

22 10 C.F.R. § 590.202(b).
Registrant once those agreements 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 purchase and sales agreement involving LNG stored or liquefied at the CCL Project.

(7) DOE/FE also will require CCL to file any long-term contracts CCL enters into providing for the long-term export of LNG on its own behalf from the CCL 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 requires that CCL file, or cause to be filed, all long-term contracts associated with the long-term supply of natural gas to the CCL Project within 30 days of their execution by either CCL or the Registrant.

(9) DOE/FE recognizes that some information in CCL’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 CCL LNG Terminal, may be commercially sensitive. DOE/FE therefore will provide CCL the option to file or cause to be filed either unredacted contracts, or in the alternative: (A) CCL 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

23 Id. § 590.202(c).
contract(s) including, but not limited to, the parties to each contract, contract term, quantity, any 
take or pay or equivalent provisions/conditions, destination, re-sale provisions, and other relevant 
provisions; and (B) the filing must demonstrate why the redacted or non-disclosed 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. Corpus Christi Liquefaction, LLC is authorized to export domestically produced LNG 
by vessel from Stage 3 Project (Trains 4 and 5) of the Corpus Christi Liquefaction Project, to be 
located in San Patricio and Nueces Counties, Texas. The volume authorized in this Order is 
equivalent to approximately 514 Bcf/yr of natural gas for a 20-year term, beginning on the earlier 
of the date of first export or eight years from the date the authorization is issued (August 27, 
2023). CCL 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:


C. CCL 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) CCL 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 CCL Project. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if CCL 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, CCL 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, CCL shall state why the redacted or non-disclosed information should be exempted from public disclosure.

(ii) CCL 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 CCL Project. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if CCL 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, CCL 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, CCL shall state why the redacted or non-disclosed information should be exempted from public disclosure.

E. CCL shall include, and require others for whom CCL 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. 3699, issued August 27, 2015, in FE Docket No. 15-97-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 Corpus Christi 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 Corpus Christi Liquefaction, LLC is made aware of all such countries.

F. CCL 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 CCL with all information necessary to permit CCL 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, length 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, CCL shall ensure that all persons required by this Order to register with DOE/FE have done so. Any failure by CCL 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 the Stage 3 Project, CCL shall provide written notification of the date that the first export of LNG authorized in Ordering Paragraph A above occurred.

J. CCL 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 Stage 3 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 Trains 4 and 5 of the CCL Project, and the status of the long-term contracts associated with the long-term export of LNG and any related long-term supply contracts.

K. Prior to any change in control of the authorization holder, CCL must comply with DOE/FE Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas. 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 CCL, 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.25

L. Monthly Reports: With respect to the LNG exports authorized by this Order, CCL
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 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
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) 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)

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

25 See id. at 65,542.
ngreports@hq.doe.gov, or may be faxed to Natural Gas Reports at (202) 586-6050.

Issued in Washington, D.C., on August 27, 2015.

[Signature]

John A. Anderson
Director, Office of Oil and Gas Global Security and Supply
Office of Oil and Natural Gas