



[6450-01-P]

**DEPARTMENT OF ENERGY**

[FE Docket No. 15-168-LNG]

**Flint Hills Resources, LP; Application for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations**

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

**ACTION:** Notice of application.

**SUMMARY:** The Office of Fossil Energy (FE) of the Department of Energy (DOE) gives notice of receipt of an application (Application), filed on November 5, 2015, by Flint Hills Resources, LP (Flint Hills), requesting long-term, multi-contract authorization to export domestically produced liquefied natural gas (LNG) primarily by use of approved ISO IMO7-TVAC-ASME LNG (ISO) containers transported on ocean-going carriers to any country with which the United States does not 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 (non-FTA countries).<sup>1</sup> Flint Hills seeks authorization to export the LNG in a volume equivalent to approximately 3.62 billion cubic feet of natural gas per year (Bcf/yr) (0.01 Bcf per day), which it states is approximately 120,000 gallons of LNG per day. Flint Hills seeks to purchase the LNG for export from a LNG liquefaction facility owned by Stabilis LNG Eagle Ford, LLC (Stabilis Facility), located in George West, Texas.<sup>2</sup> According to Flint Hills, the Stabilis Facility has the

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<sup>1</sup> In the Application, Flint Hills also requests authorization to export LNG to any nation that currently has, or in the future may enter into, a FTA requiring national treatment for trade in natural gas, and with which trade is not prohibited by U.S. law or policy (FTA countries). DOE/FE will review that request for a FTA export authorization separately pursuant to NGA section 3(c), 15 U.S.C. 717b(c).

<sup>2</sup> Flint Hills states that Stabilis LNG is owned in part (49%) by Flint Hills's affiliate, FHR LNG, LLC. App. at 3 n.4.

capacity to produce 120,000 gallons of LNG per day and to store approximately 270,000 gallons of LNG. Flint Hills states that the Stabilis Facility is currently operational and can accommodate both ISO container loadings and tanker truck loadings.<sup>3</sup> Flint Hill therefore asserts that no additional plant infrastructure will be required as a result of the proposed exports. Flint Hills requests the authorization for a 20-year term to commence on the earlier of the date of first commercial export or a date three months from the issuance of a final order granting the requested authorization. Flint Hills 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. The Application was filed under section 3 of the Natural Gas Act (NGA). Additional details can be found in Flint Hills's Application, posted on the DOE/FE website at:

[http://energy.gov/sites/prod/files/2015/11/f27/15\\_168\\_lng%20fta\\_nfta.pdf](http://energy.gov/sites/prod/files/2015/11/f27/15_168_lng%20fta_nfta.pdf)

Protests, motions to intervene, notices of intervention, and written comments are invited.

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

**Public Comment Procedures** section no later than 4:30 p.m., Eastern time, **[INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:**

**Electronic Filing by email:**

fergas@hq.doe.gov

**Regular Mail**

U.S. Department of Energy (FE-34)  
Office of Regulation and International Engagement

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<sup>3</sup> Flint Hills states that it generally intends to use ISO containers to export LNG. Under this scenario, the ISO containers will be trucked to a port or dock located along the Gulf Coast, where the containers will be loaded onto a barge or ship for delivery to non-FTA countries. If Flint Hills uses tanker trucks, it will truck LNG from the Stabilis Facility directly to a bulk transport barge, ship, or floating storage container for distribution to customers in both FTA and non-FTA countries. App. at 4-5. Appendix A of the Application contains a list of ports from which Flint Hills may export LNG.

Office of Fossil Energy  
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Washington, DC 20026-4375

**Hand Delivery or Private Delivery Services (e.g., FedEx, UPS, etc.)**

U.S. Department of Energy (FE-34)  
Office of Regulation and International Engagement  
Office of Fossil Energy  
Forrestal Building, Room 3E-042  
1000 Independence Avenue, SW  
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**FOR FURTHER INFORMATION CONTACT:**

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**SUPPLEMENTARY INFORMATION:**

**DOE/FE Evaluation**

The Application will be reviewed pursuant to section 3(a) of the NGA, 15 U.S.C. 717b(a), and DOE will consider any issues required by law or policy. To the extent determined to be relevant, these issues will include the domestic need for the natural gas proposed to be exported, the adequacy of domestic natural gas supply, U.S. energy security, and the cumulative impact of the requested authorization and any other LNG export application(s) previously

approved on domestic natural gas supply and demand fundamentals. DOE may also consider other factors bearing on the public interest, including the impact of the proposed exports on the U.S. economy (including GDP, consumers, and industry), job creation, the U.S. balance of trade, and international considerations; and whether the authorization is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements. As part of this analysis, DOE will consider the following two studies examining the cumulative impacts of LNG:

- *Effect of Increased Levels of Liquefied Natural Gas on U.S. Energy Markets*, conducted by the U.S. Energy Information Administration upon DOE's request (2014 EIA LNG Export Study);<sup>4</sup> and
- *The Macroeconomic Impact of Increasing U.S. LNG Exports*, conducted jointly by the Center for Energy Studies at Rice University's Baker Institute for Public Policy and Oxford Economics, on behalf of DOE (2015 LNG Export Study).<sup>5</sup>

Additionally, DOE will consider the following environmental document: *Addendum to*

*Environmental Review Documents Concerning Exports of Natural Gas From the United States*,

79 FR 48132 (Aug. 15, 2014).<sup>6</sup> Parties that may oppose this Application should address these

issues in their comments and/or protests, as well as other issues deemed relevant to the

Application.

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

## **Public Comment Procedures**

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<sup>4</sup> The 2014 EIA LNG Export Study, published on Oct. 29, 2014, is available at: <https://www.eia.gov/analysis/requests/fe/>.

<sup>5</sup> The 2015 LNG Export Study, dated Oct. 29, 2015, is available at: [http://energy.gov/sites/prod/files/2015/12/f27/20151113\\_macro\\_impact\\_of\\_lng\\_exports\\_0.pdf](http://energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports_0.pdf).

<sup>6</sup> The Addendum and related documents are available at: <http://energy.gov/fe/draft-addendum-environmental-review-documents-concerning-exports-natural-gas-united-states>.

In response to this Notice, any person may file a protest, comments, or a motion to intervene or notice of intervention, as applicable. Due to the complexity of the issues raised by the Applicant, interested parties will be provided 60 days from the date of publication of this Notice in which to submit their comments, protests, motions to intervene, or notices of intervention.

Any person wishing to become a party to the proceeding must file a motion to intervene or notice of intervention. The filing of comments or a protest with respect to the Application will not serve to make the commenter or protestant a party to the proceeding, although protests and comments received from persons who are not parties will be considered in determining the appropriate action to be taken on the Application. All protests, comments, motions to intervene, or notices of intervention must meet the requirements specified by the regulations in 10 CFR Part 590.

Filings may be submitted using one of the following methods: (1) e-mailing the filing to [fergas@hq.doe.gov](mailto:fergas@hq.doe.gov), with FE Docket No. 15-168-LNG in the title line; (2) mailing an original and three paper copies of the filing to the Office of Regulation and International Engagement at the address listed in **ADDRESSES**; or (3) hand delivering an original and three paper copies of the filing to the Office of Regulation and International Engagement at the address listed in **ADDRESSES**. All filings must include a reference to FE Docket No. 15-168-LNG. PLEASE NOTE: If submitting a filing via email, please include all related documents and attachments (e.g., exhibits) in the original email correspondence. Please do not include any active hyperlinks or password protection in any of the documents or attachments related to the filing. All electronic filings submitted to DOE must follow these guidelines to ensure that all documents are

filed in a timely manner. Any hardcopy filing submitted greater in length than 50 pages must also include, at the time of the filing, a digital copy on disk of the entire submission.

A decisional record on the Application will be developed through responses to this notice by parties, including the parties' written comments and replies thereto. Additional procedures will be used as necessary to achieve a complete understanding of the facts and issues. If an additional procedure is scheduled, notice will be provided to all parties. If no party requests additional procedures, a final Opinion and Order may be issued based on the official record, including the Application and responses filed by parties pursuant to this notice, in accordance with 10 CFR 590.316.

The Application is available for inspection and copying in the Office of Regulation and International Engagement docket room, Room 3E-042, 1000 Independence Avenue, SW., Washington, DC 20585. The docket room is open between the hours of 8 a.m. and 4:30 p.m., Monday through Friday, except Federal holidays.

The Application and any filed protests, motions to intervene or notice of interventions, and comments will also be available electronically by going to the following DOE/FE Web address: <http://www.fe.doe.gov/programs/gasregulation/index.html>.

Issued in Washington, D.C., on February 9, 2016.

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

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