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November 20, 2013

VIA HAND 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: Emera CNG, LLC, Docket No. 13-157 - CNG
Application for Long-Term Authorization to Export Compressed Natural Gas

Dear Mr. Anderson:

Emera CNG, LLC ("Emera") is developing a project to export compressed natural gas ("CNG") from the United States. In the enclosed application, Emera seeks long-term authorization under Section 3 of the Natural Gas Act to export up to 9.125 Bcf per annum of natural gas (0.025 Bcf per day) from domestic resources for a term of 20 years beginning on the earlier of the date of first export or five years from the date the requested authorization is granted. Emera is seeking authority to export CNG to (l) any country with which the United States currently has, or in the future may enter into, a free trade agreement ("FTA") requiring national treatment for trade in natural gas and (2) any country with which the United States does not have a FTA requiring national treatment for trade in natural gas, which currently has or in the future develops the capacity to import CNG and with which trade is not prohibited by United States law or policy.

As explained in the application, Emera requests that the Department of Energy Office of Fossil Energy consider the non-FTA portion of this application on an expedited basis separately from the process established for non-FTA applications because of the small volumes of natural gas involved which could not be reasonably argued to have any impact on US domestic supply or pricing. Additionally, Emera's project is "shovel ready" and can be operational in 2015, pending export approval.

Enclosed is a check in the amount of $50.00 in payment of the applicable filing fee pursuant to 10 C.F.R. § 590.207. Please contact the undersigned at (902) 428-6314 if you have any questions regarding this filing.

Respectfully submitted,

EMERA CNG, LLC

Dan Muldoon
President and Chief Operating Officer

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

EMERA CNG, LLC	)))	**Docket No. 13 - 157 CNG**

APPLICATION OF EMERA CNG, LLC FOR LONG-TERM AUTHORIZATION TO EXPORT COMPRESSED NATURAL GAS

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UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

EMERA CNG, LLC	)))	**Docket No. 13 - 157 -CNG**

APPLICATION OF EMERA CNG, LLC
FOR LONG-TERM, MULTI-CONTRACT AUTHORIZATION
TO EXPORT COMPRESSED NATURAL GAS

Pursuant to Section 3 of the Natural Gas Act ("NGA"), 15 U.S.C. § 717b, and Part 590 of the regulations of the Department of Energy ("DOE"), 10 C.F.R. § 590, Emera CNG, LLC ("Emera") submits this application to the DOE Office of Fossil Energy ("DOE/FE"), for long-term authorization for Emera to export up to 9.125 billion cubic feet ("Bcf") per annum (equivalent to 0.025 Bcf per day) of gaseous compressed natural gas ("CNG") for a 20-year period, commencing on the date of first export or five years from the date the requested authorization is granted.

Emera is seeking authorization to export CNG via truck and ocean-going carrier from the State of Florida to (l) any country with which the United States currently has, or in the future may enter into, a free trade agreement ("FTA") requiring national treatment for trade in natural gas and (2) any country with which the United States does not have a FTA requiring national treatment for trade in natural gas, which currently has or in the future develops the capacity to import CNG and with which trade is not prohibited by United States law or policy.

Emera intends to construct a CNG compression and loading facility (the "Facility") within the Port of Palm Beach (the "Port"), Florida, off the Riviera Lateral, an intrastate pipeline owned and operated by Peninsula Pipeline Company, Inc ("PPC"). The Facility is expected to be completed in 2015. Once complete, the Facility will allow Emera to deliver up to 9.125 Bcf per year (0.025 Bcf per day). Emera has determined that the proposed Facility is not subject to

Federal Energy Regulatory Commission ("FERC") Regulatory Authority under Section 3 of the NGA, and therefore does not require an application to FERC in order to construct. Further, the export of CNG via truck and ocean-going carrier is also beyond FERC jurisdiction. Accordingly, Emera does not intend to file with FERC for any authorizations in connection with activities contemplated by this application.

While Emera is seeking authorization to export to any permitted destination, the primary purpose of the project is to fuel power generation facilities owned by an Emera affiliate in Grand Bahama. The United States is a significant trade partner for the Bahamas, with the U.S. comprising 89% of Bahamian imports as well as receiving 78% of the Bahamas exports.[1] Trade with the Bahamas is supported by U.S. policy through the Caribbean Basin Initiative, and in particular, the Bahamas is a beneficiary to the U.S. - Caribbean Basin Trade Partnership Act.

In support of this application, Emera respectfully submits the following:

I. DESCRIPTION OF APPLICANT AND EXPORT FACILITY

The exact legal name of the applicant is Emera CNG, LLC, a limited liability company formed under the laws of the state of Delaware, with its primary place of business at 777 South Flagler Drive, Suite 800 – West Tower, West Palm Beach, Florida 33401. Emera is a wholly owned indirect subsidiary of Emera Incorporated, a corporation formed under the laws of the province of Nova Scotia, Canada, with its primary place of business at 1223 Lower Water Street Halifax, Nova Scotia, Canada B3J 3S8. Emera Inc. is a publicly traded energy and services company that invests in electricity generation, transmission and distribution assets, as well as gas transmission and utility energy services assets. Emera Inc.'s strategy is focused on the

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[1] United States of America Central Intelligence Agency, (2011).*The World Factbook: Central America and the Caribbean: The Bahamas.* Retrieved May 8, 2013, from https://www.cia.gov/library/publications/the-world-factbook/geos/bf.html.

transformation of the electricity industry to cleaner generation and the delivery of that clean energy to market. Emera Inc. holds interests throughout northeastern North America, including ownership of a vertically integrated utility that serves virtually all customers in the province of Nova Scotia, Canada; ownership of two transmission/distribution utilities in the state of Maine; and partnerships in a new, 824-megawatt hydroelectric generation facility and related transmission assets currently under development in Atlantic Canada. Emera Inc. also holds a significant portfolio of wind generation in the northeastern United States, and interest in a pumped storage hydro generation facility. Emera Inc. owns and operates or has an interest in electric utilities in four Caribbean countries: the Bahamas, Barbados, Dominica and St. Lucia.

Emera Inc. has over 20 years of experience with the transmission of natural gas to the United States through its 12.9% interest in Maritimes and Northeast Pipeline and more recently its development, construction, operation and sole ownership of the Brunswick Pipeline, which transports up to 1 Bcf per day of regasified LNG from the Canaport LNG terminal in Saint John, New Brunswick, Canada to markets in the northeast U.S. Emera Energy Services Inc., an Emera Inc. subsidiary, imports and exports natural gas from the United States to Canada[2] and owns and operates a 300 megawatt gas-fired turbine generator in Saint John, New Brunswick, Canada that serves the electricity markets in Maritime Canada and the northeast U.S. Emera Energy Services Inc. recently completed the acquisition of three combined cycle natural gas-fired electricity generating facilities in New England with total capacity of 1,050 megawatts.

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2 *Emera Energy Services Inc.*, DOE/FE Order No. 2977.

Emera proposes to construct a CNG compression and loading facility ("Facility") to be located at the Port in Riviera Beach, Florida.[3] Emera intends for the Facility to be the principal source of CNG for export; however, it is conceivable that during times of maintenance at the Facility or at the Port, CNG may be sourced from other facilities in Florida and transported to the Port or other general use port facility (including Port Everglades, Port of Miami, Port Canaveral or Port of Jacksonville) for export.

The Facility consists of dehydration, compression and filling equipment with nominal loading capacity of 0.025 Bcf per day as well as staging and loading facilities for CNG trailers, associated utilities, infrastructure and support systems. Pressure vessels with an open ISO container frame will be filled with CNG under high pressure and loaded onto a roll on / roll off ocean-going carrier. The Facility will initially be capable of loading 0.008 Bcf per day of CNG (2.92 Bcf per year) and will be capable of expanding to load up to 0.025 Bcf per day (9.125 Bcf per year).

Emera anticipates a number of potential customers for CNG from the Facility, all of whom are expected to be located within the Caribbean. Emera expects to enter into a long-term agreement with Grand Bahama Power Company ("GBPC") for the supply of natural gas. Under the terms of that agreement, CNG from the Facility will be transported approximately 75 nautical miles from the Port to an unloading and decompression facility in Freeport, Grand Bahama. In Freeport, the natural gas pressure vessels will be unloaded from the carrier, and the gas will pass through a decompression station. The decompressed gas then will be transported via pipeline to

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[3] Emera Utility Services Incorporated ("EUS"), an affiliate of Emera, and Port of Palm Beach District (the "Port") have entered into a reservation agreement giving EUS exclusive negotiating rights to lease the site on which Emera intends to construct the Facility. Appendix C-1 contains a copy of the reservation agreement. EUS assigned the reservation agreement to Emera pursuant to the Notice of Assignment in Appendix C-2. Appendix C-3 contains a term sheet that Emera and the Port entered into setting out in more detail the proposed terms of a lease for the Facility site.

local power plant(s) owned and operated by GBPC for use in electricity generation. Emera Inc. owns 80.4 percent of GBPC. There will also be an opportunity for other companies operating in Freeport in close proximity to the pipeline to utilize exported gas.

GBPC is a vertically integrated utility on the island of Grand Bahama with a gross installed generating capacity of 102 megawatts. Since Emera Inc. acquired its interest, GBPC has been working to make improvements in GBPC's operations through capital investment in reliability upgrades and new generation. GBPC desires to diversify its generation portfolio, which currently consists entirely of heavy fuel oil and diesel generation, with planned natural gas firing retrofits to enable generation from natural gas. This strategy is expected to reduce and stabilize customer electricity rates and thereby, stimulate economic growth in the Bahamas.

II. COMMUNICATIONS

Any correspondence and communications concerning this Application, including all services of pleadings and notices, should be directed to the following persons:

Dan Muldoon
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777 Flagler Drive
Suite 800 – West Tower
West Palm Beach, FL 33401
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III. AUTHORIZATION REQUESTED

Emera requests long-term authorization to export up to 9.125 Bcf per year (0.025 Bcf per day) of domestically produced natural gas for export from Florida to (l) any country with which the United States currently has, or in the future may enter into, a FTA requiring national treatment for trade in natural gas and (2) any country with which the United States does not have

a FTA requiring national treatment for trade in natural gas, which currently has or in the future develops the capacity to import CNG and with which trade is not prohibited by United States law or policy. Emera requests this long-term authorization for a 20-year period commencing on the date of first export or five years from the date the requested authorization is granted, whichever is first. In connection with the export authorization requested herein, Emera will enter into a long-term contract to supply gas to GBPC.

Emera commits to observe all DOE/FE reporting requirements for exports. In particular, Emera commits to filing, within 30 days of execution, a copy, with DOE/FE of any long-term contracts, including the contract with GBPC, not previously filed with DOE/FE, including both a non-redacted copy for filing under seal and either (x) a redacted version of the contract or (y) major provisions of the contract, for public posting.[4]

IV. FEEDSTOCK GAS SOURCES

Emera seeks authorization to export natural gas available in the United States natural gas markets. The Facility will be directly connected to the Riviera Lateral, an intrastate natural gas pipeline owned and operated by PPC, a subsidiary of Chesapeake Utilities Corporation. PPC is regulated by the Florida Pipeline Service Commission. PPC is connected to Florida Gas Transmission Corporation ("FGT"), an interstate pipeline regulated by FERC. Through the combination of PPC and FGT, Emera will be able to access gas supplies available throughout the Gulf Coast region and beyond. Emera will have title to the CNG at the point of export.

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4 See, e.g., *Dominion Cove Point LNG, LP*, DOE/FE Order No. 3331 (Sept. 11, 2013).

V. PUBLIC INTEREST

Emera's authorization as described herein is not inconsistent with the public interest and should be granted by DOE/FE under the individual statutory provisions that apply separately to exporting natural gas to FTA and non-FTA countries.

A. FTA Countries

NGA Section 3(c), as amended by Section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486), provides that:

> [T]he exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest, and applications for such importation or exportation shall be granted without modification or delay.[5]

Under this statutory presumption, that portion of this Application that seeks to export CNG to nations with which the United States currently has, or in the future may enter into, a FTA requiring national treatment for trade in natural gas, shall be deemed to be consistent with the public interest and should be granted by DOE/FE without modification or delay. Indeed, DOE/FE promptly grants authorization for export to FTA nations as a matter of statutory requirement.

B. Non-FTA Countries

Section 3(a) of the NGA sets forth the general standard for review of export applications:

> [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, [the Secretary] 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 in part, with

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[5] 15 U.S.C. § 717b(c) (2009).

> such modification and upon such terms and conditions as the [Secretary] may find necessary or appropriate.[6]

According to the DOE/FE, "Section 3(a) of the NGA creates a rebuttable presumption that proposed exports of natural gas are in the public interest, and DOE must grant such an application unless those who oppose the application overcome that presumption."[7] To overcome this rebuttable presumption an opponent must affirmatively demonstrate that the proposal is inconsistent with the public interest.[8]

In evaluating the "public interest" the DOE/FE looks to a number of different factors, including "economic impacts, international impacts, security of natural gas supply, and environmental impacts, among others."[9] Consistent with its Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, DOE/FE examines whether "domestic supply shortages or domestic security needs overcome the statutory presumption that a proposed export is not inconsistent with the public interest."[10] While the Policy Guidelines deal specifically with imports, the DOE/FE has found that the principles are applicable to exports.[11] The Policy Guidelines are intended to "minimize federal control and involvement in energy markets and to promote a balanced and mixed energy resource system".[12]

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6 15 U.S.C. § 717b(a) (2006) (emphasis added). This authority has been delegated to the Assistant Secretary for Fossil Energy pursuant to Redelegation Order No. 00-002.04D (Nov. 6, 2007).

7 *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, DOE/FE Order No. 3282 at 5-6 ("Order No. 3282"); *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961 at 28 ("Order No. 2961"); *see also Panhandle Producers and Royalty Owners Assoc. v. ERA*, 822 F.2d 1105, 1111 (D.C. Cir. 1987) ("A presumption favoring import authorization, then, is completely consistent with, if not mandated by, the statutory directive.").

8 Order No. 3282 at 6; *see also Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 (April 2, 1999) ("Section 3 creates a statutory presumption in favor of approval of an export application and the Department must grant the requested export [application] unless it determines the presumption is overcome by evidence in the record of the proceeding that the proposed export will not be consistent with the public interest.").

9 Order No. 3282 at 6.

10 Order No. 3282 at 6-7; Policy Guidelines and Delegation Orders Relating to the Regulation of Imported Natural Gas, 49 Fed. Reg. 6,684 (Feb. 22, 1984) ("Policy Guidelines").

11 Order No. 3282 at 7; *Phillips Alaska Natural Gas Corp. and Marathon Oil Co.*, DOE/FE Order No. 1473 at 14; *see also,* Order No. 2961 at 28.

12 Order No. 3282 at 7.

> The market, not government, should determine the price and other contract terms of imported [or exported] gas. . . . The federal government's primary responsibility in authorizing imports [or exports] should be to evaluate the need for the gas and whether the import [or export] arrangement will provide the gas on a competitively priced basis for the duration of the contract while minimizing regulatory impediments to a freely operating market.[13]

DOE/FE looks to the evidence developed in the record of each application proceeding to make its determination.[14] As demonstrated herein, Emera's application is not inconsistent with the public interest.

A. Economic Impacts of the Proposed Exports

In Order No. 3282, DOE/FE restated its methodology for evaluating exports of natural gas and set forth a number of factors that it will consider when reviewing applications. The first factor for evaluation when reviewing an export application is economic impact. To study the economic impacts of natural gas exports, DOE/FE commissioned a two-part study of the cumulative impacts of proposed LNG exports ("2012 LNG Export Study").[15] The first part of the study, conducted by the Energy Information Administration ("EIA"), looked at the potential impacts of natural gas exports on energy prices, production, and consumption under several export scenarios ("EIA Study"). The second part of the study, conducted by NERA Economic Consulting, assessed the macroeconomic impacts of natural gas exports using its proprietary model and the results of the EIA Study ("NERA Study"). Most importantly, the 2012 LNG Export Study concludes that "the United States will experience net economic benefits from issuance of authorizations to export domestically produced LNG."[16] After taking comments on the 2012 LNG Export Study, DOE/FE determined that the study is "fundamentally sound" and

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13 Policy Guidelines at 6685.

14 Order No. 3282 at 7.

15 Although the study was prepared in the context of LNG exports, the compressed natural gas exports proposed by Emera will provide analogous benefits to the U.S. economy.

16 Order No. 3282 at 110.

supports natural gas exports.[17] Consistent with the 2012 LNG Export Study, Emera's proposed exports will provide economic benefits to Palm Beach County and the broader U.S. economy.

The NERA Study found that the U.S. would experience net economic benefits from natural gas exports, with the level of benefits increasing as the quantity of exports increases.[18] While exports would cause some increases in natural gas prices, price increases were limited based on conditions both within the U.S. and in the broader global market.[19] Emera's proposed export level is *de minimis* compared to the quantities studied in the 2012 LNG Export Study, but these exports and the Facility itself will still have a positive economic impact, consistent with the NERA Study's analysis. The quantity of natural gas to be exported is so minimal — approximately 0.036% of all domestic consumption based on 2012 data — as to have no practical impact on natural gas prices or supply in the U.S.[20]

Emera's proposed exports will have a more significant effect on the regional level. DOE/FE has stated that it will consider regional impacts of natural gas exports on a case-by-case basis.[21] The construction and operation of the Facility will benefit the Palm Beach County economy in a number of ways. The Facility will enhance the value of existing pipeline infrastructure and add to the local property tax base. During the development phase, the Facility will generate jobs in the construction industry. During the initial operational phase, the Facility will create a number of long-term jobs: 2 jobs to maintain the Facility, 5 jobs associated with Facility and loading operations, and 10 jobs to crew the carrier operation. The economic benefits

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17 *Id.*
18 *Id.* at 40.
19 *Id.* at 41.
20 *Id.* at 83 (noting 2012 domestic consumption of natural gas as 25.63 Tcf).
21 *Id.* at 77.

associated with the Facility would continue for the life of the operation, bringing stable, long-term economic value to the State of Florida and specifically Palm Beach County.

B. International Impacts of the Proposed Exports

The second major factor DOE/FE considers when evaluating an export application is international impacts. The Facility will foster good trade relations with and benefit development within the Bahamas, which is consistent with U.S. policy under the Caribbean Basin Initiative. The Caribbean Electric Utility Services Corporation ("CARILEC") has been actively surveying the electricity tariffs among member utilities and is working to find ways to stabilize rate increases borne by customers.[22] These countries represent too small a market to be attractive to companies seeking to export LNG by tanker. Emera has sought alternatives for GBPC that may be available due to the small quantity of gas that would be required at its generation facilities that are suitable for conversion to natural gas. CNG is a feasible solution for such a small market due to the availability of U.S.-based supply, the simplified loading and unloading requirements of CNG and the proven nature of CNG technology in the transportation sector.

The Bahamas and GBPC in particular are currently importing 100% of their fuel, which consists of heavy fuel oil and diesel. Exporting domestic CNG from the United States would introduce an alternative fuel to the island that would support the conversion of existing power generating stations from heavy fuel oil to natural gas. In addition to stabilizing electricity rates in the area, imports of CNG to Grand Bahama would have environmental benefits of reducing air pollutants and greenhouse gases and attracting economic growth to the area. If the initial exports proposed in this application prove successful, Emera projects that up to 0.025 Bcf per day of demand could exist for U.S.-sourced natural gas in the Bahamas and other Caribbean countries.

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22 CARILEC, An Association of Electric Utilities. (2012). *Annual Report 2011,* at p. 20. Retrieved May 17, 2013, from http://carilec.com/publications/CARILECAR2011.pdf.

C. Supply Impacts of the Proposed Exports

The third factor DOE/FE considers in evaluating natural gas export applications is the security of natural gas supply. In non-FTA orders issued to date, DOE/FE has, in our view correctly, concluded that the U.S. has adequate gas supplies to meet the 6.37 Bcf per day of exports proposed in those prior proceedings.[23] The quantity of exports proposed by Emera — 0.025 Bcf per day — represents only 0.4% of the quantity previously approved for export to non-FTA countries by the DOE/FE. As discussed above, Emera proposes to export such a small quantity of natural gas as to have no detectable impact on natural gas prices in the U.S. or on the security of domestic supply.

D. Environmental Impacts of the Proposed Exports

The final factor DOE/FE stated it would consider when considering export applications is environmental impacts. As discussed in Section B above, Emera's proposed exports will enable electric generation facilities in the Bahamas and potentially elsewhere in the Caribbean to switch from using heavy fuel oil and diesel to natural gas. It is anticipated that in the case of GBPC, over 250,000 barrels of foreign sourced heavy fuel oil per year currently used in electric generation will be displaced by domestic natural gas supplied pursuant to this application. Air emissions from burning natural gas at power plants are far less than for oil-fired generation. Based on figures published by the U.S. Environmental Protection Agency, natural-gas fired generation produces one third less carbon dioxide per megawatt-hour, 99.2 percent less sulfur dioxide, and 58 percent less nitrogen oxides.[24] Exports of CNG to the Bahamas will have significant positive environmental effects through the reduction of emissions at fuel oil and diesel burning electric generators.

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23 Order No. 2961 at 42 ; Order No. 3282 at 122; Order 3324 at 135; Order No. 3331 at 151

24 *See* http://www.epa.gov/cleanenergy/energy-and-you/affect/natural-gas.html.

VI. ENVIRONMENTAL IMPACT

The Facility will be constructed on leased land located at the Port that is characterized as a "fully developed, highly urbanized area" where "no native areas remain."[25] Based on the location and scope of the Facility, as well as an extensive environmental review recently completed by the Port as part of its 2012 Master Plan, Emera expects that the associated environmental impacts will be minimal.

Improvements planned by the Port that will support the advancement of the Facility include redevelopment of Slip 3 where it is expected that the vessels that will be loaded with CNG will berth. The Port will continue with construction activities to control and minimize environmental impacts consistent with the Port's Master Plan. Emera will work with the Port to comply with the storm water management practices established on the property detailed in the Master Drainage Plan. Any lighting requirements identified for the Facility will observe the Port's lighting practices. Emera will work with the Port and local agencies to ensure that construction and operation of the Facility follows applicable regulations and guidelines.

As stated above, Emera has determined that the Facility is not subject to FERC jurisdiction and accordingly, Emera respectfully requests that the DOE/FE review the potential environmental impacts of the Facility under the National Environmental Protection Act ("NEPA"). A description of the potential environmental impacts of the project, as required by Section 590.202(b)(7) of DOE/FE's regulations, is set forth in Appendix D. Should the DOE/FE determine that another agency should conduct the NEPA review, Emera will comply with the designated agency's NEPA regulations.

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25 Port of Palm Beach Board of Commissioners, (2012). *Port of Palm Beach Master Plan Update 2012 – 2022, Master Plan Update as approved by the Port of Palm Beach Board of Commissioners Thursday, August 23, 2012.* Retrieved May 17, 2013, from http://www.portofpalmbeach.com/business-opportunities/master-plan/.

VII. REQUEST FOR SEPARATE TREATMENT

Emera respectfully requests that DOE/FE consider this application outside of the established order of precedence for processing LNG export applications. Emera's application is distinguishable from the LNG export applications that have been the subject of the DOE/FE's order of precedence on a number of bases that justify separate and streamlined processing. Most notably is the volume of export proposed; no party could possibly contend that the export of the quantities proposed by Emera has any detectable impact on the domestic market. Emera's application concerns CNG, which has a smaller radius of economic feasibility and is conducted on a much smaller scale than LNG trade. Emera's Facility does not entail significant new construction. Emera's project will not have any impacts on the human environment that are not within the scope of those already studied in connection with the development master plan for the Port.

Although Emera is requesting the same flexibility with respect to the commencement of the term of its authorization (five years) as has been granted to other projects, the scale of Emera's project is such that it can be operational within 24 months of DOE/FE approval of this application, unlike the many years it will take to operationalize the LNG projects seeking, or that have already received export approval. Emera has signed a reservation agreement and term sheet with the Port to secure the land for the Facility. It has entered into a term sheet with PPC for natural gas transmission through the Riviera Lateral. Emera expects to conclude a long form agreement with GBPC for the supply of natural gas by year end. Emera has also completed the tender process for key equipment supply, including the compression equipment to be used at the Facility and the pressure vessels that will transport CNG. The prices under these tenders are of limited applicability. Emera Inc. has committed publicly to making a final investment decision on the project by the end of 2013. Assuming a favorable final investment decision, DOE/FE

export approval would be the last remaining material approval required to move forward with Emera's project.

VIII. APPENDICES

The below listed Appendices are included with this application:

Appendix A Verification

Appendix B Opinion of Counsel

Appendix C Reservation Agreement and Term Sheet

Appendix D Preliminary Environmental Report

Appendix E Letters of Support

IX. CONCLUSION

WHEREFORE, for the reasons set forth above, Emera respectfully requests that the DOE/FE issue an order granting Emera long-term authorization to export up to 9.125 Bcf per annum (approximately 0.025 Bcf per day) of natural gas for a term of 20 years to (l) any country with which the United States currently has, or in the future may enter into, a FTA requiring national treatment for trade in natural gas and (2) any country with which the United States does not have a FTA requiring national treatment for trade in natural gas, which currently has or in the future develops the capacity to import CNG and with which trade is not prohibited by United States law or policy.

As demonstrated herein, the authorization requested is not inconsistent with the public interest and, accordingly, should be granted pursuant to Section 3 of the NGA.

Respectfully submitted,

Emera CNG, LLC

Dan Muldoon, President and COO

APPENDIX A
VERIFICATION

Province of Nova Scotia)
)
Regional Municipality of Halifax)

BEFORE ME, the undersigned authority, on this day personally appeared Dan Muldoon, who, having been by me first duly sworn, on oath says that he is duly authorized to make this Verification on behalf of Emera CNG, LLC; that he has read the foregoing instrument and that the facts therein stated are true and correct to the best of his knowledge, information and belief.

Dan Muldoon

SWORN TO AND SUBSCRIBED before me on the 19th day of November, 2013.

Paul Laberge
Notary Public

My Commission expires: N/A

APPENDIX B
OPINION OF COUNSEL

Vinson&Elkins

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Tel +1.202.639.6599 **Fax** +1.202.879.8899

November 19, 2013

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: Emera CNG, LLC
Application for Long-Term Authorization to Export Compressed Natural Gas

Dear Mr. Anderson:

This opinion of counsel is submitted pursuant to Section 590.202(c) of the regulations of the U.S. Department of Energy, 10 C.F.R. § 590.202(c). The undersigned is counsel to Emera CNG, LLC. I have reviewed the corporate documents of Emera CNG, LLC and it is my opinion that the proposed export of natural gas as described in the application filed by Emera CNG, LLC to which this Opinion of Counsel is attached as Appendix B is within the limited liability company powers of Emera CNG, LLC.

Respectfully submitted,

John S. Decker

APPENDIX C
RESERVATION AGREEMENT AND TERM SHEET

APPENDIX C - 1
RESERVATION AGREEMENT

Second Amended
Reservation Agreement

This Second Amended Reservation Agreement ("Agreement") is entered into as of September 30, 2013 ("Effective Date"), by and between **Port of Palm Beach District**, a special taxing district of the State of Florida ("Port") having an address of 1 East 11th Street, Riviera Beach, Florida 33404 and a fax number of (561-842-4240) and Emera Utility Services Incorporated a body corporate organized under the laws of the Province of New Brunswick ("EUS") having an address of 31 Dominion Crescent, PO Box 40, Lakeside, NS B3T 1M6 and a fax number of (902) 832-7998 and agree as follows:

WHEREAS, this Second Amendment amends and restates in its entirety that certain Amended Reservation Agreement dated June 1, 2013;

WHEREAS, EUS is investigating opportunities in connection with the movement of natural gas over the wharves owned by the Port; and

AND WHEREAS, Port has certain area(s) that may be appropriate to such uses;

AND WHEREAS the parties intend to enter into negotiations regarding the use of such area(s) as a base for future operations and EUS has provided the Port with a fully refundable deposit in the amount of USD$35,000 ("Deposit") to be held by the Port subject to the terms of a letter of understanding between the parties dated November 19, 2012 ("Letter of Understanding");

AND WHEREAS the parties intend that this Second Amended Reservation Agreement supersede in all respects, the Letter of Understanding;

NOW THEREFORE, for and in consideration of the mutual promises set forth herein, the parties agree as follows:

1. As of the Effective Date, the Deposit under the Letter of Understanding shall be increased by an additional $35,000, bringing the total held by the Port as the Deposit under this Agreement to $70,000. Subject to Section 4 hereof, the Deposit shall be fully refundable and will be returned to EUS within six (6) months after the end of the Due Diligence Period (as defined in Section 2 below).

2. During the Due Diligence Period, EUS will negotiate exclusively with the Port for facilities EUS's planned natural gas export operations. Negotiations are to include all aspects of a Lease and Operating Agreement that are deemed necessary for the export of product through the Port. The Due Diligence Period shall commence on the Effective Date and terminate on the first to occur of (i) written notice from EUS to Port that EUS is terminating their due diligence investigations or (ii) midnight on December 31, 2013.

3. During the Due Diligence Period, Port will forbear from: (a) entering into any agreements with any other entity, either directly or indirectly, in respect of the use of the area of the Port's premises at south port generally shown on the sketch attached hereto as Schedule "A" ("Usage Area") (as amended by this Second Amendment, an additional parcel attached as Exhibit "B" is added to the Usage Area; or (b) from granting any interest in the Usage Area to any other entity, in either case, such that the Usage Area would not be available to become the subject of an agreement for use thereof in favor of EUS or an

affiliate of EUS pursuant to the terms of this Reservation Agreement; provided that such use shall not interfere with the conduct of Due Diligence.

4. In the event that the parties are unable to enter into any agreement with respect to the Usage Area or any other area(s) as determined by both parties during the Due Diligence Period and EUS (or an affiliate) has entered into an agreement through any other marine port in the State of Florida for facilities to be used for export of CNG to Freeport, Grand Bahama within six (6) months from the end of the Due Diligence Period, Port of Palm Beach shall retain the Deposit as consideration for the forbearance provisions of Section 3.

5. Nothing herein shall be deemed to bind or obligate either party to enter into any further agreements with the other, including any agreements with respect to the Usage Area. It is understood and agreed that any execution of any further agreement(s) negotiated between the parties (or an affiliate of a party) in connection with the Usage Area will be conditional upon:

   (a) approval by the Port's Board of Commissioners;
   (b) approval by the Management and Board of Directors of EUS; and
   (c) Satisfactory completion of due diligence by EUS with respect to any matters and/or transactions contemplated by such agreement.

   Further, it is understood and agreed that any such further agreements may be entered into or assigned by an affiliate of such party.

6. Each party's liability to the other party arising out of or related to this Agreement or any actions undertaken in connection with or related to this Agreement shall be limited to the amount of the Deposit.

7. Notwithstanding any other term of this Agreement, neither party shall be liable to the other party for any consequential, special, incidental, multiple, exemplary or punitive damages for performance or non-performance under this Agreement or for any actions undertaken in connection with or related to this Agreement.

8. Neither party shall be entitled to assign all or any portion of this Reservation Agreement without the prior written consent of the other party not to be unreasonably withheld, conditioned or delayed. The parties acknowledge that it would not be unreasonable for a party to assign its rights and obligations under this Agreement to an affiliate if required to do so as part of an internal reorganization or for tax planning purposes. Port acknowledges EUS intends to assign this Reservation Agreement to a US incorporated affiliate that will be indirectly wholly-owned by Emera Inc. and consents to such assignment upon receipt of notice thereof from EUS.

9. This Agreement shall extend to, be binding upon and enure to the benefit of the respective successors and permitted assigns of the parties hereto.

10. All schedules referred to in this Agreement are deemed to be attached to and form part of this Agreement.

11. This agreement shall be interpreted and enforced in accordance with the laws of the State of Florida.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

WITNESSES:

Tacaria A. Jones

Printed Name of Witness: Tacaria A. Jones

Rebecca Smith

Printed Name of Witness: Rebecca Smith

DISTRICT:
PORT OF PALM BEACH DISTRICT

BY Manuel Olmuci

EMERA UTILITY SERVICES INCORPORATED

BY:

Printed Name of Witness: PAUL LABERGE

Printed Name of Witness:

SCHEDULE "A"

Sketch Attached.

EXHIBIT A

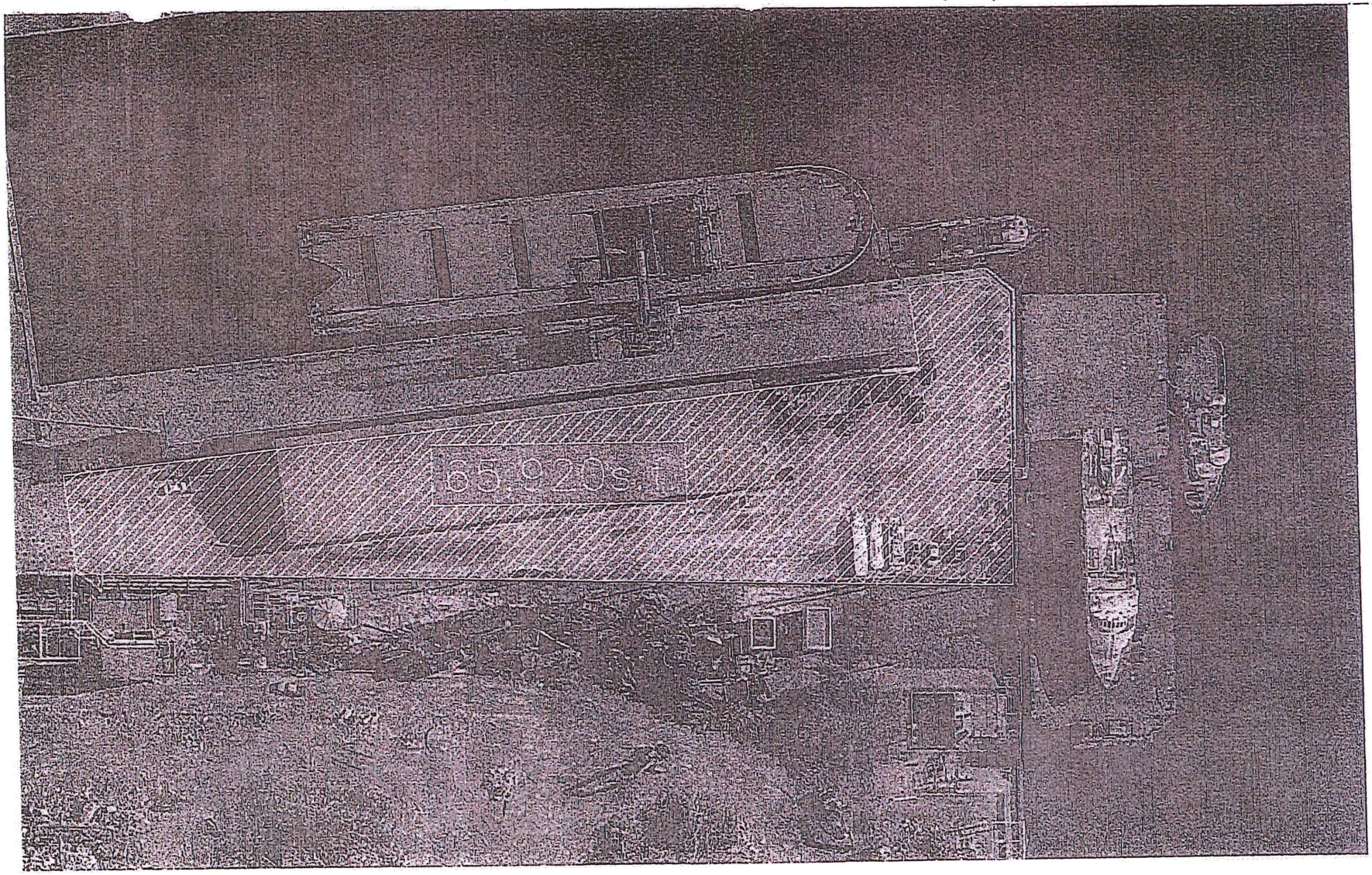
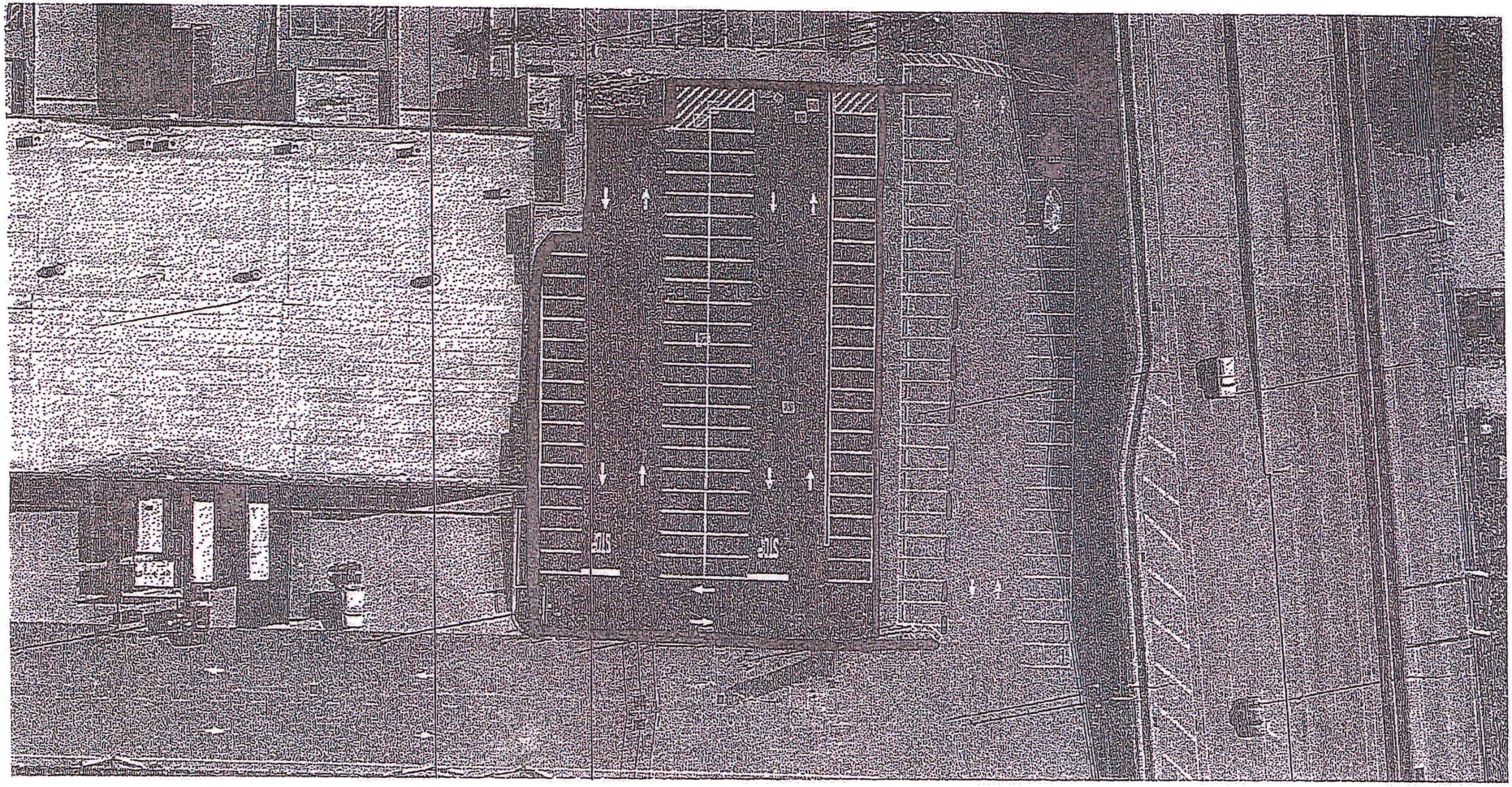


Exhibit B - 31,294 sf +/-



STATE OF FLORIDA]
COUNTY OF PALM BEACH]

The foregoing instrument was acknowledged before me this October 11th, 2013 by Manuel Almira, who is personally known to me or who produced Florida Driver's license _____ as identification, as _____ of PORT OF PALM BEACH DISTRICT, a Political Subdivision of the State of Florida.

[SEAL] NOTARY PUBLIC STATE OF FLORIDA
TRACY CAREY
MY COMMISSION # EE 160615
EXPIRES: February 1, 2016
Bonded Thru Budget Notary Services

Tracy Carey
NOTARY PUBLIC
My commission expires:

PROVINCE OF NOVA SCOTIA]
CITY OF HALIFAX]

The foregoing instrument was executed before me this September 30, 2013 by Dan Muldoon, who is personally known to me as a Director of Emera Utility Services Incorporated.

[SEAL]

NOTARY PUBLIC
My commission expires: N/A

APPENDIX C - 2
NOTICE OF ASSIGNMENT

Emera
Utility Services

31 Dominion Crescent • Lake Side, Nova Scotia • Canada • B3T 1M0

November 8, 2013

Jarra L. Kaczwara
Senior Director, Business Development
Port of Palm Beach
One East 11th Street, Suite 600
Riviera Beach, FL 33404

Dear Ms. Kaczwara:

Reference is made to a second amended reservation agreement (the "Agreement") entered into as of September 30, 2013 between Emera Utility Services Incorporated (the "Company") and the Port of Palm Beach (the "Port"). Pursuant to section 8 of the Agreement, please accept this letter as notice of assignment by the Company of the Agreement to Emera CNG, LLC ("Emera CNG"), a US affiliate of the Company that is indirectly wholly-owned by Emera Inc. All notices to Emera CNG should be sent to:

Emera CNG, LLC
1223 Lower Water Street
Halifax, Nova Scotia, Canada
B3J 3S8

Attention: Dan Muldoon, President
Facsimile: (902) 428-6112

Should you have any questions, please do not hesitate to contact the undersigned.

Sincerely,

EMERA UTILITY SERVICES INCORPORATED

Claudette Porter
President and COO

EMERA CNG, LLC

Dan Muldoon
President and COO

energy everywhere.

APPENDIX C - 3
TERM SHEET

EMERA CNG, LLC
TERM SHEET

All contents of this term sheet are for discussion purposes only and should not be considered agreed upon until such time as the Port of Palm Beach Board of Commissioners has approved any and all items herein.

Type:	Lease & Operating Agreement
Tenant:	Emera CNG, LLC
Prior Agreements:	This term sheet amends the Second Amended Reservation Agreement dated September 30, 2013 by extending the Due Diligence Period to January 31, 2014
Lease Terms:	Property(s): approximately 2 acre parcel as set out in the attached schedule "A" [include parcel description if available]
Rent:	Monthly rent due upon signing and on the first day of each month as follows: Phase 1: From February 1, 2014 to the earlier of (i) Tenant Final Investment Decision which shall occur within 100 days following satisfaction of the Condition Precedent and (ii) April 30, 2015 - $7,500 per month; Phase 2 – From the end of Phase 1 for a period of up to 12 months, unless the Commencement Date occurs sooner – rent of $15,000 per month Phase 3 – From the end of Phase 2 until the Commencement Date but not to exceed 15 months – rent of $27,000 per month. Phase 4 – From the Commencement Date to the end of the Term, annual lease rent and operating fees as set out in Schedule B paid in equal monthly installments. During Phase 1, Tenant will have no right to occupy and Port shall have the right to use space for general storage and short term rental opportunities that do not involve changes to the Property. Requirement of any use of the Property by Port during Phase 1 is that Property must be vacated 30 days' from the first day of the month following the date of the notice. During Phases 2 and 3, Tenant may occupy the Property to complete necessary and desirable construction and improvements.
Upfront Payment:	$2 million non-refundable cash payment upon commencement of Phase 2 $2 million non-refundable cash payment on Commencement Date
Tenant Final Investment Decision:	Means the final decision of the Tenant to proceed with its plan to export CNG to Grand Bahama, following which the Tenant shall have the necessary corporate authority to commence construction at the Port.
Reservation Fee:	$70,000 reservation fee shall not be refundable upon execution of this term sheet but shall be applied against Phase 1 rent. Any unused balance shall be retained by the Port.

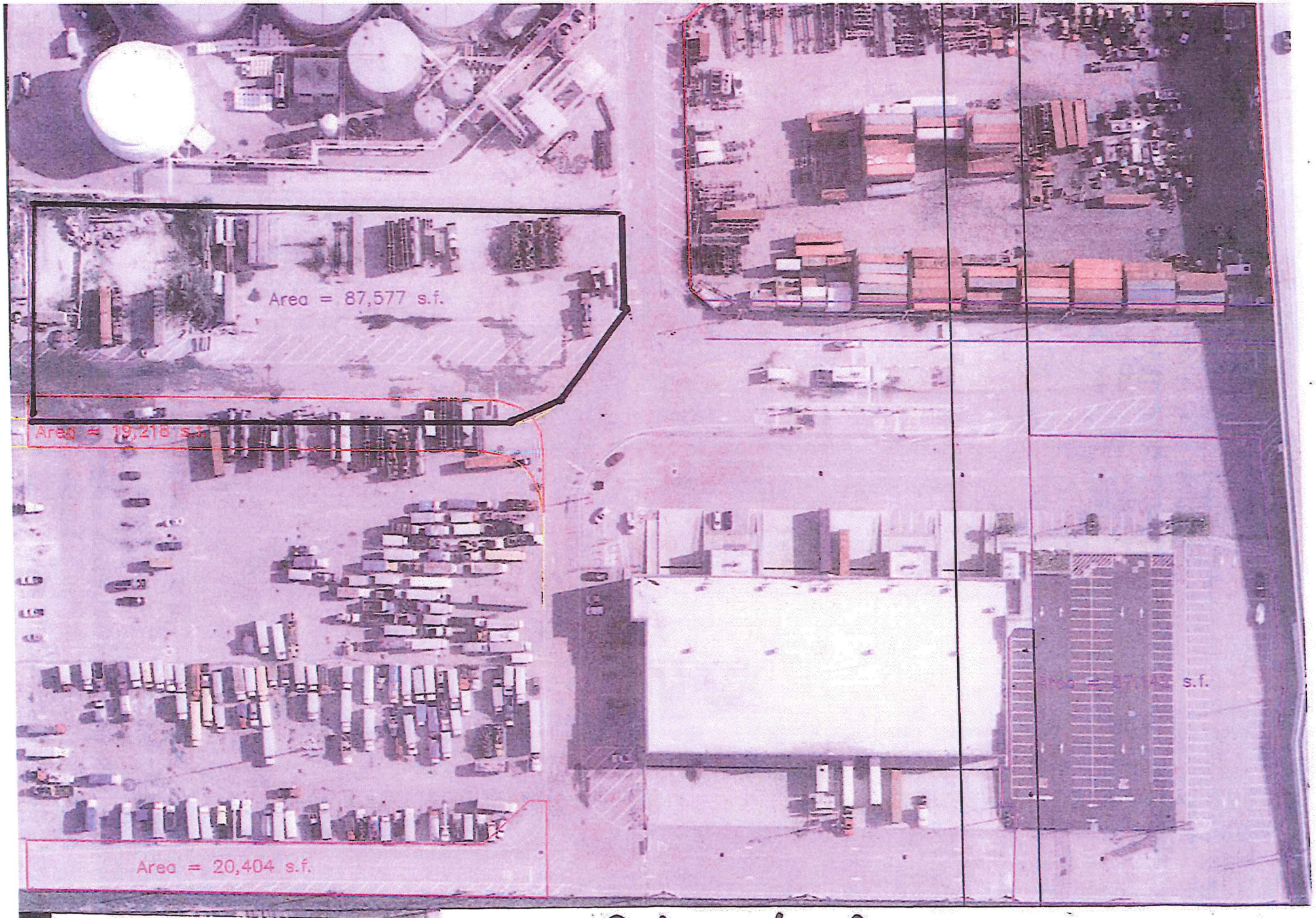
EMERA CNG, LLC
TERM SHEET

Condition Precedent:	Receipt and acceptance of a license by Tenant to export natural gas to Grand Bahama, a non-free trade agreement country, from the Department of Energy. Tenant may waive the Condition Precedent at any time.
Board Approval:	By Tenant and Port required prior to effectiveness
Commencement Date:	Date of first regular CNG shipment to Grand Bahama or such earlier date that Tenant deems the Commencement Date
Trailer Charge:	$75 per trailer for each load/unload (plus inflationary factor) for each load/unload in excess of 12,000 per year of the Term
Term:	20-year initial term following Phase 3 plus one 5-year renewal option
CPI Increases:	Annual CPI increase on rent commencing in Phase 4 - 5% from year 2 to year 20, 3% years 21 to 25 as reflected in Schedule B.
Utilities:	Electric – Tenant responsible if needed Water/Sewer – Tenant responsible if needed
Sales Taxes:	Tenant
Insurance/Taxes:	Tenant – 1/12th billed monthly
Cargo:	Natural Gas (compressed) – Grand Bahama only. Any other export destination will require negotiation and agreement by both Parties.
Right off First Refusal:	Tenant shall have a right of first refusal to lease either (i) one acre of the property west of the lease property or (ii) one acre to the south of the leased property (as set out in Schedule C) at a rate to be negotiated; and provided that additional cargo payments will total $260,000 per year adjusted for the inflation factor commencing within one year from the lease signing. First right of refusal will expire five years the beginning of phase 2; thereafter, the Port can begin marketing such properties however will provide tenant "first right to negotiate".
Early Termination:	Tenant shall have the right to terminate the lease at any time following the Commencement Date upon six months' notice. Rent shall be payable until the termination date. Tenant shall return leased area(s) to original condition.

EMERA CNG, LLC
TERM SHEET

Covenants of Port	Port shall provide any required easements for the gas supply line to the Property during the Term and shall provide support with respect to any building and zoning issues raised by Tenant. Port shall construct a two lane road suitable for heavy loads between the Property and the designated Berth area. Port shall design, manage, construct and maintain the designated Berth area and RO/RO ramp so as to be capable of handling heavy loads and a vessel of up to 300 feet in length. Tenant shall have sufficient access to Berth and staging area to facilitate daily loading/unloading of Tenant vessel in a timely manner. Repair and maintenance of the road and Berth area/staging area are the responsibility of the Port and all associated costs are included in the Rent. Repair and maintenance of all leased areas are the responsibility of the Tenant.
Transportation:	Inbound cargo via: pipeline Outbound cargo via: ISO to vessel
Other Port Rates:	As needed (i.e., water, shore power) All other charges will be billed as per then current tariff.
Improvements:	All improvements to the leased premises must be approved by the Port and will require all local, state, federal and Port Engineers permits' as necessary. Coordination of Port, local, state and/or federal requirements including but not limited to engineering, environmental, permitting, fire safety and residential will also be required.

Emera CNG, LLC	Title	Date
Port of Palm Beach District	Title	Date

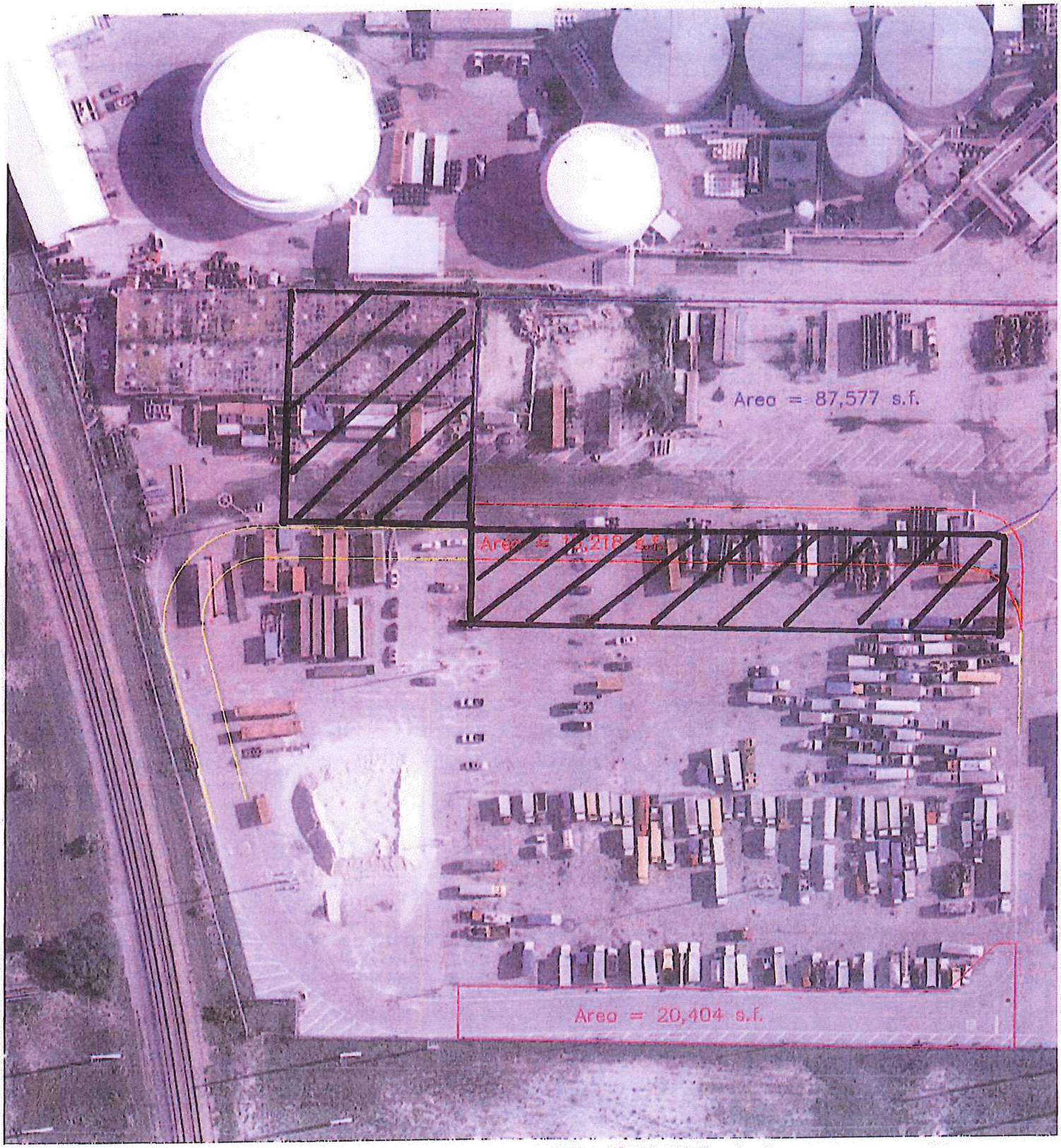


Schedule A

EMERA CNG, LLC
TERM SHEET

Schedule B

Year	Annual Rent Commencing (Phase 4)
1	$ 650,000.00
2	$ 682,500.00
3	$ 716,625.00
4	$ 752,456.25
5	$ 790,079.06
6	$ 829,583.02
7	$ 871,062.17
8	$ 914,615.27
9	$ 960,346.04
10	$ 1,008,363.34
11	$ 1,058,781.51
12	$ 1,111,720.58
13	$ 1,167,306.61
14	$ 1,225,671.94
15	$ 1,286,955.54
16	$ 1,351,303.32
17	$ 1,418,868.48
18	$ 1,489,811.91
19	$ 1,564,302.50
20	$ 1,642,517.63
21	$ 1,691,793.16
22	$ 1,742,546.95
23	$ 1,794,823.36
24	$ 1,848,668.06
25	$ 1,904,128.10



Schedule C

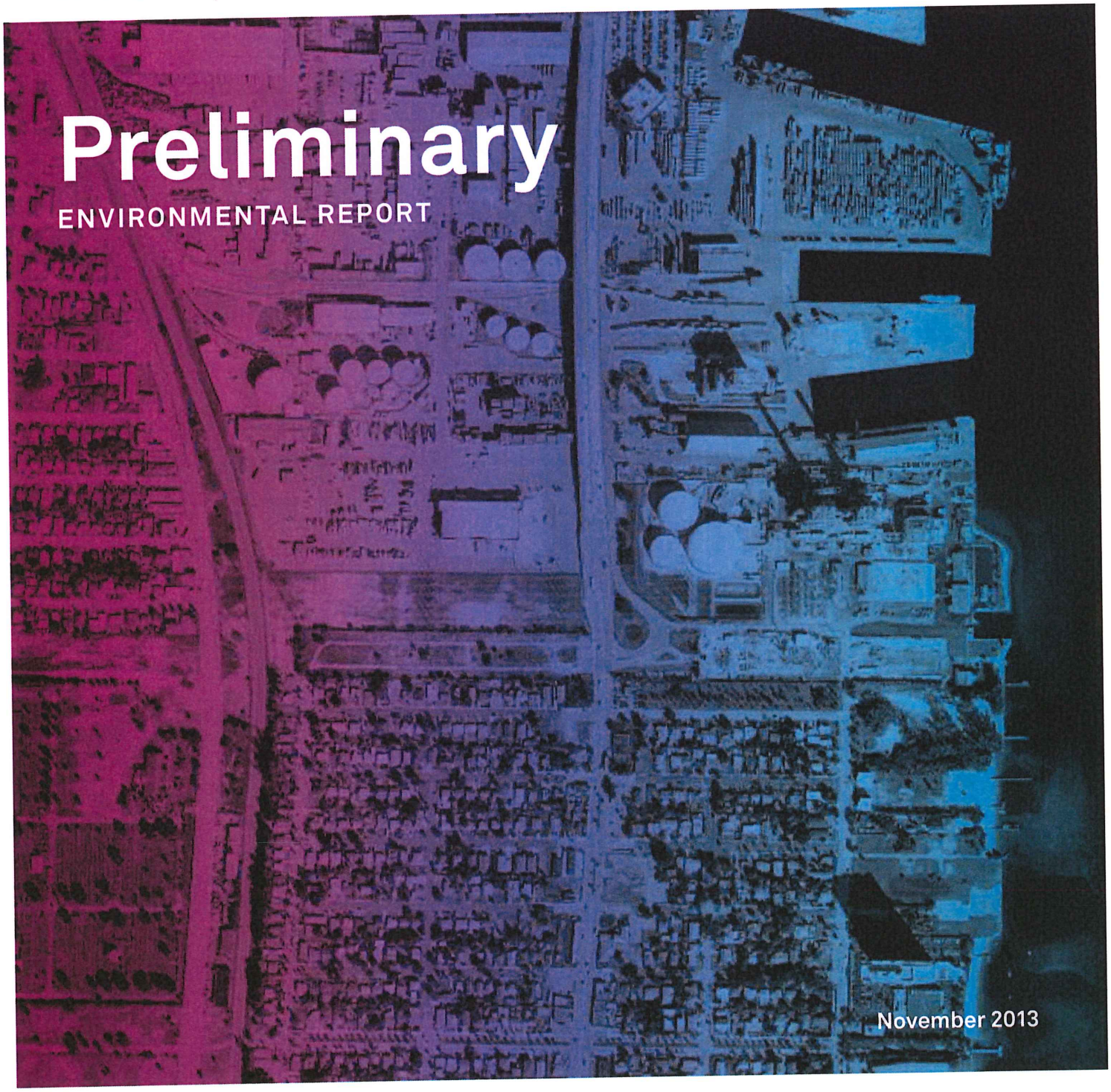
APPENDIX D
PRELIMINARY ENVIRONMENTAL REPORT

AECOM Design + Planning

Emera CNG, LLC | Port of Palm Beach

Preliminary

ENVIRONMENTAL REPORT



November 2013

Table of Contents

1.0 Facilities **1**

2.0 Project Location **1**

Land Use 1

Water and Biological Resources 2

Air Quality 2

Socioeconomics 2

3.0 Proposed Project Construction and Operation **2**

Construction 2

Operations 3

Gas Supply 3

Facility Components 4

Waste Streams 4

Potential Accidents 4

4.0 Project Progression **5**

5.0 Status of Other Environmental and Regulatory Reviews, Including Permitting **5**

6.0 Alternative Sites or Operating Parameters **5**

7.0 Post-Operational Requirements **5**

8.0 Other Actions in the Project Area **5**

9.0 References **6**

Figures

Figure 1 Preliminary CNG Facility Layout

Figure 2 Proposed CNG Facility and Distribution Vessel Location

Figure 3 Proposed CNG Lease Area Existing Conditions

Figure 4 Necessary Equipment

Figure 5 Proposed CNG Facility to Vessel Delivery Route

Tables

Table 1 Compression Facility Construction Tasks

Table 2 Summary of Potential Environmental Permitting and Approval Requirements

1. Facilities

The high cost of electricity in Grand Bahama presents a major barrier to economic growth and has resulted in decreased customer satisfaction in the region. The Emera CNG, LLC parent company, Emera Inc. majority owner of Grand Bahama Power Company, is committed to lowering emissions related to electricity production and stabilizing cost of electricity for its customers. Emera CNG, LLC proposes to export natural gas from the United States to the Bahamas; the introduction of this fuel to the Bahamas will enable the above stated objectives.

The initial phase of the proposed Compressed Natural Gas (CNG) facility at the Port of Palm Beach will generally be comprised of a series of 5 twin compressor packages, a gas dryer, small electrical/control building and 13-16 filling posts for the trailers to enable simultaneous filling of the tank containers as depicted in **Figure 1**. In addition, a distribution connection and metering station will be supplied by the gas utility. The metering station will be located within the CNG facility footprint. Emera CNG, LLC is in the process of optimizing the layout with the compression equipment supplier in the United States therefore the site layout included in Figure 1 is only preliminary until that process is complete.

2. Project Location

The CNG facility is proposed for the southwestern quadrant of the Port of Palm Beach and the distribution vessel will be berthed in the vicinity of slip number 3 directly east of the facility located in the City of Riviera Beach, Palm Beach County, Florida (**Figure 2**). Specifically, the Port of Palm Beach is located in Sections 33 and 34, Township 42 South, and Range 43 East with approximate central coordinates as follows: Latitude: 26.7662° and Longitude: -80.0521°. The physical address of the Port of Palm Beach is One East 11th Street, Suite 600 Riviera Beach, FL 33404; the route is signed well and can be found using the following directions: (1) Take I-95 toward West Palm Beach and exit on west Blue Heron Blvd (2) Turn right onto US HWY 1 (Broadway) (3) Turn left onto East 11th Street. Representative photos of the lease area proposed for the CNG facility at the Port of Palm Beach are included as **Figure 3**.

The Port of Palm Beach is located 80 miles north of Miami and 135 miles south of Port Canaveral. The ship entrance is through an inlet channel 300 feet wide with no aerial obstructions leading into Lake Worth. The Port of Palm Beach is the fourth busiest container port of Florida's 14 deepwater ports and is the 18th busiest container port in the United States. The Bahamas Celebration cruise ship is based at the Port of Palm Beach. The Port of Palm Beach also handles diesel fuel, molasses, liquid asphalt, and other bulk commodities within its 156 acres.

Unless indicated otherwise, the base information provided in this preliminary environmental report was developed using the Environmental Protection Agency's (EPA) desktop/internet based mapping tool known as NEPAssist (NEPAssist 2013).

Land Use

The Port of Palm Beach and vicinity are relatively level with elevations at or up to 20 feet above sea-level. Land cover, per the USGS 2006 National Land Cover classifications within the vicinity of the Port of Palm Beach is predominantly Developed, Open Space, Low, Medium, and High Intensity. Some land classified as Remnant Herbaceous Wetland, Consolidated Shore, and Barren Land is present particularly along the shorelines in the area, but not within the footprint of development of the proposed CNG facility. The Port is an industrial facility; several other industrial facilities are located in the immediate vicinity. As a result of these historic and current

industrial land uses, several known contaminated sites exist in and around the Port. A Toxic Substances Control Act (TSCA) site is located within the Port boundaries and 10 Toxic Release Inventory (TRI) sites are located within one mile of the Port. There are 10 hazardous waste Resource Conservation and Recovery Act (RCRA) facilities located within the Port of Palm Beach and an additional 105 RCRA facilities located within one mile of the Port. None of the contaminated sites identified above are located within the footprint of the proposed CNG facility.

Water and Biological Resources

The Biscayne Aquifer, a sole source aquifer, is present beneath most of the land occupied by the Port. A small portion of the Port of Palm Beach is classified as Emergent Herbaceous Wetlands. Additionally, there are several wetlands located within one mile of the Port. No Critical Habitat for designated threatened or endangered species was identified on the Port or within a one mile radius of the Port boundary. The CNG facility is proposed to occur within an area devoid of natural habitat. The Port maintains master permits from the South Florida Water Management District and the United States Army Corps of Engineers which ensure protection of the water resources in and adjacent to the Port and minimizes the potential for adverse impacts to water resources to occur as a result of this facility.

Air Quality

The Port is located in an attainment area for ozone, lead, and fine-grained atmospheric particulate matter (PM2.5). One air emissions facility is located within the Port boundaries. An additional 18 air emitters are located within one mile of the Port of Palm Beach. Emissions associated with the proposed facility are not anticipated to cause adverse impacts to air quality. Emera CNG, LLC will be coordinating with the Florida Department of Environmental Protection (FDEP) in order to ensure compliance with state air quality regulations.

Socioeconomics

The City of Riviera Beach has a population of 32,488 (U.S. Census Bureau 2010). Population density within one mile of the Port of Palm Beach ranges from 4-5,000 people per square mile depending on the census block group. The majority of the census block groups surrounding the Port of Palm Beach are comprised of minority populations that range from 50-100%. The Port is located adjacent to one census tract in which over 50% of the population is below poverty. There are several potentially sensitive receptors located within one mile of the Port of Palm Beach. Sensitive receptors include 11 schools, three hospitals, one cemetery, and several residences. There are no historic sites registered with the National Register of Historic Places within one mile of the Port of Palm Beach. There are no parks or national forests within one mile of the Port. A socioeconomic impact analysis will be conducted as part of the environmental study process to ensure that impacts that have the potential to occur as a result of the CNG facility are avoided and/or minimized to the greatest extent possible.

3. Proposed Project Construction and Operation

Construction

It is envisioned that the Proposed Project would be completed in phases, each phase being similar in scope and scale. The initial phase will allow compression of approximately 8 million standard cubic feet per day (MMscfd) of CNG to serve Emera CNG's initial market in Grand Bahama. Completion of additional phases, (which will be contingent on finding suitable markets and available gas supply to and lease space at the Port of Palm Beach) could bring the total capacity of the CNG facility to 25 MMscfd. Construction of each phase of the CNG facility at the Port of Palm Beach and would be expected to take 3-4 months and would consist of civil works

associated with the ground preparation, installation of foundations for the building and equipment pads, installation of electrical and utility trenches, installation of natural gas pipelines and equipment, and anchoring of the equipment. A total of 2-8 construction workers would be anticipated to be on the site at the Port of Palm Beach each day throughout the construction period.

Construction activities in Grand Bahama for the initial phase will take place following those at the Port of Palm Beach. Equipment supply for generation conversion to gas is anticipated to be the longest lead time item for the project resulting in a construction schedule of over 14 months.

Operations

Operations at the CNG facility at the Port of Palm Beach would include the following:

- Inflow and outflow of roll trailers (also known as "MAFI" trailers) and routinely used to carry tank containers (**Figure 4**),
- Filling of the tank containers with high pressure natural gas at the compressor station,
- Offloading and loading onto ocean-going vessels (a roll on/roll off cargo vessel), and
- Inflow and outflow of ocean-going vessels into the slip.

During the initial phase where the facility would compress up to approximately 8 MMscfd, it is anticipated that up to16 MAFI trailers would enter and exit the facility per day. Additionally, one ocean-going vessel would enter and exit the slip per day. Natural gas would be delivered to the port location via intrastate pipeline. As depicted in **Figure 5**, the berth assigned to the ocean-going vessel associated with the proposed project is located within +/-0.25 mile east of the CNG facility. However, other adjacent berths within the port could also be utilized. Finally, port facility operations would include regular maintenance activities. During the initial operations, 2 full-time staff would maintain the CNG facility, 5 staff would be employed for facility and loading operations, and approximately 10 crew members would operate and maintain the ocean-going vessel. Subsequent phases would require similar staffing complements and additional MAFI trailers depending on the distance to future markets.

Transit time from the Port of Palm Beach to Freeport Harbour, a distance of 75 nautical miles, is anticipated to take 8 hours each direction. Loading trailers onto the ocean-going vessel is estimated to require 6 minutes per trailer with a total estimated loading time of about 1-2 hours. Unloading trailers from the ocean-going vessel is estimated to require 6 minutes per trailer with a total estimated unloading time of approximately 1-2 hours. The loading and unloading at the Port of Palm Beach and Freeport Harbour is anticipated to require a total of 2-4 hours. Thus, the total gas delivery cycle time is approximately 24 hours per round trip. The annual volume of gas transmitted would be anticipated to be up to 2920 million standard cubic feet (MMscf) (up to 8MMscfd in the initial phase).

Gas Supply

The Peninsula Pipeline Company (PPC), a wholly owned subsidiary of Chesapeake Utilities Corporation and a gas transmission company operating within the State of Florida, is in the final stage of purchasing the existing 6 mile, 12 inch Riviera Loop and 8 inch steel Riviera Lateral that terminates at the Port of Palm Beach from Florida Gas Transmission company (FGT). PPC would convert the existing Riviera Beach lateral pipeline from a Federal Energy Regulatory Commission (FERC) regulated interstate pipeline to a state regulated intrastate pipeline. PPC

proposes to construct and operate all gas distribution components required to provide service from their intrastate pipeline to Emera's compression facility at the Port of Palm Beach.

Gas shall be procured in the competitive US interstate market, and Emera has secured commitments for firm transportation capacity on the Florida Gas Transmission interstate pipeline to allow for delivery to the Riviera Lateral.

Facility Components

The CNG facilities at the Port of Palm Beach will consist of filling posts, compressors, and a dryer. In the initial phase, there would be a total of 13 - 16 filling posts (for simultaneous filling of the tank containers) at each facility. The inlet pressure to the compression facility would be 300 pounds per square inch gauge (psig). The compressor discharge pressure would be 4,500 psig (rated). There would be a total of 10 "W" Configuration Reciprocating Compressors in 5 twin compressor packages. Each compressor is driven by a 300 HP electric motor. The pressure vessels would be operating at 3,600 psig. The total amount of gas per MAFI trailer would be 500,000 Standard Cubic Feet.

For the subsequent phases, it is anticipated that up to an additional 25 - 40 filling posts and 5 - 10 additional twin compressor packages would be required at the Port of Palm Beach.

Waste Streams

Potential waste streams generated by station construction and operation may include contaminated water from the dryer, spills of fluids associated with machine and vehicle operations and maintenance (oils, gas, battery fluid, lubricants, etc.), stormwater, wastewater, solid waste, air emissions associated with machine and vehicle operations, and venting of natural gas. Contaminated water (estimated to be 50 L/month during the initial phase, with similar volumes anticipated for each subsequent phase) from the gas dryer will be collected for off-site disposal. Spills of fluids associated with machine and vehicle operations and maintenance (oils, gas, battery fluid, lubricants, etc.) would generally be treated at the moment of occurrence in accordance with the site's health and safety plan and OSHA regulations. The facility will follow the internally-developed Stormwater Pollution Prevention Plan (SWPPP) during both construction and operation in order to minimize any potential impacts to local stormwater systems. FDEP regulates the National Pollution Discharge Elimination System (NPDES) in the State of Florida. The facility will obtain permits through FDEP for both the construction and operation phases of the facility. Stormwater will be channeled to appropriate stormwater collection systems on and offsite. Domestic wastewater, if generated, will be channeled to the site's sewer system. Solid waste will be collected by a contracted firm and transported to an offsite landfill. Regular maintenance of vehicles and machines will ensure air emissions remain within regulatory standards. During transport, vessels will comply with the appropriate International Convention for the Prevention of Pollution from Ships (MARPOL) regulations to minimize potential impacts from vessel waste during trips to and from the island of Grand Bahama and other potential destinations.

Potential Accidents

Potential accidental releases could be comprised of natural gas, fuels, lubricants, or other maintenance and operations-related hazardous substances. Preventative measures will be developed and implemented in a written safety plan compliant with OSHA regulations and the National Fire Protection Association (NFPA) during both construction and operation phases of the project. In the event of an accidental gas release, fire, or spill of hazardous material, the

appropriate local authorities will be contacted for emergency services beyond those available on site, if necessary. During transit to the Bahamas and other destinations, MARPOL regulations will be followed to prevent accidental spills and accidents and to minimize potential impacts after an accidental release. Potential workforce accidents will be comprised of slips, trips and falls, vehicle collisions and persons overboard during shipping. Extensive safety plans will be developed and adhered to in order to prevent such accidents and to minimize harm to persons if they should occur.

4. Project Progression

The project would have a 20-year term with a target of first gas in 2015 if the longest lead time equipment order is placed by April 2014. The construction activity at the Port of Palm Beach would take around four months for each phase. **Table 1** shows an overview of construction tasks and their anticipated duration for the Compression Facility for the initial phase. Subsequent phases are expected to follow a similar timeline.

5. Status of Other Environmental and Regulatory Reviews, Including Permitting:

All federal, state, and local project reviews and permits will be initiated upon completion of the preliminary facility design package. An initial screening of potential permits and approvals has been completed and is summarized in **Table 2**.

6. Alternative Sites or Operating Parameters

When initially exploring the feasibility of the project, Emera CNG LLC authorized a study to assess available gas pipeline capacity at Florida ports as well as the land availability, ship-loading capability, and proximity to the Bahamas. This narrowed the ports to review in more detail down to three. After the Port of Palm Beach was selected, and the project concept evolved, several potential project sites within the Port were reviewed with respect to availability, size and flow of traffic to the ship loading area.

7. Post-operational Requirements

Post operational requirements would be comprised of equipment removal and reuse or disposal and removal or the control building, if required. The lease area would be available for other tenants; hazardous wastewater from the dryer will be disposed of as it is generated during operation.

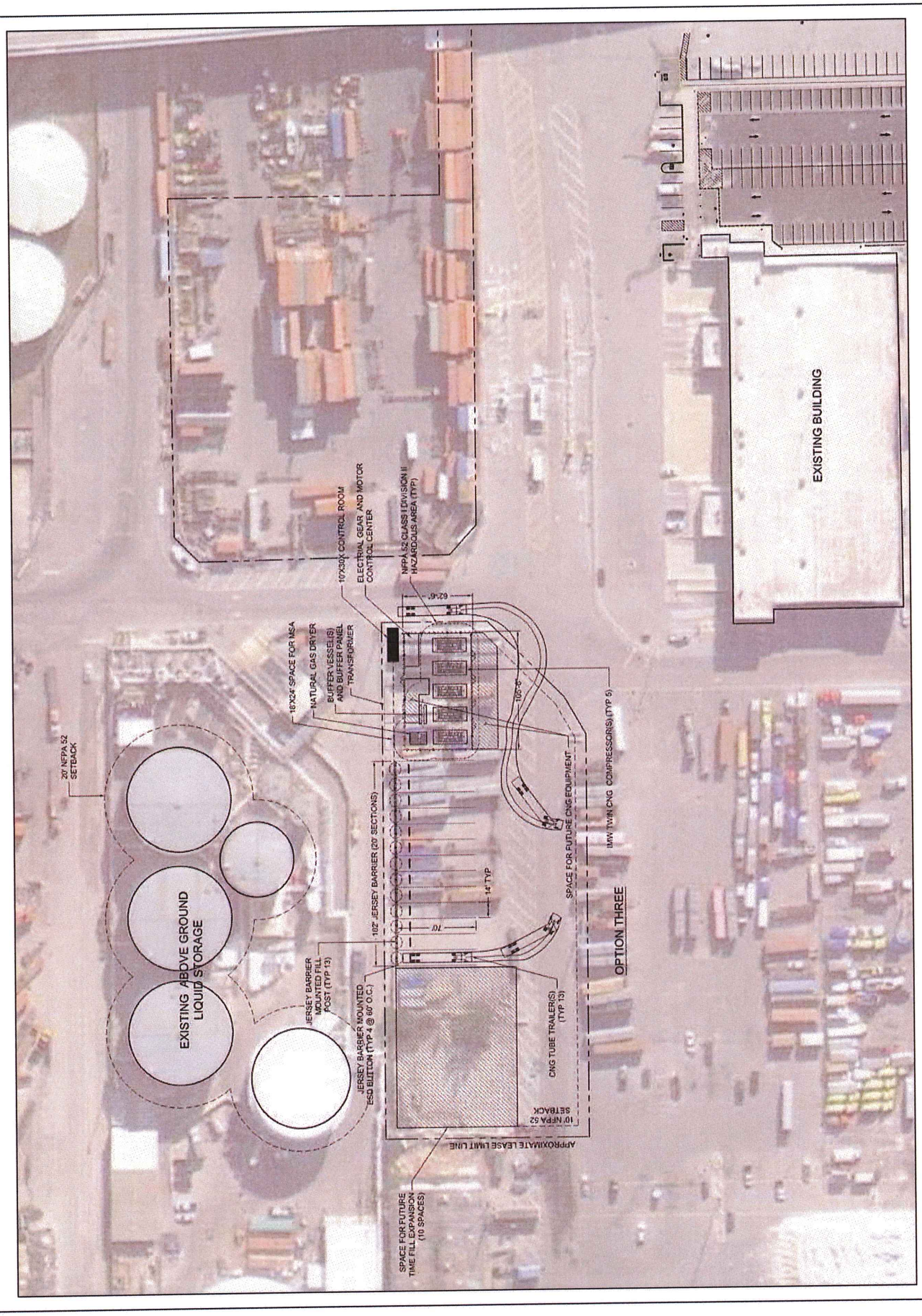
8. Other Actions in the Project Area

Emera does not anticipate any future activities that would be in addition to the complete 25 MMscfd CNG facility. There are no known adjacent future facilities currently being planned by the Port of Palm Beach.

9.0 REFERENCES

U.S. Environmental Protection Agency. 2013. NEPAssist. Available at: http://nepassisttool.epa.gov/NEPAssist/entry.aspx.

U.S. Census Bureau. 2010. 2010 Demographic Profile FL – Riviera Beach city. Available at: http://www.census.gov/popfinder/.



Emera

PORT OF PALM BEACH

Figure 1 | Preliminary CNG Facility Layout

Emera

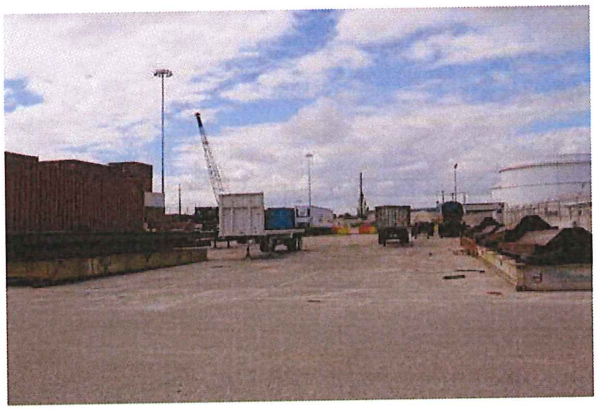
North

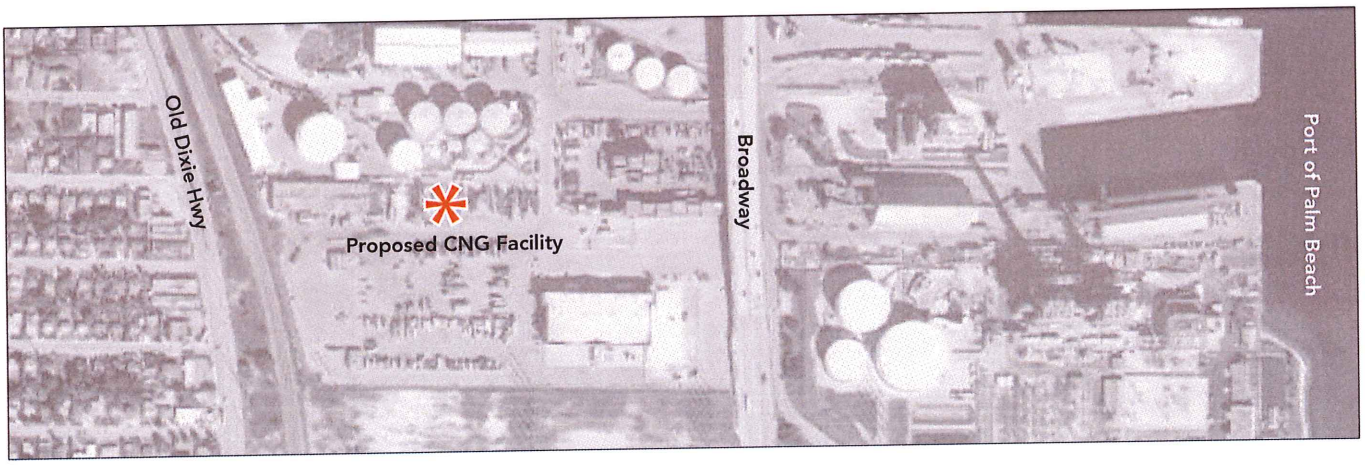
Scale in Feet

0 600

PORT OF PALM BEACH

Figure 2 | Proposed CNG Facility and Distribution Vessel Location





Emera

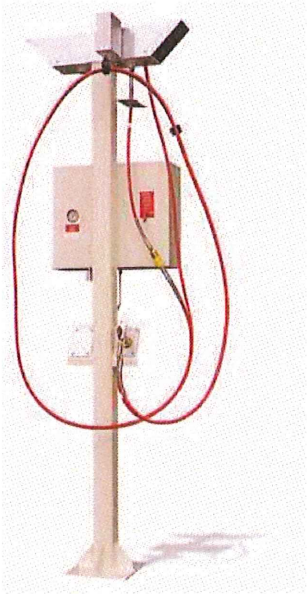
North

Scale in Feet
0 600

PORT OF PALM BEACH

Figure 3 | Proposed CNG Lease Area Existing Conditions

Dryer Package



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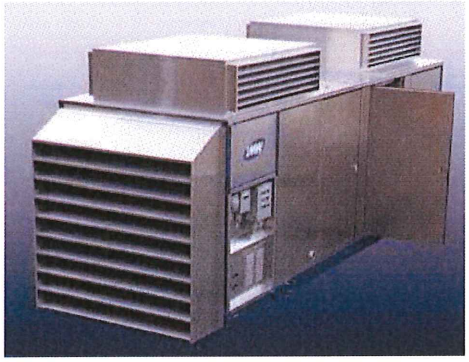
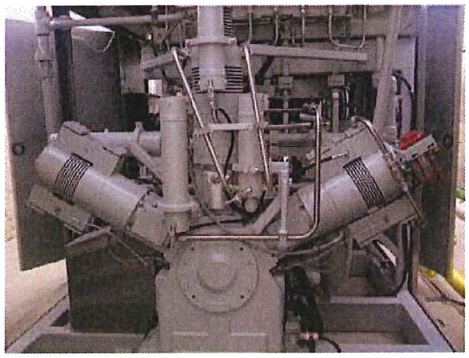
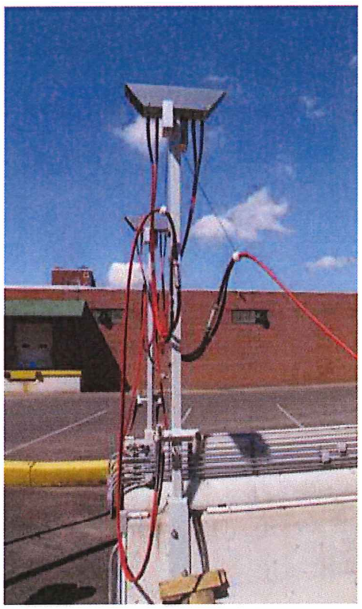


Twin Compressor Package



View of Compressor inside enclosure

Dryer Package 2



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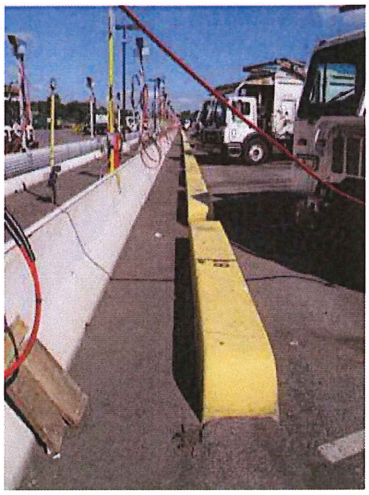

Truck Filling Station

Emera

PORT OF PALM BEACH

Figure 4 | Necessary Equipment

Emera

North

Scale in Feet

0 600

PORT OF PALM BEACH

Figure 5 | Proposed CNG Facility to Vessel Delivery Route

TABLE 1

COMPRESSION FACILITY CONSTRUCTION TASKS

Tasks	*Duration*
Site Preparation	10 Days
Layout CNG Site	3 Days
Forming Foundations	5 Days
Excavation/Trenching Utilities	10 Days
Install Underground Utilities	5 Days
Stub-ups in Foundations	4 Days
Backfill and Finish Grading	5 Days
Pour Concrete for Equipment Foundations	5 Days
Set and Anchor Equipment	7 Days
Set Maintenance and Control Buildings	5 Days
Above-ground Piping	7 Days
Coordinate with Gas Utility and Set Metering Skid	10 Days
Pull Electrical Wiring to Equipment	5 Days
Electrical Terminations	5 Days
Paving	5 Days
Fencing	5 Days
Lighting	5 Days
Startup and Commissioning	2 Weeks
Training	2 Weeks

Table 2

Summary of Potential Environmental Permitting and Approval Requirements
Proposed CNG Facility - Port of Palm Beach
Florida

Permit, Approval, or Certification	Responsible Agency	Applicability Criteria	Required Actions	Permitting Schedule	Comments
Federal Environmental					
Floodplain Construction Compliance	Federal Emergency Management Agency (FEMA) -FDEP	Above-grade fills within a 100-year floodplain.	Request letter of verification from FEMA or FEMA-approved local authority.	Typically 1-3 months.	Pending Discussions with FDEP.
State Environmental					
Environmental Resource Permit (ERP) and Sovereign Submerged Lands Lease	Florida Department of Environmental Protection (FDEP)	Required for projects which affect surface waters, wetlands, or sovereign submerged lands. FDEP coordinates review with other state agencies to address natural resource and cultural resource issues. The Port has a Master Environmental Resource Permit, which will require modification.	Have a Pre-Application Meeting with the FDEP Reviewer who reviews the Port Permit modifications. Prepare and submit an application for an ERP modification to FDEP. Permit must be obtained before construction or grading can begin.	1 month to prepare application. Agency review takes approx. 3 months.	Master Permit for Port simplifies this permit process.
State Construction Permit for Air Emission Facilities	Florida Department of Environmental Protection (FDEP)	Construction and operation of facilities generating air emissions.	Application process.	1 month preparation, 2 to 3 months agency review and approval.	Unlikely - Pending Discussions with FDEP.
Title V Operating Permit	Florida Department of Environmental Protection (FDEP)	Operation of facilities generating air emissions.	Prepare permit application using info in PSD permit, update as appropriate based on final facility operational parameters and add additional information as required.	1 to 3 months to prepare application, 6 months to 1 year for agency review and approval. Application required within first 12 months of operation.	Unlikely - Pending Discussions with FDEP.
Section 401 Water Quality Certification (Clean Water Act)	Florida Department of Environmental Protection (FDEP)	Projects with potential to impact waters of the state.	Review concurrent with ERP review.	No separate application required. Approx. 3 months as part of ERP Permit processing.	This certification will be issued with the ERP Permit Modification listed above.
Emergency Response Plan/Risk Management Plan	FDEP, EPA Region IV	Storage of significant quantity of hazardous chemicals or materials on-site.	To be prepared prior to operation, if required, but will depend on the quantity of materials stored on the site.	4 to 8 weeks to prepare.	Pending Discussions with FDEP.
NPDES *Construction* Stormwater Permit /Stormwater Pollution Prevention Plan (SWPPP)	Florida Department of Environmental Protection (FDEP)	Construction of any facility that disturbs 1 acre or more.	Prepare a Notice of Intent and SWPPP for Construction, Submit NOI at least 1 week prior to construction.	2 weeks to prepare, 2 days to achieve permit coverage.	The NOI gets submitted to FDEP in Tallahassee.
NPDES *Operating* Stormwater Permit for Industrial Activities	Florida Department of Environmental Protection (FDEP)	Operation of an industrial facility.	Prepare a Notice of Intent and SWPPP for facility; Submit NOI 1 month prior to operation.	1 month to prepare, 2 to 3 weeks for agency review and approval.	A No Exposure Certification of Exclusion from NPDES Stormwater Permitting is available for industrial facilities whose processes and materials are not exposed to stormwater.
Local Permitting/Approvals					
Site Plan Approval	City of Riviera Beach	Site Plan.	Submit Site Plan approval application package.	1 month to prepare application and 3-4 months for processing/approval.	Coordination with Port & City of Riviera Beach.
Water and Sewer Connection	City of Riviera Beach, Palm Beach County Health Department	New water and sewer connections.	Submit request for water meter or sewer connection to City and PBC Health Department.	Normally 1 to 2 months for approval.	Will coordinate with City of Riviera Beach and PBCHD
Zoning/Land Use Compliance	City of Riviera Beach	May be required to address local zoning requirements that apply specifically to this type of facility.	Zoning request. Application for Conditional Use Permit may be required.	If Conditional Use Permit is needed, a public hearing(s) will be required and will require scheduling. Typical timeframe for process is 3 to 12 months.	Will coordinate with City of Riviera Beach
Floodplain Development Permit Application	City of Riviera Beach Building Division	Above-grade fills within a 100-year floodplain.	One-page form.	Submitted as part of Building Permit Process.	
Building Permit; Plumbing Permit; HVAC Permit; Contractors License, etc.	City of Riviera Beach	Construction of new buildings and facilities.	Application to the City.	Normally 2 months for approval.	Will coordinate with City of Riviera Beach

Table 2

Summary of Potential Environmental Permitting and Approval Requirements
Proposed CNG Facility - Port of Palm Beach
Florida

Permit, Approval, or Certification	Responsible Agency	Applicability Criteria	Required Actions	Permitting Schedule	Comments
Other Permits/Approvals					
Florida Public Utilities (FPU)		Construct CNG pipeline from present location to Port.	FPU Engineers must complete a preliminary survey of the project prior to establishing a schedule.		Florida Public Utilities Applying to Regulatory Agencies; Outside Emera Scope of Work.
Hazmat Safety	US Department of Transportation - Pipeline and Haz Materials Safety Administration (PHMSA)	Movement of hazardous materials to industry and consumers by all modes of transportation.	DOT Special Permit.		May or May not apply to proposed operation.

ASSUMPTIONS (Partial List)

Florida Public Utilities supplys CNG pipeline to site.
Site is in upland area.

APPENDIX E
LETTERS OF SUPPORT

Emera Caribbean

Suite 205 – 207, Dowell House • Bridgetown, Barbados • West Indies

November 19, 2013

Dr. Ernest Moniz
Secretary of Energy
1000 Independence Avenue Southwest
Washington, DC 20585-0001

Dear Secretary Moniz:

As President of Emera Caribbean Ltd., a company that owns and operates regulated utilities in several Caribbean countries, I am writing to express my support for the application by Emera to the United States government to allow the export of Compressed Natural Gas (CNG). Our affiliate, Emera Inc., is proceeding with its project to deliver CNG from Florida specifically for use to make electricity our generation assets of the Grand Bahama Power Company (GBPC).

As you would appreciate, the cost of electricity in the Bahamas and throughout the Caribbean presents a major barrier to economic growth and has resulted in decreased customer satisfaction. To improve economic conditions, a plan needs to be developed and executed that reduces and stabilizes fuel costs. The proposed project will not only help address these barriers, but also provide cleaner fuel and result in lower greenhouse gas emissions.

Allowing exports of natural gas to other nations will enable the U.S. to increase its market base and create new opportunities that encourage investment in domestic gas drilling as well as access to new natural gas supplies. It will also create new jobs in America, revenue for U.S. companies and investment in infrastructure, including transshipment facilities and existing ports.

energy everywhere.

Exports of CNG would also improve America's balance of payments which is consistent with President Obama's National Export Initiative that seeks to reduce barriers to trade and promote U.S. exports. The Export Initiative seeks to reduce barriers to trade and promote U.S. exports - the majority of imports and exports from the Bahamas are currently from the United States.

Export permit applications of much higher gas volumes have already been approved. In examining the 2013 U.S. Energy Information Administration Annual Energy Outlook, this project would result in the export to the Bahamas of less than 0.04% of the projected dry gas production in the United States. Recognizing that a confirmed delivery point for this gas export is confirmed, I am requesting that the Department considers expediting this application in an appropriate manner.

Yours truly,

Sarah MacDonald

Sarah MacDonald, LLB, MBA
President, Emera Caribbean Ltd.

Polymers International, Limited
Queens Highway P.O. Box F-42684
Freeport, Grand Bahama
Bahamas
Office (242) 352-3506 Facsimile (242) 352-2779

June 11, 2013

Department of Energy
1000 Independence Avenue Southwest
Washington, DC 20585-0001

Dear Commissioners:

Polymers International Ltd. is pleased to write this letter of support for Emera Inc. regarding their proposed project to deliver Compressed Natural Gas (CNG) from Florida to Freeport. Our support is based on the fact that this import meets the Bahamian Government's criteria of being an import that will help us enhance our operational performance while providing the stability required to boost the local economy.

Emera's project proposal is a solution to stabilize the cost of electricity and provide a cleaner fuel supply that will lower greenhouse gas emissions. The project also requires construction activity and permanent operations of an unloading facility in Freeport which will provide economic benefits.

In closing, we fully support the efforts of Emera Inc. as they seek approval for a permit to export a small quantity of natural gas to Grand Bahama and are hopeful that they will receive your approval.

Yours truly,

J. Gregory Ebelhar III
Chief Operating Officer
Polymers International Ltd.

PharmaChem
TECHNOLOGIES

Randy S. Thompson
Chief Executive Officer
randy.thompson@novasep.com

June 24, 2013

Dr. Ernest Moniz
Secretary of Energy
1000 Independence Avenue Southwest
Washington, DC 20585-0001

RE: Letter of Support to Emera Inc. for the delivery of CNG from United States to Grand Bahama

Attention: Dr. Moniz

Our Freeport, Bahamas PharmaChem Technologies Facility was built in the Freeport Free Trade Zone in the Bahamas, and was acquired by Novasep in November 2007. PharmaChem Technologies (Grand Bahama) Limited and its parent company, Novasep, are a supplier of bulk pharmaceutical ingredients and register intermediates. The company employs 1,200 employees and serves over 650 customers worldwide. Our environmental commitment is to continue to reduce the company's footprint on our sites and optimize our energy requirements.

Emera Inc. has applied for a permit to deliver compressed natural gas (CNG) from the Port of Palm Beach, Florida to Freeport, Bahamas. PharmaChem is in full support of the proposed project by Emera. In addition, PharmaChem is in discussion with Emera to identify opportunities to utilize this exported CNG to enhance our operational performance while providing the stability required to boost the local economy.

In closing, we support the efforts being put forward by Emera Inc. as they seek approval for a permit to export natural gas to Grand Bahama.

Thank you for taking the time to review this letter.

Yours truly,

Pharmachem Technologies (Grand Bahama) Ltd.

PharmaChem Technologies (Grand Bahama) Ltd.
West Sunrise Highway
P.O. Box F-42430
Freeport, Grand Bahama

Phone: (242) 352-8171 Ext. 2511
Direct: (242) 688-2511
Fax: (242) 351-7078

www.pharmachemtech.com

FLORIDA PUBLIC
UTILITIES
energy for life

June 18, 2013

The Honorable Ernest Moniz
Secretary of Energy
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Honorable Moniz:

On behalf of Florida Public Utilities, I am writing to support Emera's proposed project to export Compressed Natural Gas (CNG) from the Port of Palm Beach, Florida to Freeport, Bahamas. Florida Public Utilities is the natural gas utility serving the West Palm Beach, Florida area. As one of Florida leading gas utilities, we take great pride in being an industry leader in promoting the use of economical, environmentally friendly natural gas. We are dedicated to providing our customers with the tools they need to save money in their homes and businesses while encouraging greener living.

As a potential gas supply partner with Emera Inc., we have a keen interest in their project. Part of Emera's proposal involves constructing a natural gas compression and loading facility in West Palm Beach, which we would be able to offer to our fleet customers at a reduced cost. Natural gas is cleaner than petroleum-based fuels and emits far less compounds that are known to be associated with acid rain, smog and greenhouse emissions. The construction of such a facility will create jobs for Floridians and have other associated economic benefits.

We believe Emera's project will not negatively impact our own domestic need for natural gas and this project supports President Obama's National Export Initiative which seeks to double our exports to foreign countries and strengthen our trade alliances.

We look forward to a favorable response to Emera's request for an export permit that allows the delivery small amounts of CNG to the Bahama's and request that your Department consider initiating a de minimus standard that would give priority to the request for this permit.

Yours truly,

Kevin Webber

Digitally signed by Kevin Webber
DN: cn=Kevin Webber, o=Florida Public Utilities, ou=Executive, email=kwebber@fpuc.com, c=US
Date: 2013.06.18 15:42:15 -04'00'

Kevin Webber
VP President, Business Development & Operations
Florida Public Utilities