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[EXTERNAL] FE Docket No. 15-62-LNG

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FE Docket No. 15-62-LNG

Date: 10-19-2020

To: fergas@hq.doe.gov

From: John Young, MS (Psychology), MSW (Social Work), Retired

ForJohnAndBarbara@gmail.com

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Re: "Texas LNG Brownsville LLC; Application To Amend Export Term Through December 31, 2050, for Existing Non-Free Trade Agreement Authorization," Federal Register, 10-02-2020, <https://www.federalregister.gov/documents/2020/10/02/2020-21804/texas-lng-brownsville-llc-application-to-amend-export-term-through-december-31-2050-for-existing>

*Note: Copy attached below as well.*

An active member of SAVE RGV from LNG since May 2014, I submitted my first public comment to FERC opposing the Texas LNG project on 05-06-2016 ([https://elibrary.ferc.gov/eLibrary/filelist?accession\\_num=20160506-5000](https://elibrary.ferc.gov/eLibrary/filelist?accession_num=20160506-5000)).

Here I will be addressing three issues:

1) The DOE criteria and rules for the issuance of such Non-FTA LNG permit extensions and rationales for those criteria and rules ;

2) The paperwork path of Texas LNG from when it initiated the FERC process to the present (relevant to the soundness of its corporate structure and non-binding LNG offtake agreements with non-disclosed entities); and

3) The validity of its planned development and sanctioning (adding the question of its natural gas feed source to the question of its supposed customer base).

Issuing an automatic permit extension to the questionable Texas LNG project will be contrary to the public interest even though apparently permissible within DOE's flawed rules, regulations, and procedures. Rules, regulations, and procedures that apparently cannot be changed within time frames required to protect the the public interest.

If approved, the extension will add to the pile of precedents propelling us towards national security risks related to climate changes pushing forward massive migration and armed conflicts over dwindling food and water resources and suitable areas for human habitation.

Incidentally, the extension will be used the companies involved (Texas LNG, Alder Midstream, Glenfarne Group) to make the project's future seem more bankable than it really is. A project opposed by four local communities and other groups in the proposed project's vicinity since 2015 and presently being challenged by the Sierra Club et al in the 5<sup>th</sup> Circuit Court of Appeals etc.

## **PART ONE:**

**The "Life Cycle Greenhouse Gas Perspective  
on Exporting Liquefied Natural Gas from the United States: 2019 Update"  
(and its precedents and supporting documents)  
provide inadequate justification for the extension**

Here I will be cutting and pasting from my 09-16-2020 comment to DOE on FE Docket No. 15-190-LNG (Rio Grande LNG's request for an extension of its DOE Non-FTA export permit, available in full at [https://elibrary.ferc.gov/eLibrary/filelist?accession\\_num=20200921-5023](https://elibrary.ferc.gov/eLibrary/filelist?accession_num=20200921-5023))

**However, first I'll be making a couple of additional comments on the subject.**

**1) Note on the 25 LNG export projects listed in the DOE 06-12-2018 Federal Register Document 83 FR 27314 "Study on Macroeconomic Outcomes of LNG exports,"**  
<https://www.federalregister.gov/documents/2018/06/12/2018-12621/study-on-macroeconomic-outcomes-of-lng-exports/>.

According to NERA Economic Consulting's 2018 Macroeconomic report, the company believes that all eight of its proposed LNG export scenarios will benefit most US households. The benefits are "relatively small in magnitude," but higher for higher volumes of LNG exports.

This is in line with NERA's previous 2012 report, also prepared for DOE.

The list includes two seeking FERC permitting at my local Port of Brownsville TX (NextDecade's Rio Grande LNG project and Glenfarne Group LLC's Alder Midstream LLC's Texas LNG project) but not the 3<sup>rd</sup> (Annova LNG).

In addition, the list includes NextDecade's Galveston Bay LNG project. NextDecade started the FERC pre-filing process on that project on 08-31-2018, stopped moving that process forward after two January 2019 Open Houses on the project to focus on moving its paired Rio Grande LNG and Rio Bravo Pipeline projects forward. To focus on moving its Rio Grande LNG project forward, NextDecade sold its Rio Bravo Pipeline project to Enbridge. NextDecade is submitting monthly progress reports on its Rio Grande LNG and Galveston Bay LNG projects to FERC. It's Galveston Bay LNG reports continue to show no progress on that project since February 2019. FERC issued a permit for the Rio Grande LNG project on 11-22-2019 but NextDecade has moved its projected FID target date for the project to 2021 and has made its FID contingent on securing firm offtake commitments for 9 more mtpa of LNG in addition to the 2 mtpa commitment it got from Shell 04-01-2019.

Most recently, FERC postponed the scheduled 11-16-2020 Environmental Assessment on a requested modification of the Rio Bravo Pipeline to 12-21-2020 and its 90-day Federal Authorization Decision Deadline to 03-22-2021. Though now owned by different companies, the Rio Grande and Rio Bravo projects are still mutually interdependent.

Glenfarne recently got a FERC 5 year extension on the construction of its Magnolia LNG project as per "Glenfarne gets five-year extension for Magnolia LNG," Adnan Bajic, 10-09-2020, Offshore Energy, <https://www.offshore-energy.biz/glenfarne-gets-five-year-extension-for-magnolia-lng/>. According to the story "Vlad Bluzer, managing director of Glenfarne and president of Magnolia LNG, added that coming only a few months after the acquisition of Magnolia LNG, this extension approval is an important early milestone in the development plan." Apparently Glenfarne specializes in acquiring distressed projects like Magnolia LNG and Texas LNG. Also according to the story, "Glenfarne's total LNG export capacity is approximately 12.8 mtpa: 8.8 mtpa from Magnolia LNG and 4.0 mtpa from Texas LNG."

Three other companies on the list – Gulf Coast LNG, Eos LNG, and Barca LNG – pre-leased land at our Port. However, their pre-leases have lapsed and they never even pre-filed for FERC permitting.

**> > > Questions:** Three of the 25 projects on the list have evaporated. Three others have yet to acquire sufficient binding LNG offtake commitments to justify their construction and/or to allow them to make their FIDs. Is this compatible with NERA Economic Consulting's optimism that LNG

exports will provide a marginal benefit for most households?

How much do these 25 case studies figure into the present assumption that such export operations are in the public interest?

And how much of the assumption of public interest depend on the US Energy Information Administration's annual Energy Outlook Reports that EIA cautioned in 2016 are projections and not predictions ([EIA's Annual Energy Outlook is a projection, not a prediction](https://www.eia.gov/todayinenergy/detail.php?id=26272), 05-17-2016, <https://www.eia.gov/todayinenergy/detail.php?id=26272>).

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2) Note on the increasing uncertainties regarding the viability of LNG export operations and the related infrastructure necessary for their viability. Especially regarding LNG projects such as Texas LNG that haven't even started construction yet and those like Texas LNG, Annova LNG, and Rio Grande LNG with business models based on the plentiful, abundant availability of domestic natural gas.

For example, some think we've overestimated our domestic deposits of financially recoverable natural gas as per "Shale binge has spoiled US reserves, top investor warns," Derek Brower, 10-13-2020, Financial Times, <https://www.ft.com/content/aad9c356-b37e-4768-b39f-c22b9548b290>.

There's also uncertainty regarding the direction of natural gas pipeline flows that could affect the quantity and cost of Texas LNG's (and Annova LNG's and Rio Grande LNG's) natural gas resources. Regarding the direction of flow between Texas and Louisiana see the November 2020 RBN Energy snippet at [https://rbnenergy.com/sites/default/files/static\\_pages/RBN%20Special%20Market%20Study%20-%20Some%20Beach%20-%20Summary%20and%20TOC.pdf](https://rbnenergy.com/sites/default/files/static_pages/RBN%20Special%20Market%20Study%20-%20Some%20Beach%20-%20Summary%20and%20TOC.pdf), Regarding the flow from the Permian Basin monster fracking operation to the three LNG operations targeting the south most tip of Texas versus LNG projects in Mexico, see "Mexico Unveils Plan for LNG Export Project on Pacific Coast (which could reach the Asian LNG market without having to transit the Panama Canal)," Christopher Lenton, 10-07-2020, Natural Gas Intelligence, <https://www.naturalgasintel.com/mexico-unveils-plan-for-lng-export-project-on-pacific-coast/>:

Sempra Energy's [Energía Costa Azul](#) (ECA) natural gas export project in Mexico's Baja California is waiting on an export approval before reaching final investment decision (FID), while Mexico Pacific Limited LLC expects sanctioning in 12-18 months on its Puerto Libertad, Sonora project.

And some including the International Energy Agency in its 2020 Report think we're making the transition to renewables faster than previously predicted as per "Solar the new 'king of electricity'".

as renewables make up bigger slice of supply: IEA,"[Forrest Crellin](https://www.reuters.com/article/us-ia-energy-renewables-idUSKBN26Y0E7), Reuters, 10-12-2020, <https://www.reuters.com/article/us-ia-energy-renewables-idUSKBN26Y0E7>:

Solar output is expected to lead a surge in renewable power supply in the next decade, the International Energy Agency said, with renewables seen accounting for 80% of growth in global electricity generation under current conditions.

Power generation from renewables is the only major source of energy that continued to grow in 2020, the Paris-based agency added.

A more ambitious scenario, including for instance the adoption of net-zero emissions targets by 2050, would see PV electricity generation perform more strongly still, the report said.

Also, according to "New IEA Report Crowns Renewables "New King" of World Electricity Markets," [Our Daily Planet](https://www.ourdailyplanet.com/story/new-ia-report-crowns-renewables-new-king-of-world-electricity-markets/), 10-14-2020, <https://www.ourdailyplanet.com/story/new-ia-report-crowns-renewables-new-king-of-world-electricity-markets/> (The actual IEA document has a \$150 sticker price that's outside my budgetary limitations): "For the first time, the IEA includes detailed modeling of a 1.5C pathway that reaches global net-zero CO2 emissions by 2050."

In addition, there's increasing concern over the overbuilding and expansion of such projects as per "Troubled Waters for LNG," Editor, [Global LNG Hub](https://globallnghub.com/articles/troubled-waters-for-lng), 10-13-2020, <https://globallnghub.com/articles/troubled-waters-for-lng> and "Rush to Build LNG Export Terminals Falts as Uncertainty Grows Over Financials," Sharon Kelley, 10-08-2020, [DeSmogBlog](https://www.desmogblog.com/2020/10/08/cameron-lng-export-terminals-financials), <https://www.desmogblog.com/2020/10/08/cameron-lng-export-terminals-financials>. Also relevant:

"Troubled Waters fro LNG: The COVID-19 Recession and Overproduction Derails Dramatic Expansion of Liquefied Natural Gas Terminals," Environmental Integrity Project, 10-05-2020, 30 pages, <https://globallnghub.com/wp-content/uploads/2020/10/LNG-REPORT-10.5.20.pdf>

And shifting views on the Depreciation of oil and gas projects could seriously affect tax revenues that can be expected from such projects. In turn, the project owners and investors may expect hits as well. All depending on the uncertain way the legal and regulatory issue involved play out. Check out:

"[Facing Policy Shifts, Oil And Gas Cos. Need Depreciation Help](https://www.law360.com/energy/articles/1317519/facing-policy-shifts-oil-and-gas-cos-need)," Mark Sundback, William Rappolt, and Andrew Mina, 10-16-2020, Law360, <https://www.law360.com/energy/articles/1317519/facing-policy-shifts-oil-and-gas-cos-need>

[depreciation-help](#) that has the subheading:

As cost and policy considerations accelerate the shift away from oil and gas, legacy energy companies need the Federal Energy Regulatory Commission to reevaluate depreciation schedules for assets such as pipelines and gas-fired power plants, say attorneys at Sheppard Mullin.

Also pertinent to the public interest in the radioactivity associated with the production of the natural gas, check out:

"New Study: Airborne radioactivity increases downwind of fracking; Particles released could damage health of residents nearby. Marco Kaltfen: 'This investigation backs up its big conclusions with big data.' Petros Koutrakis, Harvard TH Chan School of Public Health in Boston, led the study: 'If you asked me to go and live downwind [of fracking sites], I would not go.'" posted 10-15-2020 on the Ernst v. EnCana Corporation website at <https://www.ernstversusencana.ca/new-study-airborne-radioactivity-increases-downwind-of-fracing-particles-released-could-damage-health-of-residents-nearby-marco-kaltfen-this-investigation-backs-up-its-big-conclusions-with-big/>. Citing "Dangerous radiation levels from fracking," David Lowry, 10-15-2020, The Guardian, <https://www.theguardian.com/environment/2020/oct/15/dangerous-radiation-levels-from-fracking> and including a running update of articles relevant to the downside of fracking.

And pertinent to the the State of Texas adequate monitoring and limiting its oil and gas emissions including but not limited to CO2e GHG emissions: "One Texas-Sized Loophole is Letting Lone Star Polluters Off the Hook," Naveena Sadasivam, 10-14-2020, Texas Observer, <https://www.texasobserver.org/texas-pollution-loophole/>.

### **Observations:**

LNG related project and export permits based on the presumption of public interest seems increasingly presumptuous and contrary to fact. The extension of the "national treatment" assumption to exports to Non-FTA countries seems an over-extension of the principle, and the DOE halting of its "end use" reporting policy for LNG exports makes claims that such exports will reduce CO2e GHG emissions speculative sale pitches rather than evidence base.

Limiting the scope of the downside of natural gas production and transport to the LNG projects to the level of CO2e GHG emissions involved while ignoring the health effects of PM2.5 particulates and the radioactivity associated with such operations seems patently opposite to the public interest.

Sticking to such presumptions and assumptions hard baked into hard to change agency policies

and procedures is equivalent to flying the US of A into the side of an ever growing climate change mountain because of a computer programming problem combined with a manual override malfunction.

In addition to setting us up for an ever bigger climate change crash, sticking with the presumptions and assumptions increases related investment bubbles that will add to the damage the coronavirus pandemic is having on our national economy.

Below is the cut and paste from my 09-16-2020 comment to DOE on FE Docket No. 15-190-LNG (Rio Grande LNG's request for an extension of its DOE Non-FTA export permit, available in full at [https://elibrary.ferc.gov/eLibrary/filelist?accession\\_num=20200921-5023](https://elibrary.ferc.gov/eLibrary/filelist?accession_num=20200921-5023)

Quite frankly, I didn't know how to even start this part of my comment until I fired up my old, out of date computer and saw "UN Biodiversity Targets Report Card: Incomplete at Best," Our Daily Planet, 09-15-2020, <https://www.ourdailyplanet.com/story/un-biodiversity-targets-report-card-incomplete-at-best/>:

"Yesterday the [United Nations released another in its series of assessments](#) on meeting global conservation targets, this one is a [final report card](#) on whether the world achieved the 20 global biodiversity targets set in 2010 with a 2020 deadline. "If this were a school and these were tests, the world has flunked, [said Elizabeth Maruma Mrema](#), executive secretary of the U.N. Convention on Biological Diversity. The report [concludes that governments must scale up](#) national ambitions in order to achieve a new target of 30% of nature protected by 2030 and leaders must bring biodiversity into the mainstream of decision making and factor it into policies across all economic sectors."

Which fits nicely with "CFTC [Commodity Futures Trading Commission] report: Climate change poses serious risk to financial system," Zack Colman, 09-08-2020, Politico, <https://www.politico.com/news/2020/09/08/cftc-report-climate-change-poses-serious-risk-to-financial-system-410573>:

"Climate change poses a major risk to the stability of the U.S. financial system and to its ability to sustain the American economy," the CFTC task force said in its report. The document is marked as a final "confidential" report, though some changes may be made in the version set to be released on Wednesday [ie, today 09-26-2020]."

And with "Energy Infrastructure: Sources of Inequalities and Policy Solutions for Improving Community Health and Wellbeing," 04-29-2020, Regulatory Assistance Project, Synapse Energy Economics, and Community Action Network, <https://www.synapse-energy.com/sites/default/files/Equity-in-Energy-Report-19-037-0.pdf>:

Energy equity (or energy justice) applies justice principles to energy policy, energy production and delivery systems, energy consumption, and energy security. Energy equity requires that all households and communities have reliable access to and can afford the quantity of energy needed to keep their homes and neighborhoods safe and healthy, to communicate and access information, and to have mobility to reach jobs, family, food and other necessities. But energy equity is not currently a reality for many Americans, particularly low-income households, communities of color, and those in many rural areas and small towns. Almost one-third of American households have difficulty paying energy bills or adequately heating and cooling their homes, and over 20 percent of households—roughly 25 million households—report reducing or forgoing necessities such as food and medicine to pay an energy bill. Communities of color experience energy insecurity, for example having difficulty paying energy bills or sustaining adequate heating and cooling in their homes, more than other groups: in 2015, 50 percent of African American families reported characteristics of energy insecurity, compared to less than 30 percent of whites.<sup>3</sup> Rural households also spend more on energy than other Americans.

Energy production using fossil fuels often pollutes the air, water, and soil in these communities, leading to disproportionate and negative health impacts. Fine particulate matter air pollution emitted by power plants, motor vehicles, and other sources, is estimated to cause more than 100,000 deaths per year in the United States.<sup>5</sup> Exposure to air pollution from power plants varies by race, income, and geography, with African Americans facing the highest mortality rates.<sup>6</sup> Access to clean energy resources (renewable energy and energy efficiency) which can deliver energy without emitting air pollution, remains out-of-reach for rural and low-income communities and communities of color. Collectively, our decisions about how to build and maintain our energy infrastructure and price its services will affect the health and wellbeing of all our communities.

And also with our embattled and endangered 01-01-1970 National Environmental Policy Act.

But not with "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update" and its precedents and supporting documents such as the "The Macroeconomic Impact of Increasing U.S. LNG Exports, 10-29-2015, Oxford Analytics LTI and Center for Energy Studies (Rice University's Barker Institute for Public Policy), [https://www.energy.gov/sites/prod/files/2015/12/f27/20151113\\_macro\\_impact\\_of\\_lng\\_exports\\_0.pdf](https://www.energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports_0.pdf) and the "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update," Selina Roman-White, Srijana Rai, James Littelield, Gregory Cooney, and Timothy J Skone, PE, 04-19-2019,

National Energy Technology Laboratory,  
[https://www.netl.doe.gov/projects/VueConnection/download.aspx?id=5499bf80-36df-41e7-a75d-d9b29efe96cb&filename=NGLCARReportAndModel\\_2019.zip](https://www.netl.doe.gov/projects/VueConnection/download.aspx?id=5499bf80-36df-41e7-a75d-d9b29efe96cb&filename=NGLCARReportAndModel_2019.zip).

My most immediate problem here is my age (78), today's weather prediction for where I live (rain for my part of the south most tip of Texas), the way I loose my Internet connection when it rains, and today's 09-16-2020 4:30 pm ET deadline for packaging and submitting my comment.

Another human and human habitat killer roadblock is how Section 3 of the Natural Gas Act gives DOE/FE authority over exports of natural gas, lobbyists managed to insert wording into Section 3(c) that makes natural gas exports to Free Trade Agreement countries “automatically” in the public interest unless it can be shown to DOE's satisfaction that they are not in the public interest ("DC Circuit Denies Sierra Club Appeal of FERC Authorization of Two LNG Facilities," Donna Bobbish, September 2016, Energy Update Newsletter, <http://www.shearman.com/en/newsinsights/publications/2016/09/energy-articles/dc-circuit-denies-sierra-club-appeal/>).

Theoretically, the presumption that LNG exports are in the public interest can be rebutted on environmental, national security, and other grounds – but, so far, this has remained a purely theoretical possibility. And the Federal Energy Regulatory Commission has followed DOE's lead in regarding, so far, all attempted rebuttals to be based on studies and claims based too much on hypotheticals and unknowables to deny any well defended LNG export requests.

This is unfortunate, because our moment is now upon us. DOE has been moving in the wrong direction in terms of extending the “national treatment” assumption to Non-FTA countries and halting its 'end use' reporting policy for LNG exports.

In addition, the DOE is a stranded asset tangled up in laws, regulations, policies, procedures, politics, speculative geopolitical maneuverings, and hypothetical macroeconomic projections. The "Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update" cites the 2013 Intergovernmental Panel on Climate Change Fifth Assessment Report regarding relative GHG emissions -- with the Sixth Assessment not due until 2022 at the earliest.

Then DOE will have to integrate the Sixth Assessment and other such top tier reports into the tangled mess with members of Congress, the President and the President's Cabinet Members and Administrative Staff, high powered lobbyists, and high powered laws pushing their interests that, of late, have pushed DOE to act more against than for the actions needed to keep our ecosystem human habitable.

Sorry, we'll all be timed out before DOE polices, rules, procedures, and rulings can align with the climate and weather and pandemic realities unfolding around us here and now let alone moving our way over our event horizon.

If the 01-23-2013 Synapse Energy Economics Inc's "Will LNG Exports Benefit the United States Economy?" report failed to discredit the 12-03-2012 NERA Economic Consulting “Macroeconomic Impacts of LNG Exports from the United States” report, I'll not make any real headway in arguing against Rio Grande LNG's request for an extension of its DOE Non-FTA export permit.

"Will LNG Exports Benefit the United States Economy?," olo, PhD, and Ezra Hausman, PhD, 01-23-2013, Synapse Energy Economics Inc, <http://www.synapse->

[energy.com/sites/default/files/SynapseReport.2013-01.SC\\_.LNG-Exports-Benefits.13-009.pdf/](http://energy.com/sites/default/files/SynapseReport.2013-01.SC_.LNG-Exports-Benefits.13-009.pdf/)

“Macroeconomic Impacts of LNG Exports from the United States,”

W. David Montgomery, Robert Baron, Paul Bernstein, Sugandha D. Tuladhar, Shirley Xiong, and Mei Yuan, 12-03-2013, NERA Economic Consulting,  
[https://www.energy.gov/sites/prod/files/2013/04/f0/nera\\_lng\\_report.pdf](https://www.energy.gov/sites/prod/files/2013/04/f0/nera_lng_report.pdf)

At best, I can at least enter my opposition to the Rio Grande LNG Non-FTA export permit into the public record.

Beyond that, it seems that, at present, the rest is up to the DOE itself – all tangled up as it is within the greater bureaucracy and political “Pyroumulonimbus Plume Clusters” of which it is a part.

Note on Pyroumulonimbus Plume Clusters: “Giga-wildfires” like the recent ones in Australia and more recently in California etc can create their own weather – including such strong, turbulent winds at ground level that firefighting and evacuations can become impossible. At the same time, the winds can carry burning debris and live embers this way and that and the storm can throw lightning bolts all around to spread the fire to unpredictable locations.

The impact of the next Presidential Inauguration and the seating of the new Congress is uncertain.

Unfortunately our ecosystem and our biology and physiology are in no way controlled by legal laws, political views, economic views, religious views, proclamations, or threats of war.

DOE's ability to deny or even delay or modify permits is limited.

I pray that those within DOE capable and willing will find ways:

- a) to use more up-to-date, scientifically based information
- b) to move us as much as they can in a more sustainable equitable direction
- c) regarding the types of energy, quantities of energy, and uses of energy we move forward versus reducing and even shutting down as fast as we can.

For example, checking out "The Sixth Assessment Report is underway,"

<https://www.ipcc.ch/assessment-report/ar6/> and "The IPCC and the Sixth Assessment cycle," [https://www.ipcc.ch/site/assets/uploads/2020/05/2020-AC6\\_en.pdf](https://www.ipcc.ch/site/assets/uploads/2020/05/2020-AC6_en.pdf) to start the DOE's movement forward now from the 2013 IPCC Fifth Assessment.

And checking out real time satellite assessments now coming on line that provide better information on our global methane emissions rather than on relying on self-reports by the polluters etc:

"New Space satellite pinpoints industrial methane emissions," European Space Agency, 07-29-2020, Phys.org, <https://phys.org/news/2020-07-space-satellite-industrial-methane-emissions.html>

"Giant Florida methane plume probed by EPA as possible violation," Bloomberg, 08-21-2020, <https://www.jwnenergy.com/article/2020/8/21/giant-florida-methane-plume-probed-by-epa-as-poss/>

"Canadian satellite embarks on mission to monitor methane emissions from space," Ivan Semeniuk, 09-02-2020, The Globe And Mail, <https://www.theglobeandmail.com/canada/article-canadian-satellite-embarks-on-mission-to-monitor-greenhouse-gas/>

And getting a real handle on all the pollution that comes with fossil fuels including the developing story on the radiation hazards posed by fracking waste materials:

"America's radioactive secret," Justin Nobel, 01-21-2020, Rollingstone, <https://www.rollingstone.com/politics/politics-features/oil-gas-fracking-radioactive-investigation-937389/>, quote: "Oil-and-gas wells produce nearly a trillion gallons of toxic waste a year. An investigation shows how it could be making workers sick and contaminating communities across America."

"Radiation and fracking," Kristy Locy, 03-05-2020, Center for Coalfield Justice, <https://www.coalfieldjustice.org/blog/2020/3/5/radiation>

"America's Radioactive Secret | Toxic Waste from Oil-and-Gas Wells | Extinction Rebellion," 04-23-2020, YouTube video, <https://www.youtube.com/watch?reload=9&v=971f2j7klBM>.

"Pennsylvania Regulators Won't Say Where 66% of Landfill Leachate w/ Radioactive Material From Fracking is Going... 'It's Private'," Joshua Pribanic and Talia Wiener, 08-05-2020, Public Herald, <https://publicherald.org/pennsylvania-regulators-wont-say-where-66-of-landfill-leachate-w-radioactive-material-from-fracking-is-going-its-private/#.XzFcsM17B3I.facebook>

Revisit "EPA wades into FERC pipeline debate, offering GHG assessment tools,"

Iulia Gheorghiu, 06-26-2018, Utility Dive, <https://www.utilitydive.com/news/epa-wades-into-ferc-pipeline-debate-offering-ghg-assessment-tools/526435/>.

Check out "Downstream and Upstream Greenhouse Gas Emissions: The Proper Scope of NEPA Review [Draft]," Michael Burger and Jessica Wentz, March 2016, Columbia Law School Sabine Center for Climate Change Law, [http://web.law.columbia.edu/sites/default/files/microsites/climate-change/downstream\\_and\\_upstream\\_ghg\\_emissions\\_-\\_proper\\_scope\\_of\\_nepa\\_review.pdf](http://web.law.columbia.edu/sites/default/files/microsites/climate-change/downstream_and_upstream_ghg_emissions_-_proper_scope_of_nepa_review.pdf).

And check out how valid and reliable

a) the LNG export operation case studies,

b) macroeconomic studies, and

c) the U.S. Energy Information Administration "January 2020: Annual Energy Outlook 2020 with projections to 2050," <https://www.eia.gov/outlooks/aeo/pdf/AEO2020.pdf>

projections have been in retrospect.

If the projections have been more off than on target, what's the impact been?

If the projections have taken us off course, how urgent is it for us to bet back on course?

If a course correction is urgent, what's the fall dead date for failing to correct our course?

And what's the next step needed to make the needed correction?

What's YOUR next step in keeping us on track for a viable, sustainable, desirable future?

**Part Two:**

**The tortured paperwork path of Texas LNG from when it initiated the FERC process to the present**

Relevant to the soundness of Texas LNG's corporate structure and non-binding LNG offtake agreements with non-disclosed entities.

Texas LNG was originally created on 09-19-2013.

In December 2014, Third Point agreed to provide development capital for the company, in return for which it was given a place on the company's board of directors.

On 03-13-2019, Adler Midstream LLC quietly took over ownership of Texas LNG from Third Point LNG in a complicated transaction we're not suppose to understand.  
[\[https://www.energy.gov/sites/prod/files/2019/04/f61/Texas\\_LNG\\_CIC\\_15-62-LNG04.pdf\]](https://www.energy.gov/sites/prod/files/2019/04/f61/Texas_LNG_CIC_15-62-LNG04.pdf)  
[\[https://www.energy.gov/sites/prod/files/2019/05/f62/Supp\\_to\\_CIC15\\_62\\_LNG05\\_20\\_19.pdf\]](https://www.energy.gov/sites/prod/files/2019/05/f62/Supp_to_CIC15_62_LNG05_20_19.pdf).  
Third Point LLC is a hedge fund based in New York City.

**Texas LNG's 04-01-2018 semi-annual report to the Department of Energy** indicated that by that point Third Point and Texas LNG LLC shared ownership of the LNG project.  
[\[https://www.energy.gov/sites/prod/files/2018/03/f49/SAR\\_Texas%20LNG15\\_62\\_APR2018\\_0.pdf\]](https://www.energy.gov/sites/prod/files/2018/03/f49/SAR_Texas%20LNG15_62_APR2018_0.pdf)  
That 04-01-2018 report included the following information relevant to the Texas LNG project paper road to becoming wholly owned by Adler:

When the Application was filed, and as described therein, the ownership of TXBRO was composed of Third Point LNG Aggregator LLC, Third Point Partners Qualified L.P., and Third Point Partners L.P., all subsidiaries of Third Point LLC, a Delaware limited liability company headquartered in New York, New York (collectively, the "Third Point Entities"), and Texas LNG LLC, a Delaware limited liability company headquartered in Houston, Texas ("TXLNG"). On March 13, 2019, the Third Point Entities contracted with Brownsville LNG Holdings, LLC, a Delaware limited liability company ("Brownsville LNG"), where the Third Point Entities transferred, for valuable consideration, to Brownsville LNG one hundred percent (100%) of their membership interest in TXBRO (the "Transaction"). Therefore, effective as of the closing of the Transaction, TXLNG continues to be a member of TXBRO, the Third Point Entities withdraw as members of TXBRO, and Brownsville LNG is the

managing member of TXBRO. Brownsville LNG is wholly-owned by Alder Midstream, LLC, which is controlled by a board appointed by other entities

The 04-01-2018 report also contains a "Statement and Notice of Change in Control" that's also relevant to the Texas LNG project paper trail:

Pursuant to the DOE regulations discussed herein and considering that Brownsville LNG has acquired a ten percent (10%) or greater membership interest in TXBRO and is to act as the managing member for TXBRO, the Transaction does amount to a change in control requiring compliance with the CIC Procedures.

Through this Notice, TXBRO is requesting (i) an amendment to the FTA Authorization to acknowledge new ownership, and (ii) approval of an amendment to the pending portion of the Application for Non-FTA authorization. TXBRO will remain the holder of the FTA Authorization and the applicant in the pending portion of the Non-FTA proceeding.

Consistent with the CIC Procedures, TXBRO respectfully asks that DOE/FE give immediate effect to this Notice and amend the FTA export authorization issued in Order No. 3716, with no need for further action. With respect to the Non-FTA portion of the Application pending authorization under FE Docket No. 15-62-LNG, DOE/FE should give immediate effect to this Notice, publish notice of the change in control in the Federal Register and, assuming no contrary determination, take no further action with respect to it either.

Adler has the same office location as something called Brownsville LNG Holdings, which was somehow involved in the transfer of Texas LNG ownership from Third Point to Adler.

Yet we're just suppose to take Texas LNG at face value and trust it -- even though we really know nothing about who's really in charge of it or how it's run beyond what we're told by Vivek Chandra (its Chief Executive Officer) and Langtry Meyer (Chief Operating Officer) and what we're able to tease out by long a laborious sleuthing.

Or until one or more of the parties involve decide to publish a news release such as "Glenfarne Group Announces Major Initiatives for Its Affiliate Alder Midstream," BusinessWire, 12-04-2019, <https://www.businesswire.com/news/home/20191204005582/en/Glenfarne-Group-Announces-Major-Initiatives-Affiliate-Alder>.

Important regarding Texas LNG's claims to having non-binding LNG offtake agreements with some unnamed buyers:

An April 2018 news report covered some non-binding LNG deals Texas claimed to have

signed with unnamed Chinese and Southeast Asian buyers: "CORRECTED-(OFFICIAL)-Texas LNG signs non-binding deals with Chinese, Southeast Asian buyers," Jessica Jaganathan, 04-11-2018, Reuters, <https://www.reuters.com/article/singapore-lng-congress/texas-lng-signs-non-binding-deals-with-chinese-southeast-asian-buyers-idUSL3N1RN535>. According to the report, the Texas LNG CEO said "In Southeast Asia, one is with one of the state national gas companies and the other one is more of an entrepreneurial project of developing an integrated gas to power scheme" and that "six of them either have LNG terminals today" or are in the process of setting up one.

**Question:** Were these deals made before or after the Texas LNG project became Adler's property, did they survive Adler's acquisition by Glenfarne, are they still solid, and has Texas LNG acquired any additional LNG offtake customers to date. Is the possibility of Texas LNG surviving on LNG spot sales sufficient to warrant the permitting of the project?

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## PART THREE

### The validity of its planned development and sanctioning schedule

Adding the question of its natural gas feed source to the question of its supposed customer base and its prospects for surviving off of LNG spot sales.

Texas LNG has left its previous FEED partner KBR behind, though Samsung Engineering is continuing to provide the FEED engineering and remains a minority equity interest owner in the Texas LNG project. KBR, on the other had, "has initiated a business transformation that will eliminate its Energy Solutions segment, according to an Aug. 6 press release" ("KBR transitioning to two-segment business, eliminating Energy Services segment," Olivia Pulsinelli, 08-10-2020, Houston Business Journal, <https://www.bizjournals.com/houston/news/2020/08/10/kbr-transformation.html>. [Note: FEED = Front-End Engineering Design.] It's not clear how that has or may affect its construction planning and timing.

According to Texas LNG's project summary statement at <https://txlng.com/about/texas-lng-summary.html>, it

. . . plans to reach Final Investment Decision (FID) in 2021, contingent on many

factors such as completing the required commercial agreements, securing all necessary permits and approvals, obtaining financing and incentives, and other factors associated with commercial viability of the investment. Construction will begin after FID and first LNG exports commencing in 2025 (Phase 1). Phase 2 exports expected to commence soon thereafter.

Its July 2020 5 page Fact Sheet is available at <https://txlng.com/images/TexasLNG-ProjectBrief-web.pdf>. In terms of customers for its LNG, it says:

Customer Offtake Agreements: Texas LNG has signed a number of detailed non-binding Term Sheets with separate Asian (China and South East Asian) and European customers for cumulative total volumes exceeding Phase 1 volumes of 2 MTA. These customers are a mix of state-owned and private enterprises. Texas LNG is also in discussions with additional potential offtakers, including traders and portfolio players. Marketing of the full capacity of 4 MTA is underway with negotiations of binding agreements expected to be completed prior *[to its]* FID in late 2021.

Its 13 Slide July 2020 Project Overview is available at <https://txlng.com/images/TexasLNG-Overview-website.pdf>. In terms of its natural gas source, it says (Slide 4):

- New, large diameter natural gas pipeline runs adjacent to site from Permian hub at Agua Dulce
- No costly under channel boring required
- Project benefits from existing infrastructure *[Probably the Port of Brownsville's "delimited utility corridor" for feed gas pipelines and utility lines]*

More importantly, Slide 6 says:

- Texas LNG will be connected to Agua Dulce via the existing **Valley Crossing Pipeline** *[emphasis added]*
- Pipeline owned and operated by Enbridge
- Pipeline can be expanded to accommodate full capacity of Texas LNG
- Requires a short lateral pipeline to Texas LNG site

There's also a 07-23-2020 2 minute 23 second video presentation available at <https://www.youtube.com/watch?v=GFSkNkq19J0&feature=youtu.be>.

Back in April 2018, Texas LNG said it planned to make its FID in 2019 as per "CORRECTED-(OFFICIAL)-Texas LNG signs non-binding deals with Chinese, Southeast Asian buyers," Jessica Jaganathan, 04-11-2018, Reuters, <https://www.reuters.com/article/singapore-lng-congress/texas-lng-signs-non-binding-deals-with-chinese-southeast-asian-buyers-idUSL3N1RN535>

On 10-16-2020, its CEO said it had delayed its FID from 2019 to 2020 but "We think our FID will be the end of next year, but we'll see, we're not under pressure, which is good" as per

"Big U.S. liquefied natgas players move fast; smaller ones try to keep up," Scott DiSavino and Sabina Zawadzki (Reuters), 10-17-2019, Nasdaq, <https://www.nasdaq.com/articles/big-u.s.-liquefied-natgas-players-move-fast-smaller-ones-try-to-keep-up-2019-10-17-0>.

As for the project's natural gas feed source, there's nothing firm yet from Enbridge regarding Texas LNG getting the feedgas from Enbridge's Valley Crossing pipeline. Last year, Enbridge bought a 10.5% ownership interest in the Annova LNG project and officially agreed to provide the feedgas for that project through its Valley Crossing Pipeline, which is primarily purposed for providing natural gas to Mexico.

Bottom line: Projects like Texas LNG should have a firm, verifiable source of feedgas and customer base before receiving the permits needed to build and operate. Especially when, like with Texas LNG, their FERC permits are being challenged by Sierra Club in the 5<sup>th</sup> Circuit Court of Appeals etc.

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For these and other reasons, I oppose the extension Texas LNG has requested to its DOE Non-FTA export permit.

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