

Posting of Off-the-Record Communication

The attached document was sent to the Department of Energy in reference to this proceeding, **Commonwealth LNG LLC, Docket No. 19-134-LNG**. This document is considered an “off-the-record communication” under 10 CFR 590.102 and 590.108 because the person/entity who either made or knowingly caused the communication to be made is an “interested person,” the communication was directed to a “decisional employee,” and the communication “is relevant to the merits of the proceeding.”

The comment period for this proceeding has closed. This communication is posted here in compliance with regulations. As provided in 10 CFR 590.108(a)(5), a request by a party wishing to rebut this communication, on the record, may be submitted in writing. As specified in this regulation, such requests will be granted “only for good cause.”

August 31, 2023

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U.S. Department of Energy
Office of Fossil Energy and Carbon Management
Office of Natural Gas Regulatory Activities
P.O. Box 44375
Washington, DC 20026-4375

**Re: Commonwealth LNG, LLC – Project Development Update
DOE/FECM Docket No. 19-134-LNG**

In support of Commonwealth LNG, LLC's ("Commonwealth") application to export liquefied natural gas ("LNG") to non-Free Trade Agreement ("non-FTA") nations, currently pending with the Department of Energy, Office of Fossil Energy and Carbon Management ("DOE/FECM") in DOE/FECM Docket No. 19-134-LNG, Commonwealth hereby submits the following Project Development Update. As detailed herein, Commonwealth continues to make significant, demonstrable progress in the technical, commercial, and regulatory development of its project in order to ensure Commonwealth meets its anticipated commercial in-service date of the first quarter of 2027.

Engineering, Procurement, and Construction ("EPC") and Operational Readiness Activities:

- On March 31, 2023, the Front End Engineering and Design ("FEED") process was completed with Commonwealth's EPC contractor, Technip Energies, and the company is currently finalizing an EPC contract with Technip.
- On June 7, 2023, Commonwealth entered into an agreement with Accenture to perform an operations readiness study and business plan covering all systems and processes the company and facility would need from the start of construction through operations. The study was completed on August 18, 2023.
- On August 10, 2023, Commonwealth LNG signed a strategic agreement with Baker Hughes, which includes the use of Baker Hughes' industry-leading equipment, services, and software in support of the construction and operation of the project.

FERC Deliverables:

- On May 16, 2023, Commonwealth LNG met with FERC staff in Washington to discuss Commonwealth's process for beginning initial site preparation and eventual construction of the project.

- On June 20, 2023, Commonwealth LNG filed its initial implementation plan with FERC, which is a key milestone in the site preparation and construction phase.
- On August 1, 2023, Commonwealth LNG filed its first monthly report with FERC.

Development/Project Financing Activities:

- On July 27, 2023, Commonwealth engaged Lummus Advisors as the Independent Technical Consultant to begin technical and environmental due diligence on behalf of construction finance lenders to the project.
- On August 10, 2023, Commonwealth LNG closed an investment of development capital from private funds managed by Kimmeridge Energy Management Company (Kimmeridge). The investment completes the development funding required for Commonwealth LNG to reach a final investment decision on its LNG export facility, which Commonwealth anticipates occurring the first quarter of 2024. The agreement also includes key terms for Kimmeridge's participation to provide further equity in Commonwealth LNG to support construction of the facility.
- On August 24, 2023, Commonwealth engaged Poten Advisors as the Independent Market Consultant to begin commercial and marketing due diligence on behalf of construction finance lenders to the project.

Commercial Progress:

- On August 9, 2023, Commonwealth LNG executed a Heads-of-Agreement with a confidential European end user for the offtake of up to 1 mtpa of LNG from Commonwealth's facility for a term of 20 years. Commonwealth will file the LNG offtake agreement with DOE once it has been executed.
- Commonwealth LNG and Kimmeridge also agreed in principle on terms for a 20-year, 2 mtpa LNG offtake commitment from the facility along with the associated gas supply. Commonwealth will file the LNG offtake and gas supply agreements with DOE once they have been executed.

Staffing:

- Commonwealth augmented its senior management team with key additions of industry veterans, all of whom had previously worked with Commonwealth CEO Farhad Ahrabi when each was employed at Sempra Infrastructure, developers of the Cameron LNG facility (Cameron Parish, Louisiana), Energia Costa Azul (Baja, Mexico), and Port Arthur Phase 1 facility (Jefferson County, Texas), each of which has achieved successful FID and is operating or under construction.
 - 5/8/23 - **George Nemeth** – *Chief Commercial Officer* – More than 20 years commercializing gas and marketing and trading LNG.
 - 5/17/23 - **Dan Fleischer** – *Senior VP of Finance* – More than 20 years of project finance, investment banking, and business development roles in energy infrastructure.

- 6/19/23 - **Jamie Gray** – *Chief Operating Officer* – Previously served as Sempra Infrastructure’s Director of Project Development, leading the design, construction, and commissioning of Cameron LNG’s three liquefaction trains.

Upcoming:

- In September, Commonwealth plans to file with FERC the initial site preparation implementation plan and the Emergency Response Plan, seeking authorization to commence initial site preparation work by December 1, 2023. Commonwealth will submit its initial site preparation implementation plan after purchasing approximately US \$9.0 million of wetland bank mitigation credits, as required by the U.S. Army Corps of Engineers and Louisiana Office of Coastal Management in compliance with the Clean Water Act.
- Commonwealth is also in advanced discussions for additional LNG offtake commitments above the 5.5 mtpa in offtake commitments previously submitted to DOE/FECM. Commonwealth will report these offtake agreements to DOE/FECM once they have been executed.

As detailed herein, Commonwealth continues to actively develop its project in order to allow Commonwealth to timely provide foreign offtakers with LNG, including providing our European allies with critically needed reliable supplies of LNG. Central to the ability of Commonwealth to reach FID for its project and commence construction and commercial operations, however, is Commonwealth’s receipt of its authorization to export LNG to non-FTA nations, which has been pending with DOE/FECM for nearly four years. Accordingly, Commonwealth respectfully requests DOE/FECM grant Commonwealth’s pending non-FTA export authorization application in DOE/FECM Docket No. 19-134-LNG without delay.

If you have any questions regarding this filing, please contact me at (202) 778-9014 or at david.wochner@klgates.com.

Best regards,



David L. Wochner

Counsel for Commonwealth LNG, LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was served this 31st day of August 2023 upon each person designated on the official service list compiled by the Secretary in this proceeding.

/s/ Timothy J Furdyna

Timothy J Furdyna

Counsel for Commonwealth LNG, LLC

**UNITED STATES OF AMERICA
BEFORE THE DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT**

In the Matter of)
) **FECM Docket No. 19-134-LNG**
Commonwealth LNG, LLC)

VERIFICATION

I, Farhad Ahrabi, declare that I am President and CEO of Commonwealth LNG, LLC, and am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information, and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Houston, Texas on August 31, 2023.

/s/ Farhad Ahrabi

Farhad Ahrabi
President and CEO
Commonwealth LNG, LLC