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K&L GATES

David L. Wochner
david.wochner@klgates.com

T +1 202 778 9014
F +1 202 778 9100

June 24, 2020

Ms. Amy Sweeney
Acting Director, Division of Analysis and Engagement
Office of Regulation, Analysis and Engagement
Office of Fossil Energy, United States Department of Energy
FE-34
1000 Independence Avenue, SW
Washington, DC 20585

**Re: *Magnolia LNG, LLC*, DOE/FE Dkt. No. 12-183-LNG, DOE/FE Order Nos. 3245/3245-A
Magnolia LNG, LLC, DOE/FE Dkt. No. 13-131-LNG, DOE/FE Order Nos. 3406/3406-A
Magnolia LNG, LLC, DOE/FE Dkt. No. 13-132-LNG, DOE/FE Order Nos. 3909
Statement and Notice of Change in Control**

Dear Ms. Sweeney:

Magnolia LNG, LLC (“Magnolia”) hereby submits the following statement and notice of proposed change in control with respect to its now-former parent company, Liquefied Natural Gas Limited (“LNGL”), a publicly listed Australian company. As outlined below, Magnolia respectfully requests that the U.S. Department of Energy (“DOE”) Office of Fossil Energy (“DOE/FE”) amend Magnolia’s existing authorizations to export domestically produced liquefied natural gas (“LNG”) to countries with which the United States has a free trade agreement requiring the national treatment of natural gas (“FTA Nations”) and to countries with which the United States does not have a Free Trade Agreement requiring the national treatment of natural gas (“Non-FTA Nations”). Magnolia further requests that DOE/FE accept this statement and notice of proposed change in control as an amendment to Magnolia’s pending Non-FTA application in docket 13-132-LNG.

Background

Magnolia plans to construct the Magnolia LNG Terminal in Calcasieu Parish, Louisiana (the “Magnolia LNG Project”), and has applied for and holds various DOE/FE authorizations to export LNG from such facility, as described below.

On December 18, 2012, Magnolia requested authorization from DOE/FE to export approximately 0.54 billion cubic feet per day (“Bcf/d”) of natural gas as LNG to any FTA Nation on its own behalf and as an agent for others (DOE/FE Docket No. 12-183-LNG). DOE/FE granted Magnolia’s application on February 26, 2013 under DOE/FE Order No. 3245 (the “Original FTA Authorization”).¹

On October 15, 2013, Magnolia requested authorization from DOE/FE to export an additional 0.54 Bcf/d of natural gas as LNG to any FTA Nation on its own behalf and as an agent for others (DOE/FE Docket No. 13-131-LNG). DOE/FE granted Magnolia’s application on March 5, 2014, under DOE/FE Order No. 3406 (the “Supplemental FTA Authorization” and together with the Original FTA Authorization, the “FTA Authorizations”).²

On October 15, 2013, Magnolia also requested authorization from DOE/FE to export approximately 1.08 Bcf/d of natural gas as LNG to any Non-FTA Nation on its own behalf and as an agent for others (DOE/FE Dkt. No. 13-132-LNG). On November 30, 2016, DOE/FE granted Magnolia’s application under DOE/FE Order No. 3909 (the “Non-FTA Authorization”),³ after the Federal Energy Regulatory Commission (“FERC”) issued its order pursuant to Section 3 of the Natural Gas Act authorizing the Magnolia LNG Project and associated pipeline project (the “FERC Order”).⁴

On November 19, 2018, Magnolia filed an application with FERC in Docket No. CP19-19 requesting a limited amendment to its existing FERC Order to increase the maximum authorized total LNG production capacity to 8.8 million metric tons per annum or approximately 1.23 Bcf/d. On December 31, 2018, Magnolia submitted an application to DOE/FE to amend each of the existing FTA and Non-FTA Authorizations to increase the authorized export volume to 1.23 Bcf/d to FTA and Non-FTA countries. On March 21, 2019, DOE/FE issued an order authorizing the increased export volumes to FTA Nations under DOE/FE Order Nos. 3245-A and 3406-A.⁵ On June 18, 2020, FERC approved Magnolia’s application to increase its maximum LNG production capacity. The application to amend to its Non-FTA Authorization (the “Pending Non-FTA Amendment”) remains pending before DOE/FE, respectively.⁶

Under DOE’s regulations, an authorization to import or export natural gas may not be transferred or assigned unless authorized by the Assistant Secretary for Fossil Energy or a DOE employee who has been delegated final decisional authority.⁷ As a result, DOE has established procedures by which import or export authorization holders must notify the agency of a change in control (the “CIC Procedures”).⁸ Pursuant to the CIC Procedures, “a rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10 percent or more of the voting securities of an

¹ *Magnolia LNG, LLC*, DOE/FE Order No. 3245 (Feb. 26, 2013).

² *Magnolia LNG, LLC*. DOE/FE Order No. 3406 (Mar. 5, 2014).

³ *Magnolia LNG, LLC*, DOE/FE Order No. 3909 (Nov. 30, 2016).

⁴ *Magnolia LNG, LLC et al.*, 155 FERC ¶ 61,033 (2016).

⁵ *Magnolia LNG, LLC*, DOE/FE Order Nos. 3245-A and 3406-A (Mar. 21, 2019).

⁶ On June 11, 2020, FERC issued the Sunshine Act Meeting Notice agenda for its monthly commissioners meeting to be held on Thursday, June 18, 2020. Magnolia LNG is included on the agenda as Item No. C-5.

⁷ 10 C.F.R. §§ 590.102(a) and 590.405 (2019).

⁸ 79 Fed. Reg. 65541, 65542 (Nov. 5, 2014).

entity.”⁹ Entities must file a notice of change in control to DOE/FE before or after the consummation of a change in control, but no later than 30 days after the change has been effectuated.

Pursuant to the CIC Procedures, for FTA authorizations, DOE/FE will give immediate effect to the change in control upon receipt of the notice and take no further action. For Non-FTA authorizations, under the CIC Procedures, DOE will give immediate effect to the amendment, but will accept and consider motions to intervene, protest, and answer the statement of change in control by issuing a federal register notice and holding a 15-day comment period. If no interested person protests the change in control and DOE takes no action, the amendment will be deemed granted 30 days after such notice. If any protests are submitted, DOE/FE will review such protests and “issue a determination as to whether the proposed change in control has been demonstrated to render the underlying authorization inconsistent with the public interest.”¹⁰

The CIC Procedures further provide that for pending Non-FTA applications, DOE/FE will give immediate effect to the proposed change in control, but will accept and consider answers to the notice of amendment received within 15 days of service of the applicant’s pleading. In its final order, DOE/FE will address any issues raised in such answers. Absent demonstration by an opponent or DOE/FE’s independent finding that the proposed change renders the underlying application inconsistent with the public interest, DOE/FE will not take further action on the change in control and the amendment will continue to be given effect.

Description of Relevant Transaction

Magnolia is a limited liability company organized under the laws of Delaware. At the time that Magnolia filed each of the applications described above, Magnolia was a wholly owned indirect subsidiary of LNGL, a publicly listed Australian company. On May 26, 2020, LNGL transferred all of its interest in Magnolia to Magnolia LNG Holdings, LLC, a Delaware limited liability company (“Magnolia Holdings”), for valuable consideration, such that Magnolia Holdings now holds one hundred percent (100%) of the membership interests in Magnolia (the “Transaction”). Therefore, effective as of the closing of the Transaction, Magnolia Holdings is the sole owner of Magnolia. Magnolia Holdings is wholly owned by Glenfarne Infrastructure Holdings, LLC, which in turn is wholly owned by Glenfarne Group, LLC, a New York-based developer, owner-operator and industrial manager of energy and infrastructure assets.

Statement and Notice of Change in Control

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

Consistent with the CIC Procedures, Magnolia respectfully requests that DOE/FE (1) give immediate effect to this filing and amend the FTA Authorizations issued in DOE/FE Order Nos. 3245/3245-A and 3406/3406-A with no need for further action; (2) give immediate effect to the change in ownership with respect to the Non-FTA Authorization issued in Order No. 4028, publish notice of the proposed change in

⁹ *Id.*

¹⁰ *Id.*

control in the Federal Register and, assuming no contrary determination, take no further action; and (3) publish a notice of change in control with respect to the Pending Non-FTA Amendment in the Federal Register and if any protests are filed, address the issues raised therein in the final order on the pending application.

Thank you for your attention to this matter. Please contact the undersigned with any questions regarding the issues described above.

Best regards,

A handwritten signature in black ink, appearing to read "D. L. Wochner". The signature is fluid and cursive, with the first name "D" being particularly large and stylized.

David L. Wochner
Counsel for Magnolia LNG, LLC