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September 22, 2020

By Electronic Mail

Ms. Amy Sweeney
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Attention: Sabine Pass Liquefaction, LLC
FE Docket Nos. 10-85-LNG, 10-111-LNG, 13-30-LNG, 13-42-LNG,
13-121-LNG, 14-92-LNG, 15-63-LNG, 18-85-LNG,
19-125-LNG, 19-133-LNG, and 20-28-LNG
Notification Regarding Change in Indirect Equity Ownership

Dear Ms. Sweeney:

Pursuant to the authorizations to export and import natural gas issued by the Department of Energy, Office of Fossil Energy (“DOE/FE”) in the above-captioned proceedings and the “Procedures for Changes in Control Affecting Applications and Authorizations To Import or Export Natural Gas,”¹ Sabine Pass Liquefaction, LLC (“SPL”) provides notification of a transaction in which companies affiliated with The Blackstone Group, Inc. (“Blackstone”) plan to sell a portion of their limited partner ownership interest in Cheniere Energy Partners, L.P. (“CQP”), which is the indirect owner of SPL, to an affiliate of Brookfield Asset Management Inc. (“Brookfield”), with the remainder to be acquired by affiliated Blackstone entities. This transaction – which remains subject to certain conditions but is expected to close by the end of the third quarter of 2020 – likely gives rise to a rebuttable presumption of a change in control under the CIC Procedures. As detailed below, however, there will be no actual change in control of SPL and, in any event, the transaction in no way will affect DOE/FE’s determinations regarding natural gas exports (or imports) by SPL, which remain consistent with the public interest.

¹ 79 Fed. Reg. 65,541 (Nov. 5, 2014) (the “CIC Procedures”).

Background Regarding SPL and Its Authorizations

SPL, a Delaware limited partnership with its principal place of business in Houston, Texas, currently operates five natural gas liquefaction trains at its liquefied natural gas (“LNG”) Terminal facility located on the Sabine-Neches Waterway in Cameron Parish, Louisiana, the largest LNG export facility in the United States and one of the largest in the world. SPL is currently constructing a sixth train at the Terminal, which will increase its total nominal LNG production capability to approximately 30 million tonnes per annum. The Terminal facilities also include vaporizers with regasification capacity of approximately 4 billion cubic feet (“Bcf”) per day, five LNG storage tanks, and two marine berths. SPL began exporting LNG from its Terminal in February 2016, and more than 1,025 LNG cargoes totaling over 70 million tonnes of LNG have been exported from the SPL Terminal through July 31, 2020.

SPL holds a series of long-term authorizations issued by DOE/FE to export LNG from the SPL Terminal to both countries with which the U.S. has a free trade agreement requiring national treatment for trade in natural gas (“FTA countries”) and other countries with which trade is not prohibited by U.S. law or policy (“non-FTA countries”). The long-term export authorizations for SPL were issued by DOE/FE in the following orders:

- DOE/FE Order No. 2833, authorizing the export of 803 Bcf per year (“Bcf/yr”) from Trains 1-4 to FTA countries;²
- DOE/FE Order No. 2961-A, authorizing the export of 803 Bcf per year from Trains 1-4 to non-FTA countries;³
- DOE/FE Order No. 3306, authorizing the export of 101 Bcf/yr from Trains 5 and 6 to FTA countries;⁴
- DOE/FE Order No. 3307, authorizing the export of 88.3 Bcf/yr from Trains 5 and 6 to FTA countries;⁵

² *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2833, FE Docket No. 10-85-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Free Trade Nations (Sept. 7, 2010).

³ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 2961-A, FE Docket No. 10-111-LNG, Final Opinion and Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Sabine Pass LNG Terminal to Non-Free Trade Agreement Nations (August 7, 2012) and Errata (Sept. 4, 2012).

⁴ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3306, FE Docket No. 13-30-LNG, Order Granting Authorization to Export Liquefied Natural Gas by Vessel Pursuant to the Long-Term Contract with Total Gas & Power North America, Inc. from the Sabine Pass LNG Terminal to Free Trade Agreement Nations (Jul. 11, 2013); *see also Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3306-A, 3307-A, 3384-A, and 3669-B, FE Docket Nos. 13-30-LNG, 13-42-LNG, and 13-121-LNG (Consolidated), Order Granting Withdrawal of Filing and Request for Clarification (Oct. 31, 2017).

⁵ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3307, FE Docket No. 13-42-LNG, Order Granting Authorization to Export Liquefied Natural Gas by Vessel Pursuant to the Long-Term Contract with Centrica plc

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- DOE/FE Order No. 3384, authorizing the export of 314 Bcf/yr from Trains 5 and 6 to FTA countries;⁶
- DOE/FE Order No. 3595, authorizing the export of 203 Bcf/yr from Trains 1-4 to FTA countries;⁷
- DOE/FE Order No. 3669-B, authorizing the export of 503.3 Bcf/yr from Trains 5 and 6 to non-FTA countries;⁸
- DOE/FE Order No. 3792, authorizing the export of 203 Bcf/yr from Trains 1-4 to non-FTA countries;⁹ and
- DOE/FE Order No. 4520, authorizing the export of 152.64 Bcf/yr from any of Trains 1-6 to FTA countries.¹⁰

Under the terms of these long-term export authorizations, the FTA and non-FTA volumes are not additive to one another. Thus, in total, SPL is currently authorized by its long-term authorizations to export from Trains 1-6 at its Terminal a total volume of LNG equivalent to 1,661.94 Bcf/yr of natural gas to FTA countries and 1,509.3 Bcf/yr to non-FTA countries.¹¹ SPL's application to increase its long-term authorization for exports to non-FTA countries by an

from the Sabine Pass LNG Terminal to Free Trade Agreement Nations (Jul. 12, 2013); *see also Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3306-A, 3307-A, 3384-A, and 3669-B, FE Docket Nos. 13-30-LNG, 13-42-LNG, and 13-121-LNG (Consolidated), Order Granting Withdrawal of Filing and Request for Clarification (Oct. 31, 2017).

⁶ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3384, FE Docket No. 13-121-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal to Free Trade Agreement Nations (Jan. 22, 2014); *Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3384, 3595, FE Docket Nos. 13-121-LNG, 14-92-LNG, Errata (Feb. 24, 2015); *see also Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3306-A, 3307-A, 3384-A, and 3669-B, FE Docket Nos. 13-30-LNG, 13-42-LNG, and 13-121-LNG (Consolidated), Order Granting Withdrawal of Filing and Request for Clarification (Oct. 31, 2017).

⁷ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3595, FE Docket No. 14-92-LNG, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal in Cameron Parish, Louisiana, to Free Trade Agreement Nations (Feb. 12, 2015); *Sabine Pass Liquefaction, LLC*, DOE/FE Order Nos. 3384, 3595, FE Docket Nos. 13-121-LNG, 14-92-LNG, Errata (Feb. 24, 2015).

⁸ *See Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3669, FE Docket Nos. FE Docket Nos. 13-30-LNG, 13-42-LNG, and 13-121-LNG (Consolidated), Final Opinion and Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations (June 26, 2015).

⁹ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 3792, FE Docket No. 15-63-LNG, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Sabine Pass LNG Terminal Located in Cameron Parish, Louisiana, to Non-Free Trade Agreement Nations (Mar. 11, 2016).

¹⁰ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4520, FE Docket No. 19-25-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations (April 14, 2020).

¹¹ On September 3, 2020, SPL filed to extend the term of its existing authorizations consistent with DOE/FE Policy Statement, *Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050*, 85 Fed. Reg. 52237 (Aug. 25, 2020).

additional 152.64 Bcf/yr – which will result in equivalent authorized volumes for both FTA and non-FTA countries – remains pending in FE Docket No. 19-25-LNG.¹²

SPL also holds two short-term blanket export authorizations. The first authorizes SPL to export domestically produced LNG from the Terminal to FTA and non-FTA countries in a volume equivalent to 600 Bcf of natural gas (which is not additive to the authorized long-term volumes) over the two-year period expiring on January 15, 2022.¹³ The second authorizes SPL to export LNG that was previously imported from foreign sources in a volume equivalent to 500 Bcf of natural gas over the two-year period expiring on June 7, 2022.¹⁴

Finally, SPL holds a short-term authorization to import LNG from various international sources by vessel in a total volume equivalent to approximately 1,600 Bcf of natural gas for a two-year term expiring January 28, 2021.¹⁵ Under the terms of that authorization, SPL may import the LNG at any LNG receiving terminal in the United States or its territories.

Background Regarding the CIC Procedures

The DOE/FE authorizations detailed above, and the general policies detailed in the CIC Procedures, require SPL to obtain DOE/FE approval of any “change in control.” The CIC Procedures require notification within thirty days after any change in control of the holder of an export or import authorization is effectuated, while adding that notices may also be filed prior to the change being effectuated. SPL has elected to provide DOE/FE with this notice in advance of the closing of the transaction described below, to promote certainty.

DOE/FE’s regulations at 10 C.F.R. Section 590.405 state that authorizations to import or export natural gas shall not be transferable or assignable unless specifically authorized by the Assistant Secretary for Fossil Energy. In applying Section 590.405, DOE/FE has stated that a change in control of an authorization holder may occur through asset sale or stock transfer or by

¹² SPL filed its application in FE Docket No. 19-25-LNG on September 27, 2019, requesting both FTA and non-FTA authorizations for this additional volume of 152.64 Bcf/yr. The DOE/FE in its Order No. 4520, *supra.*, granted the authorization for FTA countries and explained that exports to non-FTA countries will be addressed in a separate order, consistent with the public notice issued at 84 Fed. Reg. 61,142 (Nov. 26, 2019).

¹³ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4487, FE Docket No. 19-133-LNG, Order Granting Blanket Authorization to Export Liquefied Natural Gas to Free Trade and Non-Free Trade Agreement Nations (Jan. 15, 2020).

¹⁴ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4545, FE Docket No. 20-28-LNG, Order Granting Blanket Authorization to Export Previously Imported Liquefied Natural Gas By Vessel to Free Trade and Non-Free Trade Agreement Nations (Jan. 15, 2020).

¹⁵ *Sabine Pass Liquefaction, LLC*, DOE/FE Order No. 4218, FE Docket No. 18-85-LNG, Order Granting Blanket Authorization to Import Liquefied Natural Gas from Various International Sources by Vessel (July 24, 2018). On September 3, 2020, SPL filed an application for a new blanket import authorization for a term to begin contemporaneous with the expiration of this authorization.

other means. The CIC Procedures explain that DOE/FE construes a change in control to mean a change, directly or indirectly, of the power to direct the management or policies of an entity, whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means. Finally, DOE/FE has explained that a rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, ten percent or more of the voting securities of an entity.

The CIC Procedures provide that, for existing FTA long-term export authorizations and import authorizations, DOE will give immediate effect to a change in control upon receipt of the notification and take no further action. With respect to previously issued non-FTA long-term export authorizations and pending applications for such authorizations, DOE similarly will give immediate effect to a change in control and then will publish notice of the change in the Federal Register, allowing fifteen days for interventions, comments or answers. If no protests are filed and DOE/FE takes no action of its own on the notification, authorization for the change is deemed granted thirty days after publication of the notice in the Federal Register. If protests are submitted, DOE/FE then will issue a determination whether a change in control has been demonstrated by the protestor(s) to render the underlying authorization inconsistent with the public interest.

SPL Ownership and the Planned Transaction

SPL is a wholly-owned, indirect¹⁶ subsidiary of CQP, which is a publicly traded Delaware limited partnership. The general partner interest in CQP is owned by Cheniere Energy Partners GP, LLC, which is a wholly-owned indirect subsidiary of Cheniere Energy, Inc. (“Cheniere”), a publicly traded corporation. As of August 31, 2020, the limited partnership interest in CQP was owned approximately 49.6% by Cheniere, about 8.5% by the public, and 42% by Blackstone though various affiliated entities involved in the transaction described below.¹⁷

On August 22, 2020, certain Blackstone entities agreed to sell a portion of their limited partner ownership interest in CQP, indirect owner of SPL, to certain Brookfield entities, with the remainder to be acquired by affiliated Blackstone entities. Specifically, BX CQP SuperHoldCo Holdings Manager L.L.C., BX CQP Common Holdco Holdings Manager L.L.C. and BX Rockies

¹⁶ SPL is wholly-owned by Sabine Pass LNG-LP, LLC, which itself is wholly-owned by Cheniere Energy Investments, LLC, which in turn is wholly-owned by CQP.

¹⁷ As of August 31, 2020, CQP had 484,016,623 common units representing limited partner interests outstanding. Cheniere (through its subsidiary Cheniere Energy Partners LP Holdings, LLC) holds 239,872,502 common units, which equates to 49.56% of the common units/limited partner interests outstanding. Based on the Schedule 13D/A filed by Blackstone with the Securities and Exchange Commission on August 24, 2020, BX CQP Target Holdco L.L.C. (the holding company being sold in the Transaction) holds 203,240,752 common units, which equates to approximately 41.99% of the common units/limited partner interests outstanding. See <https://www.sec.gov/Archives/edgar/data/1383650/000119312520227719/d24326dsc13da.htm>

Platform Co Holdings Manager L.L.C. agreed to sell all of the limited liability company interests in BX CQP Target Holdco L.L.C., which in turn owns all of the equity interests in each of BX CQP SuperHoldCo Parent L.P., BX CQP Common Holdco Parent L.P. and BX Rockies Platform Co LLC (each of which directly or indirectly beneficially owns CQP common units), to an entity jointly owned by BIP Aggregator Q L.P., a Delaware limited partnership, BIP Aggregator II L.P., a Delaware limited partnership (together with BIP Aggregator Q L.P., “Blackstone Infrastructure Partners”) and BIF IV Cypress Aggregator (Delaware) LLC, a Delaware limited liability company (“Brookfield Infrastructure”) (the “Transaction”). Following the closing of the Transaction, Blackstone Infrastructure Partners and Brookfield Infrastructure are expected to directly or indirectly own 50.01% and 49.99% of the equity interests in BX CQP Target Holdco L.L.C., respectively.¹⁸ Thus, the Blackstone and Brookfield entities will jointly own the approximately 42 percent of CQP limited partnership interest currently held by Blackstone, without modifying the other existing ownership of limited partner or general partner interests in CQP.

Following the Transaction closing, by virtue of Blackstone Infrastructure Partners’ and Brookfield Infrastructure’s respective governance rights over BX CQP Target Holdco L.L.C., they may be deemed to share beneficial ownership of all of the CQP common units that are now beneficially owned by Blackstone. As a result, Blackstone Infrastructure Partners and Brookfield Infrastructure will share certain limited governance rights, including the exercise of director nomination rights held by Blackstone with respect to the board of the general partner of the SPL and of Cheniere.

Stated more colloquially, Blackstone has agreed to sell just under half of its ownership interest in its affiliated entities that own limited partnership interests in CQP to Brookfield Infrastructure, while different Blackstone entities (Blackstone Infrastructure Partners) will acquire the remainder. As a result, the CQP limited partnership interest and associated rights currently held by Blackstone will be shared, following the close of the Transaction, by Blackstone (albeit different affiliated entities) and Brookfield. The combined ownership and rights of the Blackstone and Brookfield entities in CQP, and thus indirectly in SPL, will be the same as those currently held by Blackstone.

¹⁸ In the event that Blackstone Infrastructure Partners is unable to consummate the Transaction, Brookfield Infrastructure will have the option to acquire the remaining 50.01% interest in BX CQP Target Holdco L.L.C. from the current owners of BX CQP Target Holdco L.L.C., subject to certain conditions. Similarly, in the event that Brookfield Infrastructure is unable to consummate the Transaction, Blackstone Infrastructure Partners will have the option to acquire the remaining 49.99% interest in BX CQP Target Holdco L.L.C. from the current owners of BX CQP Target Holdco L.L.C., subject to certain conditions. In the event of such an occurrence, SPL shall notify DOE/FE in a separate filing of any difference in the resulting ownership of the CQP limited partnership interests from that detailed here.

Application of the CIC Procedures to the Transaction

Upon the closing of the Transaction, Brookfield will acquire indirect ownership of more than ten percent of the limited partnership interest in CQP, the indirect owner of SPL, which likely gives rise to a rebuttable presumption of a change in control under the CIC Procedures. The change in CQP interests between different Blackstone entities might also be deemed to give rise to such a rebuttable presumption. Any such presumption, however, is rebutted by the facts here, as there will be no actual change in control of SPL for a number of reasons.

First, SPL itself will remain the holder of all the DOE/FE authorizations, and there will be no change in the direct ownership of SPL itself. Second, the general partner interest in CQP remains owned by Cheniere Energy Partners GP, LLC, an indirect subsidiary of Cheniere. The Transaction will not affect the CQP general partner interest, and the unchanged general partner will continue to direct the management and policies of SPL just as it has previously. Third, the Transaction will not change SPL's operations or its export or import arrangements. Fourth, the Transaction will result only in a sharing by Blackstone and Brookfield of certain rights in the limited partnership interest of SPL's indirect owner that have historically been held by Blackstone alone. Notably, DOE/FE held in 2018 that a series of transactions that resulted in Blackstone's current limited partnership interest in CQP did not constitute a change in control of SPL.¹⁹ The same conclusion should apply here when that interest is being transferred to Brookfield and different Blackstone entities.

If and to the extent that Brookfield's indirect acquisition of a portion of the CQP limited partnership interest previously held by Blackstone (or the change in Blackstone entities) nevertheless is deemed by DOE/FE to constitute a "change in control," that ownership change provides absolutely no basis to question the DOE/FE decisions to authorize LNG exports (and imports) by SPL. DOE/FE has consistently approved changes of control in the absence of a demonstration that the change impacts the public interest considerations it evaluated when issuing its authorizations.²⁰ These changes in ownership of a minority of CQP's limited partnership interests will not in any way alter the public interest considerations addressed in any of DOE/FE's authorizations for SPL.

¹⁹ See DOE/FE response to notification by Sabine Pass Liquefaction, LLC concerning earlier changes in the ownership of CQP issued in FE Docket Nos. 10-85-LNG, *et al.*, dated February 20, 2018

²⁰ *E.g.*, *Freeport LNG Expansion, L.P., et al.*, Order Approving Change in Control in Export Authorization, DOE/FE Order No. 3495 (Sept. 23, 2014); *Cameron LNG, LLC*, Order Approving Change in Control in Export Authorization, DOE/FE Order No. 3452 (June 27, 2014); DOE/FE response regarding notice of change of control of Jordan Cove Energy Project, LP issued in FE Docket Nos. 11-127-LNG and 12-32-LNG, dated July 20, 2018; DOE/FE response regarding notice of change of control of Delfin LNG, LLC issued in FE Docket Nos. 13-147-LNG, dated March 11, 2019.

Brookfield is a global alternative asset manager with approximately \$550 billion in assets under management. Brookfield is one of the largest owners of critical and diverse global infrastructure, and has over 120 years of experience owning and operating assets with a focus on property, infrastructure, renewable power and other real property assets. The specific Brookfield entity acquiring the CQP limited partnership interest is a special purpose vehicle of a Brookfield managed open-ended infrastructure fund for which Brookfield makes investment decisions.

Brookfield's indirect acquisition of a portion of the CQP limited partnership interest previously owned by Blackstone (another leading global investment business, with over \$564 billion in assets under management) provides no basis to question the DOE/FE decisions to authorize LNG exports (or imports) by SPL. The same, of course, is true of the change in Blackstone entities owning CQP interests. The public interest considerations addressed by DOE/FE in the SPL authorizations did not focus in any way on indirect ownership interests in SPL. Nothing regarding DOE/FE's prior determinations related to the public interest in LNG exports (and imports) by SPL in any way affected by the Transaction.

Accordingly, in accordance with the CIC Procedures, DOE/FE should give effect to this notification upon receipt, to be effective upon the closing of the Transaction.²¹ That effect should be considered final upon receipt of this notice and no further action is needed with respect to the FTA long-term export authorizations detailed above, the FTA portion of SPL's blanket export authorizations, and SPL's import authorization. With respect to the non-FTA authorizations detailed above, as well as the non-FTA aspect of the pending application in FE Docket No. 19-25-LNG, DOE/FE should (if it deems it necessary) publish notice of this SPL notification in the Federal Register. Consistent with DOE/FE practice, the notice should provide fifteen days for interventions, comments or answers, and should state explicitly that, if no protests are filed and DOE/FE takes no action of its own on the notification, authorization for the change in ownership will be deemed granted thirty days after publication of the notice in the Federal Register. If any protest is submitted, DOE/FE then should issue a determination explaining either that there has been no change in control or, in any event, reaffirming that the authorized LNG exports by SPL remain not inconsistent with the public interest.

²¹ Counsel for SPL will notify DOE/FE once the Transaction closes, which is expected to occur by the end of third quarter of 2020.

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If you have any questions about this notification or related matters, please contact the undersigned counsel for SPL.

Sincerely,

/s/ J. Patrick Nevins

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