

FE Docket No.19-34-LNG Annova LNG

Date: 12-16-2020

To: fergas@hq.doe.gov

From: John Young, MS (Psychology), MSW (Social Work), Retired
ForJohnAndBarbara@gmail.com
34515 FM 1577
San Benito TX 78586-6806

Re: "Annova LNG Common Infrastructure, LLC; Application To Amend Export Term Through December 31, 2050, for Existing Non-Free Trade Agreement Authorization," Federal Register, 12-01-2020, Federal Register :: Annova LNG Common Infrastructure, LLC; Application To Amend Export Term Through December 31, 2050, for Existing Non-Free Trade Agreement Authorization

Note: Copy attached below as well.

An active member of SAVE RGV from LNG since May 2014, I registered as an Annova LNG Docket Number CP16-480-000 Intervenor on 08-17-2016 (https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20160817-5334).

I remain opposed to the proposed Annova LNG project and am opposed to the automatic extension of its Non-FTA export authorization to 12-31-2050 based solely on DOE's policy statement entitled, "Extending Natural Gas Export Authorizations to Non-Free Trade Agreement Countries Through the Year 2050."

Although I oppose the US export of LNG, I believe that the overabundance of permitted projects will be more detrimental to such projects as a whole. A weeding out of the less desirable projects (in terms of social costs) and projects less likely to succeed would better focus the funding for such projects and better position them in the global LNG markets.

As Al Gore recently pointed out,

In November of next year, all of the signatories to the Paris Agreement will meet in Glasgow with a mandate to reduce greenhouse gas emissions much faster than they pledged to do in 2015. What will be new in Glasgow is transparency: By the time the delegates arrive, a new monitoring effort made possible by an array of advanced technologies will have precisely measured the emissions from every major source of greenhouse gases in the world, with most of that data updated every six hours. ["Al Gore: Where I find peace," Al Gore, 12-12-2020, Opinion, The New York Times, Opinion | Al Gore: I Have Hope on the Climate Crisis. America Must Lead. - The New York Times (nytimes.com)]

So if it's really in the US Public Interest to maximize LNG exports in the LNG markets complying with the Paris Agreement with increased data on the GHG emissions related to the US produced LNG, it's best to focus on moving forward those projects most compliant with the Paris Agreement and best able to operate under such technologically ramped up scrutiny

without being dragged down by looser projects unlikely to succeed under these new conditions.

Especially since it seems increasingly unlikely that none of the FERC approved new build LNG projects are likely to succeed under these conditions and other constraints and challenges as described in "Over three quarters of new LNG supply could be impacted in 2-degree world," Wood Mackenzie, 12-09-2020, Over three quarters of new LNG supply could be impacted in 2-degree world | Wood Mackenzie.

Annova LNG, a new build project with a proposed greenfield although commercially zoned project site, applied for a FERC permit on 07-13-2016 but didn't get its FERC permit (presently challenged in Federal Court by Sierra Club et al, oral arguments pending) until 11-22-2019. Most recently it moved its anticipated FID on the project 11-01-2021. In the meantime, it has yet to initiate even any preliminary preconstruction activities on its proposed site and has not yet specified when it might start such preliminary activities

It doesn't anticipate starting commercial operations until 11-19-2025 in stages (the fourth and final stage of which is to be completed 11-01-2026. All according to its present project schedule available at our-project-timeline-chart-0820-1566x1173-1.jpg (1566x1175) (annovalng.com).

In addition, it hasn't yet secured any firm offtake commitments for any of the LNG it proposes to produce.

And there are questions about exactly how its to get the natural gas its to turn into LNG. Originally it seemed that it anticipated getting its feedgas from Enbridge's Valley Crossing Pipeline. Then it said it would be getting a 3rd party to construct, own, and operate the needed pipeline. Then Enbridge bought a 10.5 percent ownership interest in the project and agreed to provide the feedgas needed for a period of 20 years.

However, on 11-04-2020 Enbridge told FERC that its Valley Crossing Pipeline remains full subscribed by end users in Mexico:

As stated in Rio Bravo's September 11, 2020 Response to Comments Received During Scoping Period, and in filings submitted by Valley Crossing Pipeline to FERC, an unrelated third-party shipper has contracted for all of the firm transportation capacity on the Valley Crossing Pipeline. The FEIS's assumption that the Valley Crossing Pipeline's volume was fully subscribed by end users in Mexico was accurate when the FEIS was prepared, and that remains accurate at present. As a result, any transportation service that could be obtained from Valley Crossing Pipeline would be on an interruptible basis only. Given the lack of available firm capacity, the Valley Crossing Pipeline is not capable of transporting either the entire required capacity, or even a portion of the required capacity, on a firm basis. ["Rio Bravo Pipeline Company, LLC Rio Bravo Pipeline Project Amendment Docket No. CP20-481-000 Response to October 15, 2020 Environmental Data Request," 11-04-2020, https://elibrary.ferc.gov/eLibrary/filelist?accession_num=20201104-5099]

In addition, Texas LNG has made repeated claims that it too will be getting its feedgas by means of a lateral interconnect to the Valley Crossing Pipeline:

- Texas LNG will be connected to Agua Dulce via the existing Valley Crossing Pipeline
 - 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

["Texas LNG Overview And Update," July 2020,
<https://www.txlng.com/images/TexasLNG-Overview-website.pdf>]

And Andalusian Energy (CP20-496-000) claims it will be getting its feedgas from Valley Crossing as well:

Andalusian envisions a natural gas compression and container-loading facility at the Texas port of Brownsville that would receive gas from Valley Crossing Pipeline. The CNG would be loaded on containers and trucked to nearby docks for export.

["US developer targets Latin America for gas export project," Bnamericas, 07-22-2020,
<https://www.bnamericas.com/en/news/us-developer-targets-latin-america-for-gas-export-project>]

Under the current design, the Facility will receive natural gas by pipeline delivered by Valley Crossing Pipeline, LLC ("VCP"), an intrastate pipeline owned and operated by Enbridge Inc.

[Andalusian Energy, LLC, Docket No. CP20-____-000 Petition for Declaratory Order, 07-20-2020, https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20200720-5132]

And NextDecade says that Enbridge has agreed to meet Rio Grande LNG's natural gas needs by means of its Valley Crossing Pipeline as needed until 12-31-2023 (NextDecade's 05-18-2020 Form 10-Q for the first quarter of 2020, https://www.sec.gov/Archives/edgar/data/1612720/000143774920011074/next20200331_10q.htm).

The Public Need And Necessity for the Annova LNG project requires a demonstration of market demand for the LNG it's to produce by at least one firm offtake commitment before it's Non-FTA export authorization is extended to 12-31-2050.

In addition, a clarification is urgently needed regarding the tangle of diverse claims, including Annova LNG's claim, on the Valley Crossing Pipeline -- they end users in Mexico, , Rio Grande LNG, Texas LNG, and Andalusian Energy in addition to Annova LNG. Before Annova LNG's Non-FTA export authorization is extended to 12-31-2050.

Because of Annova LNG's proposed site location being undisturbed native habitat zoned commercial but in or within a gap in a binational wildlife corridor etc, an Environmental Assessment review would also be appropriate before Annova LNG Non-FTA export authorization is extended to 12-31-2050. Especially given that the elimination of NEPA DOE reviews of such projects doesn't become effective until 01-04-2021.

Again, the way DOE is trying to float all the LNG boats it can by removing as many permitting requirements as it can, by pushing the limits if not actually overreaching its limits of authority, will harm more than help the sale of US LNG to other countries and will hurt our national economy due to all the investments lost on dead end projects and the possible collapse of the LNG export part of our economy.

John Young, MS (Psychology), MSW (Social Work), Retired
34515 FM 1577
San Benito TX 78586-6806
956-371-4401
12-16-2020