

# LNG Export Projects Update

## PROJECTS UNDER CONSTRUCTION

### ■ Cameron LNG - Trains 1-3 (Sempra and Partners)

Cameron LNG said in a Jan. 28 [Facebook Post](#) that it had taken delivery and installed the first large equipment for the liquefaction project. That day, the brazed aluminum heat exchanger manufactured by Sumitomo of Japan arrived onsite and was installed on its foundations on Train 1. Air coolers from Sewoon of Korea also arrived at the dock and were placed in the laydown area to await later installation.

### ■ Cheniere Sabine Pass - Trains 1-4

Cheniere Energy said in a [Statement](#) on Jan. 14 that it expects to export the first LNG cargo from Sabine Pass in late Feb. or Mar. 2016 (instead of Jan.) “Construction for Train 1 was completed well ahead of the guaranteed contractual schedule and within budget. However, instrumentation issues were discovered during the final phases of plant commissioning and cool down that will require some additional work over the next few weeks.”

In a [News Release](#) issued on Jan. 25, Cheniere said it has engaged 13 financial institutions to act as “Arrangers” to assist in the structuring and arranging of senior secured credit facilities in of ≈\$2.8 billion. Proceeds from these new credit facilities will be used to prepay the \$400 million senior secured term loan at Cheniere Creole Trail Pipeline, redeem or repay \$1.7 billion senior secured notes due 2016 and the \$420 million senior secured notes due 2020 that were issued by Sabine Pass LNG, and other purposes. Finally, on Jan. 26, in its [Dec. 2015 Report](#) to the Federal Energy Regulatory Commission (FERC)—on the status of construction of Sabine Pass—Cheniere stated that “actual project progress supports the achievement of substantial completion for Trains 1 and 2 by May 2016 and August 2016, respectively.” These dates are two months later than predicted in Sabine Pass LNG’s report covering construction activities through November 2015. The substantial completion dates for Trains 3 and 4 remain April 2017 and August 2017, respectively.



Photo: Baltimore Sun

### ■ Cheniere Corpus Christi - Trains 1-3

Cheniere’s Nov. 2015 [Progress Report](#) to FERC covering construction at its LNG export terminal in Corpus Christi, Tex., states that engineering has progressed to 92.1% complete, procurement to 39.6%, and construction to 1.4%. The total project is thus 27.7% complete.

### ■ Cove Point LNG (Dominion Resources)

According to the Dec. 2015 monthly [Progress Report](#) filed by Dominion with FERC on Jan. 20: engineering is now 97% complete, procurement 82% done, and construction 22% finished. A [The BayNet Story](#) on Jan. 19, also quoted Dominion spokesman Karl Neddenien, saying that the effort to build the \$3.8 billion [project] is ‘on schedule, on budget’ and is on pace to reach completion by the end of 2017.” Finally, according to [Law 360](#) (subscription), on Feb. 10, the environmentalists fighting Dominion in the U.S. Court of Appeals for the D.C. Circuit told the court that FERC “is stuck in the past and should be mining more sources for data before approving [LNG export] projects.”

### ■ **Freeport LNG - Trains 1-3**

Via [News Release](#), on Feb. 10, Williams Partners announced that it had executed long-term contracts with two shippers for Gulf Connector, an expansion of the company's Transco pipeline system to connect U.S. natural gas supplies with global LNG markets. Gulf Connector will deliver gas for "a shipper" in the Freeport LNG project near Freeport, Tex., and for Cheniere's Corpus Christi liquefaction project. On Feb. 13, Freeport also [announced](#) that it had selected Bryan Frey to serve as Vice President and Global Head of LNG Marketing. Frey will be responsible for "leading the ongoing commercialization and deal development for the company."

## PROJECTS IN FORMAL FERC/DOE REVIEW

### ■ **Calcasieu Pass (Venture Global)**

In a Feb. 09 [News Release](#), Venture Global said it had entered into a 20-year sales and purchase agreement with Shell LNG North America whereby Shell will purchase 1.0 mtpa of LNG from the proposed LNG export terminal on the Calcasieu Ship Channel in Cameron Parish, La. "on a free on board basis at a Henry Hub-linked purchase price plus a facility fee indexed to inflation." Venture Global's Calcasieu project is planned to have an output of 10 mtpa.

### ■ **Cameron LNG - Trains 4-5**

An [Environmental Assessment](#) for Cameron LNG's proposal to construct two additional liquefaction trains (4 and 5) at its LNG export terminal under construction near Hackberry, La, was released by FERC on Feb.

12. The EA concludes that, with recommended mitigation measures, construction of the project would not constitute a major federal action significantly affecting the quality of the human environment. Trains 4 and 5 would each have a maximum LNG production capacity of approx. 5 mtpa.

### ■ **Elba (Island) Liquefaction (Kinder Morgan)**

A Houston Chronicle [article](#) on Jan. 27 quoted Kinder Morgan (KMI) CFO Kimberly Dang saying that KMI was seeking to sell some of its equity position in the project near Savannah, Ga. Originally, KMI had a 51/49 partnership with Shell but KMI bought back Shell's equity in July, 2015. (Shell remains under contract to take all of the LNG.) Also, on Feb. 05 an [Environmental Assessment](#) was released by FERC for the Elba Island project. The EA concludes that if the project is built and operated as proposed (with certain mitigation measures) approval of the project "would not constitute a major federal action significantly affecting the quality of the human environment." FERC staff recommended that the project be authorized by the Commission.

### ■ **Golden Pass Products (ExxonMobil, Qatar Petroleum)**

Golden Pass Products (GPP) filed comments to the DOE in regard to the LNG studies looking into the macroeconomic impacts of increased LNG exports (from 12 to 20 billion cubic feet per day.) The Golden Pass comments stated that: "*GPP agrees with the 2015 LNG Export Study conclusion that LNG exports will be a net benefit to the United States. [...] Furthermore, it is noteworthy that in every case tested, including up to 28 Bcf/day of volume, LNG exports delivered net positive economic benefits to the United States. [...] The study's conclusions of net positive macroeconomic effects once again demonstrate that LNG exports are in the public interest.*" (Emphasis added.)

### ■ **Magnolia LNG (LNG Ltd.)**

According to a [News Release](#) on Feb. 01, Magnolia LNG and Meridian LNG have extended until Dec. 31, 2016, the financial close date of the liquefaction tolling agreement (LTA) announced in Jul. 2015. Under the LTA, Magnolia is to provide liquefaction services to Meridian for 20 years in return for monthly capacity payments. Meridian is responsible for procurement and delivery



## ABOUT US

LNG Allies is a nonprofit organization and advocacy coalition committed to creating a more liquid global natural gas marketplace, expanding fuel diversity, and enhancing energy security.

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of feed gas to the LNG plant and for arranging all LNG shipping to its customers. The LTA is for firm annual capacity of 1.7 mtpa with a further 0.3 mtpa offered at Magnolia's discretion. Meridian plans to deliver the LNG to Port Meridian, its Höegh LNG operated floating re-gasification terminal in the UK, with the gas delivered to Uniper Global Commodities S.E. (formerly E.ON Global Commodities S.E.). under a 20-year gas sales inked by Meridian and E.ON in Apr. 2015. That contract is for ≈5.3 mtpa for 20 years.

## CANADIAN PROJECTS USING US-SOURCED GAS

### ■ Bear Head LNG (LNG Ltd.)

DOE approved [Order 3770](#) (Feb. 05) permitting Bear Head LNG to import up 440 Bcf/year (or 1.2 Bcf/day) of natural gas produced in the United States for re-export to non-FTA nations. Bear Head intends to bring the U.S. natural gas to Nova Scotia via the Maritimes & Northeast (M&N) pipeline system. [The M&N pipeline system is a 690-mile long cross-border pipeline owned and operated by Maritimes & Northeast Pipeline, LLC, in the United States, and an affiliate, Maritimes & Northeast Pipeline LLP, in Canada. The M&N pipeline transports natural gas from a point near Goldboro, Nova Scotia, to the Canadian-United States border and through the northeastern states of Maine and New Hampshire, with one terminus in Dracut, Mass. and another in Beverly, Mass.] Bear Head intends to export an initial 8 mtpa from its four train facility in Nova Scotia. To download the Bear Head LNG News Release: [Click Here](#).

### ■ Goldboro LNG (Pieridae Energy)

On Feb. 05, DOE also approved [Order 3768](#) granting Pieridae Energy's application to export natural gas from the United States to Canada and, after liquefaction in Canada, to re-export the U.S.-sourced natural gas in the form of LNG to non-FTA countries in a combined total volume equivalent to 292 Bcf/year of natural gas, or 0.8 Bcf/d. Goldboro also intends to use the Maritimes & Northeast pipeline system. Pieridae's primary customer is Uniper Global Commodities S.E. To download the Pieridae News Release: [Click Here](#).

