

LNG Export Projects Update

LNG ALLIES AND OEM MEMBERS

■ Corpus Christi

The U.S. Court of Appeals for the D.C. Circuit issued a judgment (Nov. 4) denying Sierra Club's appeal of the Federal Energy Regulatory Commission's orders approving Cheniere Energy's Corpus Christi LNG export project in Corpus Christi, Texas. Citing its earlier opinion regarding the Freeport LNG terminal, the Court stated that: (1) FERC's National Environmental Policy Act (NEPA) analysis did not have to address the indirect effects of the anticipated export of natural gas because the Department of Energy, not FERC, has sole authority to license the export of any natural gas; (2) as to the cumulative effects, FERC's NEPA cumulative-impact analysis properly only considered the effect of the current project along with any other actions in the same geographic area as the project; and (3) as to Sierra Club's arguments regarding greenhouse gas emissions, the Court stated that it has already considered and rejected identical arguments.

■ Delfin LNG

Fairwood LNG reports that the U.S. Maritime Administration (MARAD) published a *Federal Register* notice (Nov. 28) related to the final environmental impact study (FEIS) for the Delfin LNG floating liquefaction and export facility to be located offshore of Cameron Parish, Louisiana. MARAD and the U.S. Coast Guard are the co-lead federal agencies reviewing the Delfin project. Under the Deepwater Port Act, a record of decision from MARAD is required on or before March 14, 2017. Public hearings on the FEIS are scheduled for Dec. 13 (Cameron, Louisiana) and Dec. 14 (Beaumont, Texas).

■ Port Arthur LNG

Sempra Energy announced (Nov. 29) that it has filed a formal application with FERC seeking authorization to site, construct, and operate the proposed Port Arthur LNG liquefaction facility along the Sabine-Neches Waterway in Southeast Texas. The FERC application



covers: two natural gas liquefaction trains capable of producing 13.5 mtpa; three LNG storage tanks; natural gas liquids and refrigerant storage; feed gas pre-treatment facilities; two berths and associated marine and loading facilities. A separate application was filed with FERC seeking authorization to construct natural gas pipelines to deliver natural gas to the project. Sempra signed a project development agreement with Woodside Energy in Feb. 2016 that provides a framework for the sharing of costs related to the development, technical design, permitting and marketing of the proposed liquefaction project.

■ Sabine Pass

Cheniere Energy received authorization (Nov. 8) from FERC to introduce feed gas and refrigerants to begin commissioning of Train 3 at Cheniere's Sabine Pass liquefaction and export project in Louisiana. LNG production of Trains 1 and 2 recently resumed following a one-month maintenance outage. According to an article published by Argus (Nov. 14): "Shell has a 20-year contract for up to 3.5 mtpa [from Sabine Pass when

Train 1] starts long-term operations this month and an additional 2.0 mtpa from trains 2-4. Shell has been able to buy up to 3.5 mtpa from Train 1 since May under a pre-commercial arrangement.”

PROJECTS UNDER CONSTRUCTION

■ Elba Island

On Nov. 1, Kinder Morgan began construction of the Elba Island liquefaction and export facility in Savannah, Georgia. The company elected to move forward on the project even though the authorization granted by FERC on June 1, 2016, remains subject to a request for “rehearing” requested by the Sierra Club and a license has not yet (but is expected) to be issued by DOE to export the LNG to nations that do not have free trade agreements (FTAs) with the United States. Construction is expected to be complete by the end of 2018 when all 10 of the project’s moveable modular liquefaction systems (from Shell) are online, producing an aggregate 2.5 mtpa.

PROJECTS LICENSED / NOT UNDER CONSTRUCTION

■ Magnolia LNG

According to a news release by LNG Ltd., (Dec. 01), the DOE has approved the request by Magnolia LNG to export LNG to non-FTA nations. The DOE decision follows on the heels of FERC’s rejection (Nov. 23) of the request for rehearing of the order issued by the agency (April 15) to Magnolia for the authority to site, construct, and operate the export terminal in Calcasieu Parish, Louisiana. Magnolia plans to export up to 8.0 mtpa from the project.

PROJECTS IN FORMAL FERC / DOE REVIEW

■ Jordan Cove

Jordan Cove LNG wrote to FERC (Nov. 3) asking the agency to expeditiously rule on the request for rehearing of the March 11, 2016, order denying Jordan Cove’s applications to construct a liquefaction and export terminal at Coos Bay, Oregon, and the interconnected pipeline. FERC’s order rejected the applications for lack of market support. In the request, the company stated that FERC’s continued delay in ruling on rehearing has prevented further progress on negotiating binding agreements with potential project customers and on obtaining easement rights for the pipeline.

PROJECTS IN FERC PRE-FILING

■ Driftwood LNG

In a news release (Nov. 28), Tellurian Investments announced that GE Oil & Gas has made a \$25 million preferred equity investment in the company. Tellurian’s president and CEO Meg Gentle said, “This investment represents another step forward in the development of Driftwood LNG, where we are working together with GE to design the lowest cost liquefaction for the global market.” Driftwood LNG is in the engineering design and pre-filing phase (FERC approved Driftwood LNG’s pre-filing request on June 6). Tellurian expects construction on Driftwood LNG to begin in 2018 and the project to become operational in 2022.



ABOUT US

LNG Allies is a nonprofit organization working to expedite and maximize U.S. liquefied natural gas exports to create a more liquid global natural gas marketplace, enhance the energy security of America’s allies, and improve economic and environmental conditions worldwide.

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