

U.S. LNG Export Projects Update

LEAD: FERC ISSUES LNG SCHEDULING ORDERS

On Aug. 28, the Federal Energy Regulatory Commission (FERC) released scheduling orders for the liquefied natural gas (LNG) export applications pending before the agency. As shown in the table below, the agency has committed to completing its required National Environmental Policy Act (NEPA) reviews on the first 11 of 13 projects within the next seven months and all 13 reviews by early November 2019.

We had this reaction: “LNG Allies is very pleased that FERC has responded favorably to our request to expedite the required NEPA reviews for the LNG export project applications pending before the agency. The next wave of U.S. LNG projects face stiff competition from LNG plants proposed in Australia, Canada, Qatar, and Russia. The FERC commissioners understand the reality of the global natural gas marketplace and are doing all they can to make sure that proposed U.S. projects receive their federal permits in a timely manner. The next step is for the President to quickly nominate and the Senate to promptly confirm a fifth FERC commissioner. That will ensure that FERC can meet the relatively short LNG timelines that were just announced.”



State / LNG Export Project	Lead Project Sponsor	Final NEPA Date
LA - Calcasieu Pass	Venture Global LNG	26 Oct 2018
TX - Freeport LNG (Train 4)	Freeport LNG	02 Nov 2018
LA - Driftwood LNG	Tellurian Inc.	18 Jan 2019
TX - Port Arthur LNG	Sempra LNG & Midstream	31 Jan 2019
TX - Corpus Christi (Stage 3)	Cheniere Energy	08 Feb 2019
TX - Texas LNG Brownsville	Texas LNG	15 Mar 2019
FL - Eagle LNG	Eagle LNG Partners	12 Apr 2019
MS - Gulf LNG Liquefaction	Kinder Morgan	17 Apr 2019
TX - Annova LNG	Exelon	19 Apr 2019
TX - Rio Grande LNG	NextDecade Corp.	26 Apr 2019
LA - Plaquemines LNG	Venture Global LNG	03 May 2019
OR - Jordan Cove LNG	Jordan Cove LNG	Jul 2019 *
AK - Alaska LNG	Alaska Gasline Development Corp.	08 Nov 2019

* Date listed is an estimate, based on issuance of a “final order” for the project by Nov. 29, 2019 (as announced by FERC).

PROJECTS IN SERVICE

■ Sabine Pass (Louisiana)

Cheniere Energy was granted FERC approval (Sept. 6) to introduce feed gas to the fifth liquefaction train at the Sabine Pass project. During Cheniere's Q2 earnings call (Aug. 9) CEO Jack Fusco indicated that the in-service date (first cargo) remains on track for Q4 2018.

■ Dominion Cove Point (Maryland)

The Dominion Energy Cove Point LNG terminal on the Chesapeake Bay (Lusby, Maryland) closed for a scheduled, three-week maintenance period on Sept. 24. Prior to the closure, the terminal had shipped 33 LNG cargoes since entering service on March 2.

PROJECTS UNDER CONSTRUCTION

■ Corpus Christi (Texas)

Cheniere received FERC authorization (Aug. 16) to introduce feed gas to the first train of the company's green-field LNG export facility at Corpus Christi, Texas. Like Train 5 at Sabine Pass, Cheniere has indicated that the first LNG cargo could be loaded prior to the end of 2018.

PROJECTS FULLY PERMITTED—AWAITING FID

■ Magnolia LNG (Louisiana)

Liquefied Natural Gas Limited (LNG Ltd.) and Meridian LNG Holdings agreed (Sept. 27) to extend the financial close date of their legally binding offtake agreement to Dec. 31, 2018. The agreement was signed in July 2015 and

includes firm capacity rights at Magnolia LNG for up to 2.0 mtpa for an initial term of 20 years with an option to extend by a further five years.

PROJECTS UNDER FORMAL REGULATORY REVIEW

■ Alaska LNG (Alaska)

Alaska Gasline Development Corp. said (Sept. 12) that it signed a gas sales precedent agreement with ExxonMobil covering certain key terms (including price and volume), for a gas sales agreement. According to AGDC, the parties anticipate finalizing long-term gas sales agreements to purchase ExxonMobil's share of 30 Tcf of gas from Prudhoe Bay and Point Thomson.

■ Calcasieu Pass LNG (Louisiana)

Venture Global announced (Sept. 7) that it had entered into a 20-year, sales and purchase agreement (SPA) with Repsol for the supply of 1.0 mtpa of LNG from the company's proposed LNG export facility in Louisiana.

■ Driftwood LNG (Louisiana)

Tellurian Inc. received (Sept. 14) a draft environmental impact statement (DEIS) from FERC for the Driftwood LNG project (which includes the export terminal and associated pipeline). A final EIS is expected to be released by FERC on/about Jan. 18, 2019 for the 27.6 mtpa facility.

■ Freeport LNG Train 4 (Texas)

On Sept. 5, Freeport LNG and Sumitomo Corp. entered into a binding Heads of Agreement (HOA) for 2.2 mtpa of LNG. Under the HOA, Sumitomo agreed to negotiate a 20-year liquefaction tolling agreement (LTA) which is expected to start in 2023 upon the commencement of commercial operations of Train 4 of Freeport's natural gas liquefaction and export facility located on Quintana Island near Freeport, Texas. Under the FERC scheduling orders announced on Aug. 28, the final environmental assessment (EA) for Train 4 is to be released on Nov. 2, 2018.

■ Port Arthur LNG (Texas)

Sempra LNG & Midstream's Port Arthur LNG export project received a draft EIS from FERC on Sept. 28. The proposed Port Arthur facility includes two natural gas liquefaction trains capable of producing 13.5 mtpa. Bechtel has been selected as the EPC contractor, and first production from the facility is expected in 2023.



ABOUT US

LNG Allies is a 501(c)(6) nonprofit organization working to expedite and maximize LNG exports to create U.S. jobs and economic growth, enhance the energy security of America's allies, and improve economic and environmental conditions worldwide.

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■ **Rio Grande LNG (Texas)**

NextDecade Corp. said (Sept. 4) that it had entered into a competitive engineering, procurement, and construction (EPC) process to verify the prior front-end engineering and design (FEED) work performed by CB&I and to produce a lump sum turnkey (LSTK) contract for the company’s Rio Grande LNG export project which has been proposed for the Port of Brownsville, Texas. Bechtel, Fluor, and McDermott (if it finds a JV partner) have been invited to bid. A final LSTK contract is expected by Q3 2019.

GENERAL LNG EXPORT COMPANY NEWS

■ **Cheniere Energy**

Cheniere Marketing signed (Sept. 16) an LNG agreement with Swiss trader Vitol for ≈0.7 mtpa for 15 years and a 25-year deal with Taiwan’s CPC for 2.0 mtpa (Aug. 10). In other news, Cheniere Energy and Cheniere Energy Partners LP Holdings completed (Sept. 20) the previously announced merger.

■ **NextDecade Corp.**

NextDecade announced (Sept. 4) that COO Rene van Vliet would retire Oct. 1. NextDecade also said, (Aug. 7) that it had sold \$35 million of convertible preferred stock

to HGC (a subsidiary of a Korean petrochemical company) and \$15 million to York, Valinor, and Halcyon (NextDecade’s largest investors). HGC now has one seat on the NextDecade board and the right to invest \$350 in equity in the Rio Grande LNG project. The company said (Aug. 24) it had agreed to sell convertible preferred stock to funds managed by BlackRock. Finally, the company has moved from The Woodlands to downtown Houston, Texas.

■ **Tellurian Inc.**

In its Q2 call (Aug. 8), Tellurian said it had: (1) generated ≈\$115.2 million in proceeds from a public offering of common stock; (2) closed two open seasons on proposed pipelines (Permian Global Access and Haynesville Global Access) receiving non-binding indications of interest for both pipelines in excess of available capacity; and (3) advanced the sale of LNG and Driftwood Holdings’ partnership interests, with ≈25 customer/partners conducting due diligence.

■ **Venture Global LNG**

Venture Global said (Aug. 16) it had raised additional capital of ≈\$160 million from large institutional investors, bringing the total raised to \$630 million.

