## UNITED STATES OF AMERICA **BEFORE THE** FEDERAL ENERGY REGULATORY COMMISSION

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Texas LNG Brownsville LLC	)	Docket Nos.	CP16-116-000
	)		PF15-14-000
	)		

## ANSWER OF TEXAS LNG BROWNSVILLE LLC TO PUBLIC COMMENTS AND MOTION FOR LEAVE TO ANSWER AND ANSWER TO MOTIONS TO INTERVENE AND PROTESTS

Pursuant to Rules 212 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("FERC" or "Commission"), <sup>1</sup> Texas LNG Brownsville LLC ("Texas LNG") hereby moves the Commission for leave to answer and answers ("Answer") public comments and motions to intervene and protests submitted in response to Texas LNG's March 31, 2016 application ("Application") under Section 3(a) of the Natural Gas Act ("NGA")<sup>2</sup> to site, construct, and operate liquefaction and export facilities ("Texas LNG Project" or "Project") located at Texas LNG's proposed site in Brownsville, Texas ("Texas LNG Terminal Site").

In support, Texas LNG hereby states the following:

#### I. **BACKGROUND**

Pursuant to Part 157 of the Commission's regulations,<sup>3</sup> on March 9, 2015, Texas LNG submitted a request to initiate the pre-filing process under the National Environmental Policy Act

<sup>&</sup>lt;sup>1</sup> 18 C.F.R. §§ 385.212 and 385.213. <sup>2</sup> 15 U.S.C. § 717b.

<sup>&</sup>lt;sup>3</sup> 18 C.F.R. § 157.21.

("NEPA")<sup>4</sup> for authorization to site, construct, own, and operate the Texas LNG Project. The Director of the Office of Energy Projects approved Texas LNG's request on April 14, 2015.<sup>5</sup>

Texas LNG submitted its Application on March 31, 2016, for authorization under Section 3 of the NGA to site, construct, own, and operate the Texas LNG Project, and was assigned docket number CP16-116-000. Once the Texas LNG Project has been constructed and placed into service, the proposed facilities would allow natural gas to be received by pipeline at the Texas LNG Terminal Site, liquefy such natural gas, and load the liquefied natural gas ("LNG") onto LNG carriers for export overseas. FERC issued a notice of the Application in Texas LNG's docket on April 14, 2016, 6 and the notice was published in the Federal Register on April 20, 2016.

Pursuant to the Commission's notice, the comment period for the Application closed on May 5, 2016. One hundred forty-six (146) individuals, businesses, and government bodies filed timely motions to intervene, many with comments or protests. Numerous other entities filed untimely motions to intervene, comments, or protests. The instant Answer addresses the major issues raised in the motions to intervene, comments, and protests filed in this proceeding.

#### II. MOTION FOR LEAVE TO ANSWER PROTESTS

Texas LNG hereby moves the Commission to permit it to answer the protests submitted in this proceeding. Although FERC's procedures generally do not permit the submission of an answer to a protest, the Commission has recognized the utility of answers to protests where the answer assists the Commission in its deliberations by providing a more accurate and complete

<sup>&</sup>lt;sup>4</sup> 42 U.S.C. § 4321.

<sup>&</sup>lt;sup>5</sup> The Commission's regulations require that an LNG terminal applicant wait to file its formal application until at least 180 days after the Director of the Office of Energy Projects issues its notice approving the applicant's request to initiate the pre-filing process. 18 C.F.R. § 153.6(c). Texas LNG's Application complies with this requirement.

<sup>&</sup>lt;sup>6</sup> Notice of Application, FERC Docket No. CP16-116-000 (Apr. 14, 2016).

<sup>&</sup>lt;sup>7</sup> Notice of Application, 81 Fed. Reg. 23,291 (Apr. 20, 2016).

<sup>8</sup> Id.

<sup>&</sup>lt;sup>9</sup> The Commission's procedures permit parties to submit answers to comments. 18 C.F.R. § 385.213(a)(3).

record. <sup>10</sup> Texas LNG submits that good cause exists to permit this Answer because it will provide a more complete record in this proceeding, thereby assisting the Commission's decision-making. Therefore, Texas LNG requests that the Commission accept its answer to the protests contained herein.

## III. TEXAS LNG'S ANSWER TO GENERAL PUBLIC COMMENTS AND PROTESTS

Numerous private citizens and other stakeholders filed comments and protests regarding the Application. Subject to the Motion for Leave to Answer Protests above, Texas LNG takes this opportunity to address several important issues that these filings raise. Texas LNG reserves the right to further supplement the record in this proceeding in light of additional public comments, motions to intervene, or protests.

## A. <u>Texas LNG Will Operate the Project in a Safe and Environmentally Responsible Manner.</u>

The LNG industry has an exemplary public safety record. With the exception of an incident in 1944 that was caused by the use of materials that were inadequate and inappropriate for cryogenic conditions, a situation remedied by the extensive array of safety regulations now applicable to LNG infrastructure, "the operating history of the U.S. LNG industry has been free of safety-related incidents resulting in adverse effects on the public or the environment." By complying with or exceeding all safety regulations established by FERC, the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration ("PHMSA"), and the U.S. Coast Guard ("Coast Guard"), and industry standards, Texas LNG will continue the

FED. ENERGY REGULATORY COM'N, MAGNOLIA LNG AND LAKE CHARLES EXPANSION PROJECTS FINAL ENVIRONMENTAL IMPACT STATEMENT at 4-165 (2015). FERC Staff last analyzed the safety record of the LNG industry in depth in November 2015. See id.

3

 $<sup>^{10}</sup>$  S. Nat. Gas Co., 110 FERC ¶ 61, 052 at P 27 (2005). See also Sw. Pub. Serv. Co., 145 FERC ¶ 61,281 at P 16 (2013) (stating that answers to a protest will be accepted if they assist the Commission in its decision-making process).

industry's tradition by maintaining excellent safety and security standards and practices in the construction and operation of the Texas LNG Project.

Several comments and protests suggest that LNG at the Texas LNG Terminal Site might explode. This concern is unfounded. Natural gas in its cryogenic liquid state is not explosive and cannot burn unless vaporized and exposed to oxygen in a narrow range of concentration. <sup>12</sup> This physical property significantly limits the risk of combustion or explosion at an LNG facility and aboard an LNG carrier.

Federal regulations developed and enforced by PHMSA and industry-developed standards ensure that any impacts from a loss of containment of an LNG storage tank or other equipment are confined to the Texas LNG Terminal Site.<sup>13</sup> These standards mandate that Texas LNG conduct complex modeling of spill scenarios to ascertain the likely geographic range that an LNG release at the Texas LNG Terminal Site might affect.<sup>14</sup> The modeling considers factors including spills on the ground, leaks from pressurized piping, the risks of vapor dispersion under a range of likely weather conditions in the region, and the risks of hydrocarbon ignition at the Texas LNG Terminal Site.

This sophisticated modeling does not lend itself to "one size fits all" prescriptive requirements, such as a specific distance between an LNG facility and a population center as some commenters argue. Instead the modeling defines the exclusion zones to satisfy the regulatory requirements of a particular LNG facility.

To comply with PHMSA's safety requirements, Texas LNG or a governmental body must legally control all activity within the exclusion zones as long as the LNG facility is in

<sup>&</sup>lt;sup>12</sup> CAL. ENERGY COMMISSION, *Frequently Asked Question about LNG* at http://www.energy.ca.gov/lng/faq.html#1000 (last visited May 13, 2016).

<sup>&</sup>lt;sup>13</sup> See 49 C.F.R. §§ 193.2057 and 193.2059 (mandating thermal radiation protection and vapor-gas dispersion protection). See also industry standard National Fire Protection Association 59A at sections 2.2.3.3 and 2.2.3.4. <sup>14</sup> 49 C.F.R. §§ 193.2057 and 193.2059.

operation. <sup>15</sup> Texas LNG has secured a lease option for the proposed 625-acre Texas LNG Terminal Site and will exercise legal control over all activities on the property. <sup>16</sup> As the development of the Texas LNG Project continues, Texas LNG will finalize the required spill modeling for thermal radiation and vapor dispersion in accordance with PHMSA's regulations to ensure that the exclusion zones fall within the Texas LNG Terminal Site or lands controlled by a government body. Compliance with these stringent siting requirements will minimize or eliminate risks to the public from an uncontrolled release of LNG at the Texas LNG Terminal Site.

A number of commenters and protesters also raised concerns regarding the location of the proposed SpaceX site in relation to the Texas LNG Terminal Site. Texas LNG will cooperate with FERC, the Coast Guard and the Federal Aviation Administration to develop practices and procedures for the safe operation of the Texas LNG Project during any launch operations at the SpaceX site. The proposed SpaceX site is located approximately five (5) miles from the Texas LNG Terminal Site. Due to the distance between the two facilities and a range of safety and operational factors, it is highly unlikely that the SpaceX project would affect Texas LNG's operations.<sup>17</sup> Furthermore, the PHMSA regulations noted above regarding the thermal radiation and vapor dispersion zones are intended to ensure continued public safety even if launch debris causes a loss of LNG containment at the Texas LNG Terminal Site.

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<sup>&</sup>lt;sup>15</sup> 49 C.F.R. § 193.2007.

<sup>&</sup>lt;sup>16</sup> Application at 6.

<sup>&</sup>lt;sup>17</sup> Texas LNG has conducted an in-depth probability risk analysis using publicly availably information regarding the likelihood that debris from a launch failure at the proposed SpaceX site would affect the region's marine vessel traffic or the Texas LNG Project. Texas LNG determined that 1 launch out of 537,000 years' worth of SpaceX operations would result in debris reaching the Texas LNG Project and that there is an even smaller probability of debris causing damage to the LNG facility. Texas LNG Resource Report 11 at 102-04. Texas LNG further determined that the likelihood of debris hitting an oceangoing LNG carrier was once in 53.7 million years. Texas LNG Resource Report 11 at 105.

By complying with or exceeding all applicable safety standards, Texas LNG will address the safety concerns raised in the comments and protests.

B. Vessels Servicing the Texas LNG Project Will Operate In Full Compliance With Requirements of the U.S. Coast Guard and the Port of Brownsville.

A number of commenters raised concerns about access to the Brownsville Ship Channel ("Channel"), explaining that they have been informed that some commercial users of the Channel will no longer be permitted to use the Channel during daytime hours. There is no evidence in the record of this proceeding, however, that commercial users of the Channel will see their operations restricted to nighttime only and Texas LNG is not aware of any such restrictions that may be established.

The Coast Guard is responsible for regulating the safe operations of LNG carriers and LNG marine transfer areas. 18 Parts 101, 105, and 127 of the Coast Guard's regulations establish standards and requirements for the safety and security of LNG carrier operations while at berth and during transit to and from an LNG facility while in U.S. territorial waters.

The Coast Guard works with FERC, PHMSA, and state and local authorities, as well as project developers such as Texas LNG, to develop and issue a Letter of Recommendation that assesses the suitability of a waterway for the LNG vessel traffic proposed. The Coast Guard convened a stakeholders' meeting to solicit input from local Channel users, including the Brazos Santiago Pilots Association ("Pilots"), to inform this Letter of Recommendation process. <sup>19</sup> Following this initial discussion, Texas LNG conducted a study simulating LNG vessel transits through the existing Channel. This study determined that the existing Channel is suitable for

<sup>&</sup>lt;sup>18</sup> The Coast Guard exercises this authority pursuant to the Magnuson Act (50 U.S.C. § 191), the Ports and Waterways Safety Act of 1972, as amended (33 U.S.C. § 1221), the Maritime Transportation Security Act of 2002 (46 U.S.C. § 701), and the Safety and Accountability for Every Port Act (46 U.S.C. § 70101). <sup>19</sup> TEXAS LNG RESOURCE REPORT 11 at 93.

some LNG carriers. <sup>20</sup> A second study determined that the Channel can be made suitable for larger LNG carriers. <sup>21</sup> The Coast Guard will require that Texas LNG develop a Transit Management Plan for LNG carrier traffic in collaboration with the Pilots and the Coast Guard will review and approve that Plan.

Importantly, neither study referenced indicates that it will be necessary to close the Channel to commercial traffic during daylight hours to accommodate LNG carrier traffic. In addition, representatives of Texas LNG met with the Texas Shrimp Association and the Brownsville-Port Isabel Shrimp Producers Association on September 30, 2015, to discuss use of the Brownsville Ship Channel waterway. No representative from Texas LNG raised the issue of daylight closures. <sup>22</sup>

Any impacts to other users of the Channel will be minimal and temporary. As outlined in Resource Report 5, construction activities will not create a significant addition to current vessel traffic in the Channel.<sup>23</sup> Once the Texas LNG Project commences operation, some users of the Channel may experience temporary delays while LNG carriers navigate the waterway.<sup>24</sup> Texas LNG remains committed to working with the Coast Guard, the Pilots, the Brownsville Navigation District, federal and state agencies, and other stakeholders to develop a comprehensive plan for the safe and efficient operation of LNG carriers in the Channel and will work to minimize impacts on other users of the waterway.

<sup>&</sup>lt;sup>20</sup> TEXAS LNG RESOURCE REPORT 11at 94.

<sup>&</sup>lt;sup>21</sup> TEXAS LNG RESOURCE REPORT 11 at 95-96.

<sup>&</sup>lt;sup>22</sup> Monthly Report for Sept. 16 - Oct. 16, 2015, FERC Docket No. PF15-14-000 (filed Oct. 22, 2015). Texas LNG conveyed to the shrimpers that moving security zones associated with the LNG vessels likely would result in temporary restrictions on commercial and recreational traffic.

<sup>&</sup>lt;sup>23</sup> TEXAS LNG RESOURCE REPORT 5 at 5-9 and 5-10.

<sup>&</sup>lt;sup>24</sup> TEXAS LNG RESOURCE REPORT 5 at 5-11.

For these reasons, the Commission should dismiss comments or protests that suggest that Texas LNG will not be able to conduct its operations without unreasonably infringing on existing uses of the Brownsville Ship Channel.

# C. <u>FERC Has Found that LNG Infrastructure Has No Material Impact on Property Values in the Surrounding Community.</u>

Several commenters and protesters assert that the Texas LNG Project will reduce the value of their investments in real property in the Brownsville or Port Isabel areas. However, neither the commenters nor the protestors raising this issue offer any evidence to support their speculative assertions.

The Commission has addressed these issues in previous LNG terminal proceedings and has concluded that an LNG terminal will not have a significant effect, positive or negative, on regional property values. <sup>25</sup> In addition, compliance with federal LNG facility siting requirements dictates that the Texas LNG Project will be significantly removed from the public, further diminishing any hypothetical impact the Texas LNG Project may have on regional property values.

For these reasons, the Commission should dismiss comments or protests speculating that the Texas LNG Project may have a negative impact on regional property values.

# D. This Proceeding Is Not the Proper Forum to Consider the Source of Natural Gas to be Liquefied.

One commenter, the National Parks Service for the Palo Alto Battlefield National Historical Park ("NPS"), requests additional information regarding the source of the feed gas for the Texas LNG Project to consider possible impacts on its interests. However, this proceeding is

8

<sup>&</sup>lt;sup>25</sup> AES Sparrows Point LNG, LLC, 126 FERC ¶ 61,019 at P 135 (2009), reh'g denied, 129 FERC ¶ 61,245 (2009), authorizations vacated on other grounds, 145 FERC ¶ 61,113 (2013). See also Dominion Cove Point LNG, LP, 148 FERC ¶ 61,244 at P 147 (2015); Freeport LNG Development, L.P., 148 FERC ¶ 61,076 at P 53 (2014); and Broadwater Energy LLC, 122 FERC ¶ 61,255 at P 85 (2008), authorizations vacated on other grounds, 140 FERC ¶ 61,009 (2012).

not the proper forum to consider the source of the natural gas for the Texas LNG Project. As Section 1 of the NGA expressly states and FERC has confirmed repeatedly, the Commission has no jurisdiction over upstream natural gas production issues.<sup>26</sup> FERC's approach on this issue has been upheld by at least one federal appeals court.<sup>27</sup>

Second, to the extent the NPS is suggesting that FERC should consider possible impacts of the intrastate natural gas pipeline that will supply natural gas for the Project, Texas LNG understands that as part of the cumulative impacts analysis under NEPA, an intrastate natural gas pipeline delivering feed gas to the Texas LNG Project, though not FERC jurisdictional, would be a related project and likely included in FERC's analysis. Such an intrastate pipeline will be subject to the jurisdiction of the Texas Railroad Commission ("TRC"), and it will be the responsibility of that agency to conduct the comprehensive environmental review of that pipeline consistent with Texas law.

Texas LNG requests that FERC maintain the Commission's approach on this issue as it has in previous proceedings.

#### IV. Texas LNG's Answer to Protests of Sierra Club and Defenders of Wildlife

Two entities, Sierra Club and Defenders of Wildlife, filed protests regarding the Application. In both instances the entities incorporated their scoping comments filed during the Commission's pre-filing proceeding for the Texas LNG Project. Texas LNG responded to those scoping comments on September 18, 2015, and incorporates by reference that response into the

9

 $<sup>^{26}</sup>$  15 U.S.C. § 717(b) ("The provisions of this chapter ... shall not apply to ... the production or gathering of natural gas."); *Dominion Cove Point LNG, L.P.*, 148 FERC ¶ 61,244 at P 228 (2014) (finding that impacts from upstream production are not casually connected to a planned LNG export facility, nor are upstream impacts reasonably foreseeable under the National Environmental Policy Act).

<sup>&</sup>lt;sup>27</sup> Coalition for Responsible Growth, et al. v. FERC, 485 Fed. Appx. 472 (2nd Cir. 2012).

instant Answer.<sup>28</sup> Texas LNG offers the following additional responses to the arguments that Sierra Club and Defenders of Wildlife submitted as part of their respective protests.

#### A. Answer to Sierra Club's Protest

Sierra Club's May 5 Protest contains misstatements of law and misconstrues the facts underpinning Texas LNG's Application. Sierra Club misstates the legal standard for the NGA's "public interest" standard, erroneously relies on *Udall v. F.P.C.*<sup>29</sup> to support its argument to expand FERC's "public interest" review in this proceeding, ignores Texas LNG's extensive public outreach and engagement with the local Brownsville and Port Isabel communities, offers unsupported critiques of the U.S. Department of Energy's 2015 study of the macroeconomic impacts of increased LNG exports, and mischaracterizes the Environmental Protection Agency's conclusions regarding the United States' need for additional natural gas infrastructure.<sup>30</sup> As demonstrated below, Sierra Club's arguments are without merit and the Commission should dismiss Sierra Club's Protest.

## i. Sierra Club's Protest misstates the NGA's "public interest" standard.

Sierra Club's Protest states that FERC must determine that the siting, construction, and operation of an LNG export facility is "consistent with the public interest" before authorizing the project. This statement represents an incorrect formulation of the "public interest" test. Section 3(a) of the NGA provides that the Commission "shall" authorize an application to import or export natural gas to or from the United States "unless ... it finds the proposed exportation or

<sup>&</sup>lt;sup>28</sup> Texas LNG Brownsville LLC, *Response to Scoping Comments*, FERC Docket No. PF15-14-000 (Sept. 18, 2015). <sup>29</sup> 387 U.S. 428, 450 (1967).

<sup>&</sup>lt;sup>30</sup> Sierra Club also refers to "Cheniere's proposed terminal facilities" in referencing the Texas LNG Project. Sierra Club's Protest, FERC Docket No. CP16-116-000 at 1 (May 5, 2016). Cheniere has no ownership interest in the Texas LNG Project or any of the equity owners of Texas LNG. Texas LNG assumes that this is a typographical error that occurred as Sierra Club "cut-and-pasted" from pleadings the organization has submitted in prior proceedings. Application at Exh. B (outlining the corporate relationships of Texas LNG Brownsville LLC).

importation will not be consistent with the public interest."<sup>31</sup> The statute facially creates a presumption that the Commission must authorize an application under Section 3 if FERC determines that the proposed activities are not <u>inconsistent</u> with the public interest. Sierra Club's reading of the statute ignores critical language and disregards Congress's true mandate under Section 3 of the NGA.

FERC's own regulations recognize the proper intent of Section 3 of the NGA. More specifically, Part 153 of the Commission's regulations requires that an applicant under Section 3 submit a statement "demonstrating that the proposal or proposed construction is not inconsistent with the public interest." This formulation also matches the Commission's approach in other LNG export terminal proceedings where the Commission has approved those other projects after determining the proposed activity was not inconsistent with the public interest. The U.S. Department of Energy ("DOE"), which also derives its authority over exports of the natural gas commodity from the NGA, has interpreted Section 3 of the NGA similarly, concluding that the statute creates a "rebuttable presumption" that the proposed natural gas export is in the public interest. DOE has found that the regulator "must grant such an application unless the presumption is rebutted by an affirmative showing of inconsistency with the public interest."

For these reasons, Texas LNG requests that FERC apply the "public interest" test as the Commission has in previous Section 3 application proceedings and disregard Sierra Club's erroneous formulation of the "public interest" test.

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<sup>&</sup>lt;sup>31</sup> 15 U.S.C. § 717b(a).

<sup>&</sup>lt;sup>32</sup> 18 C.F.R. § 153.7(c) (emphasis added). Texas LNG submitted this required statement in its Application at 12.

<sup>&</sup>lt;sup>33</sup> See, e.g., Sabine Pass Liquefaction, LLC, 139 FERC ¶ 61,039 at P 30 (2012) (approving an LNG liquefaction and export terminal project after finding that the proposal was not inconsistent with the public interest), aff'd on reh'g, 140 FERC ¶ 61,076 at P 30 (2012).

<sup>&</sup>lt;sup>34</sup> Cameron LNG, LLC, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas By Vessel from the Cameron Terminal Located in Cameron and Calcasieu Parishes, Louisiana, to Non-Free Trade Agreement Nations, DOE/FE Order No. 3797 at 8 (Mar. 18, 2016).

<sup>35</sup> *Id.* 

ii. Udall v. F.P.C. does not apply in the NGA Section 3 context and has no bearing on Texas LNG's Application.

Sierra Club also relies on *Udall v. F.P.C.* <sup>36</sup> to support its proposition that a public interest review includes the "exploration of all issues relevant to the 'public interest,' including future power demand and supply, alternate sources of power, the public interest in preserving reaches of wild rivers and wilderness areas, the preservation of anadromous fish for commercial and recreational purposes, and the protection of wildlife."<sup>37</sup> However, *Udall* is not applicable in the NGA Section 3 context.

In *Udall*, the U.S. Supreme Court considered the impacts of a hydropower project licensed pursuant to the Federal Power Act. Although the Federal Power Act and Section 3 of the NGA use the same "public interest" phrase, Congress granted licensees or authorization holders vastly different authorities under these statutes. The Court in *Udall* emphasized the licensee's ability under the Federal Power Act to "appropriate water resources from the public domain."<sup>38</sup> Authorizations under Section 3 of the NGA involve no similar appropriation of public resources. Project developers purchase, lease, or otherwise secure their project sites from public or private entities, finance construction of their facilities on the private market, and operate their LNG facilities as private enterprises. In this instance, Texas LNG has leased its project site from the Brownsville Navigation District, secured private financing, and will construct and operate the Texas LNG facility as a private enterprise. At no point will Texas LNG "appropriate" any resource from the public domain. Therefore, the Court's reasoning in *Udall* is not applicable in the context of Texas LNG's Application.

<sup>&</sup>lt;sup>36</sup> 387 U.S. 428, 450 (1967). <sup>37</sup> Sierra Club's Protest at 2.

<sup>&</sup>lt;sup>38</sup> 387 U.S. at 450.

Furthermore, Sierra Club cannot extend *Udall's* reasoning to the Section 3 context applicable in this proceeding merely by citing Northern Natural Gas, a federal case involving Section 7 of the NGA.<sup>39</sup> Section 7 of the NGA differs from Section 3 in that a certificate of public convenience and necessity that FERC issues pursuant to Section 7 confers the right of eminent domain on the certificate holder. 40 Section 3 provides no comparable eminent domain right on the holder of an authorization under Section 3. As noted above, Texas LNG will not appropriate public resources, nor will Texas LNG exercise any eminent domain authority in the siting of the Texas LNG Project. Given the different regulatory contexts, Sierra Club's application of *Udall* to Texas LNG via *Northern Natural* is inapposite.

Finally, the expansive definition of the "public interest" environmental analysis embraced by *Udall* and cited in *Northern Natural Gas* was later subsumed by the passage of the National Environmental Policy Act of 1970 ("NEPA"). 41 NEPA compels FERC to consider a broad range of environmental factors in its review of an application under Section 3 of the NGA. The case Sierra Club uses to connect *Udall* to the natural gas context, *Northern Natural Gas*, focuses on the importance of a regulator considering alternative actions to preserve and advance the public interest. 42 However, analysis of alternative actions has become a cornerstone of modern NEPA analysis. 43 Environmental permitting and the analysis of the public interest have evolved a great deal in the nearly 50 years since *Udall*, rendering reliance on these outdated cases inapposite.

<sup>&</sup>lt;sup>39</sup> Sierra Club's Protest at 2, citing *N. Natural Gas Co. v. F.P.C.*, 399 F.2d 953, 973 (D.C. Cir. 1968). <sup>40</sup> 15 U.S.C. § 717f(h).

<sup>&</sup>lt;sup>41</sup> 42 U.S.C. § 4321 et seq.

<sup>&</sup>lt;sup>42</sup> N. Natural Gas Co. v. F.P.C., 399 F.2d 953, 973 (D.C. Cir. 1968).

<sup>&</sup>lt;sup>43</sup> 40 C.F.R. § 1502.14 (calling the alternative actions analysis "the heart of the environmental impact statement").

iii. Texas LNG is committed to helping develop the surrounding environmental justice community and has engaged in extensive public outreach to the surrounding community.

Sierra Club's Protest encourages FERC to ignore Texas LNG's efforts to assist in the development of the environmental justice community surrounding the Project and Texas LNG's numerous meetings and outreach activities with community leaders and public stakeholders. 44 As outlined in the Application and further described in Resource Report 5, the Texas LNG Project will create substantial economic benefits for the surrounding region. 45 As further described throughout the body of the Resource Reports, any potential environmental impacts from the Texas LNG project will be minimized, well within established regulatory limits, and mitigated to the extent possible.<sup>46</sup>

Sierra Club offers no quantifiable evidence of adverse environmental impacts that cannot be mitigated from the Texas LNG Project. The sole substantive suggestion in Sierra Club's Protest is to request that FERC use the Environmental Protection Agency's EJSCREEN tool to help staff analyze the surrounding environmental justice communities.<sup>47</sup> However, Sierra Club acknowledges that EJSCREEN will not provide a "quantitative assessment of actual cumulative impacts,"48 limiting the effectiveness of this tool for FERC's NEPA analysis.

Finally, Sierra Club's Protest suggests that FERC take a number of steps to "ensure that any community workshops and meetings are meaningful."49 Texas LNG likewise encourages FERC to foster community engagement with FERC's review of the Application. However, Texas LNG reiterates that it has taken a proactive approach to meet with and engage with community

 <sup>44</sup> Sierra Club's Protest at 3-4.
 45 Application at 15; TEXAS LNG RESOURCE REPORT 5, Appendix 5A at 21.

<sup>&</sup>lt;sup>46</sup> See, e.g., TEXAS LNG RESOURCE REPORT 9 at 9-13 (e.g., "It is not anticipated that emissions associated with construction will cause or contribute to a violation of the NAAQS; therefore, impacts to local or regional air quality will be temporary and minimal").

<sup>&</sup>lt;sup>47</sup> Sierra Club's Protest at 4.

<sup>&</sup>lt;sup>48</sup> *Id*.

<sup>&</sup>lt;sup>49</sup> *Id*.

leaders, regional businesses, service organizations, governmental entities, environmental groups, educational institutions and private citizens. As noted in Attachment A, <sup>50</sup> Texas LNG conducted 86 community outreach and public engagement activities during its pre-filing process. These activities included participation in FERC's scoping meeting on August 11, 2015, and hosting two open houses for community stakeholders on May 5 and 6, 2015, in Brownsville and Port Isabel, respectively. Texas LNG strove at both the scoping meeting and the open houses to provide robust information about the proposed project. To that end, the team staffing Texas LNG's booth included representatives from its environmental, engineering, and legal consultants, as well as company principals. Texas LNG remains committed to engaging with the community and will continue these efforts throughout the FERC permitting process, construction, and operation of the Texas LNG Project. For example, since filing its Application on March 31, Texas LNG has conducted at least ten additional community outreach and public engagement activities.

iv. Sierra Club's critique of Texas LNG's reliance on DOE's economic studies is unsupported.

Sierra Club's Protest criticizes Texas LNG's reliance on macroeconomic studies that economic consultants prepared for DOE regarding increased LNG exports from the United States.<sup>51</sup> Sierra Club points to its own prior comments submitted to DOE regarding LNG exports in which Sierra Club suggests that increased LNG exports may have adverse impacts on U.S. domestic gas consumers in the form of higher gas prices.<sup>52</sup> Recognizing that the Commission does not exercise jurisdiction over the import or export of the natural gas commodity, Texas LNG offers the following points in response.

<sup>&</sup>lt;sup>50</sup> Attachment A excerpts the entries in the "Stakeholder Activities" section of Texas LNG's twelve Monthly Reports filed during the pre-filing process under FERC Docket No. PF15-14-000.

<sup>&</sup>lt;sup>51</sup> Sierra Club's Protest at 5.
<sup>52</sup> *Id*.

First, Sierra Club does not offer any analysis of the most recent DOE study, the 2015 LNG Export Study. Instead, Sierra Club relies on broad assertions based on analysis from the 2012 DOE LNG Export Study. <sup>53</sup> Furthermore, the statistics Sierra Club references are neither on the page cited nor do they appear anywhere else in the macroeconomic portion of the 2015 LNG Export Study. Therefore, it is impossible to ascertain where Sierra Club might have derived these statistics.

Second, and contrary to Sierra Club's unsupported assertions, the most recent macroeconomic study states that "[a]cross the domestic cases, the positive impacts of higher U.S. gas production, greater investment in the U.S. natural gas sector, and increased profitability of U.S. gas producers typically exceeds the negative impacts of higher domestic natural gas prices associated with increased LNG exports." Texas LNG remains confident that its Project will provide the substantial economic benefits for the surrounding community and the U.S. economy that are detailed in its Application.

Sierra Club's assertions are unsupported and, therefore, FERC should disregard Sierra Club's critiques of Texas LNG's reliance on DOE's most recent analysis of additional LNG exports.

v. Sierra Club mischaracterizes the Environmental Protection Agency's findings on the need for new natural gas infrastructure.

Sierra Club's Protest mischaracterizes the Environmental Protection Agency's ("EPA") statements and findings in the agency's Clean Power Plan ("CPP"). As Texas LNG notes in its Application, EPA's CPP encourages states to deploy additional natural gas units and other lowemissions power generation in order to decrease carbon dioxide emissions across the electric

<sup>&</sup>lt;sup>53</sup> Id.

<sup>&</sup>lt;sup>54</sup> A. COOPER, K. MEDLOCK III, ET AL., THE MACROECONOMIC IMPACT OF INCREASING U.S. LNG EXPORTS at 16 (2015).

power generation sector.<sup>55</sup> Sierra Club disputes Texas LNG's statement that compliance with EPA's CPP will require additional natural gas infrastructure. To support its contention, Sierra Club points to EPA's statements in its final publication of the CPP and in EPA's Regulatory Impacts Analysis the agency prepared for its CPP rulemaking.<sup>56</sup> Sierra Club misinterprets the point of Texas LNG's statements and the Commission should dismiss Sierra Club's arguments.

First, Sierra Club argues that EPA found that additional natural gas infrastructure is not needed to allow compliance with the CPP.<sup>57</sup> However, EPA's statements directly rebut this argument. EPA repeatedly suggests that the natural gas pipeline sector can and will expand its capacity to keep pace with any increased demand for natural gas that the CPP causes. To mitigate concerns that the pipeline industry might not be able to meet the power generation sector's expanded natural gas demand, EPA notes that "pipeline and transmission planners have repeatedly demonstrated the ability to methodically relieve bottlenecks and expand capacity."58 EPA goes on to state that the pipeline sector has a history of growth to support additional demand from the electric power sector.<sup>59</sup> Finally, EPA concludes that, given the length of time to ramp up the power sector's additional natural gas demand, the natural gas pipeline sector should be able to support the increased demand to satisfy natural gas-fired power units. <sup>60</sup> These statements run counter to Sierra Club's assertions that EPA determined that the CPP would

Application at 16.Sierra Club's Protest at 6.

<sup>&</sup>lt;sup>57</sup> Sierra Club's Protest at 6.

<sup>&</sup>lt;sup>58</sup> Carbon Pollution Emission Guidelines for Existing Stationary Sources: Electric Utility Generating Units, 80 Fed. Reg. 64,662, at 64,800 (Oct. 23, 2015).

<sup>&</sup>lt;sup>59</sup> *Id.* "Over a longer time period, much more significant pipeline expansion is possible. In previous studies, when the pipeline system was expected to face very large demands for natural gas use by electric utilities, the pipeline industry projected that increases of up to 30 percent in total deliverability out of the pipeline system would be possible." *Id*.

<sup>&</sup>lt;sup>60</sup> Id. "Combining these factors of currently observed average monthly [natural gas combined cycle] utilization rates of up to 65 percent, the flexibility of the emission guidelines, the rates of historical growth, and the availability of time to address any existing pipeline infrastructure limitations, it is reasonable to conclude that the natural gas pipeline system can reliably deliver sufficient natural gas supplies to allow [natural gas combined cycle] utilization to increase up to an average annual capacity factor of 75 percent on a net summer basis." Id.

require no additional natural gas infrastructure. In fact, EPA reached the same conclusion as Texas LNG: the CPP will necessitate expanded natural gas infrastructure to ensure reliable delivery of natural gas for the power generation sector to make up for the retirement of substantial coal-fired generation assets. Therefore, FERC should disregard Sierra Club's unfounded assertions on this issue.

Second, Sierra Club also argues that the CPP will lead to a decrease in overall natural gas consumption and that the Texas LNG Project therefore is not needed to support implementation of the CPP. This argument misapprehends the point of Texas LNG's statements that the Project will support the development of additional natural gas infrastructure. As Texas LNG noted in its Application, the Project will create an additional market demand for natural gas in the Brownsville area. A new intrastate pipeline would supply the Texas LNG Project and other existing and new natural gas users in the area and encourage adoption of natural gas as a fuel for power generation in the region. Increased adoption of natural gas for power generation will help facilitate Texas's compliance with the CPP. Therefore, Sierra Club's assertions are incorrect.

Third, Sierra Club's Protest points to information in EPA's Regulatory Impacts Analysis for the CPP in which Sierra Club argues that EPA concludes that the CPP will lower overall consumption of natural gas. <sup>63</sup> Sierra Club cites to page 3A-7 in the Regulatory Impacts Analysis. <sup>64</sup> This material does not support Sierra Club's argument. The cited page discusses coal and natural gas *production* and methane emissions from those production activities and does not reference natural gas *consumption*. The page goes on to discuss EPA's expectations that

<sup>&</sup>lt;sup>61</sup> Sierra Club's Protest at 6.

<sup>&</sup>lt;sup>62</sup> Application at 16.

<sup>&</sup>lt;sup>63</sup> Sierra Club's Protest at 6.

<sup>&</sup>lt;sup>64</sup> Environmental Protection Agency, Regulatory Impact Analysis for the Clean Power Plan Final Rule (Aug. 2015), available at <a href="https://www.epa.gov/sites/production/files/2015-08/documents/cpp-final-rule-ria.pdf">https://www.epa.gov/sites/production/files/2015-08/documents/cpp-final-rule-ria.pdf</a> (last visited May 16, 2016).

anticipated regulatory actions and industry initiatives should lower methane emissions even further, again without referencing any change in natural gas consumption. As detailed above, the Texas LNG Project will encourage the development of additional natural gas infrastructure and will have no appreciable impact on overall natural gas production. Therefore, this argument is irrelevant to Texas LNG's Application.

Finally, other analyses agree with Texas LNG that the United States will require additional natural gas infrastructure in the coming decades. DOE has concluded that "the combination of a geographic shift in regional natural gas production—largely due to the expanded development of natural gas from shale formations—and growth in natural gas demand is projected to require more interstate natural gas pipeline capacity." <sup>65</sup> The U.S. Energy Information Administration likewise concludes that new investment in infrastructure, or realignment of existing infrastructure, will be necessary to accommodate growing natural gas production and demand. <sup>66</sup> Sierra Club offers no support for its assertion that the United States will not require additional natural gas infrastructure. In fact, as demonstrated above, the opposite is true: the United States will need additional natural gas infrastructure to meet its emissions reductions targets under the CPP. The Texas LNG Project will support this necessary infrastructure development.

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<sup>&</sup>lt;sup>65</sup> U.S. DEP'T OF ENERGY, NATURAL GAS INFRASTRUCTURE IMPLICATIONS OF INCREASED DEMAND FROM THE ELECTRIC POWER SECTOR at 20 (Feb. 2015), available at <a href="http://energy.gov/sites/prod/files/2015/02/f19/DOE%20Report%20Natural%20Gas%20Infrastructure%20V\_02-02-pdf">http://energy.gov/sites/prod/files/2015/02/f19/DOE%20Report%20Natural%20Gas%20Infrastructure%20V\_02-pdf</a>

<sup>&</sup>lt;sup>66</sup> ENERGY INFORMATION ADMIN., ANNUAL ENERGY OUTLOOK 2015 at ES-5 (Apr. 2015) available at <a href="http://www.eia.gov/forecasts/aeo/pdf/0383(2015).pdf">http://www.eia.gov/forecasts/aeo/pdf/0383(2015).pdf</a>.

vi. The Texas LNG Project will assist the United States in complying with international greenhouse gas reduction agreements and help allies and trading partners meet their greenhouse gas reduction obligations.

Texas LNG's Application demonstrated that the Project will assist the United States in complying with its international greenhouse gas reduction obligations and will help U.S. allies and trading partners to meet their greenhouse gas emissions reduction targets as well. 67 Sierra Club erroneously suggests that Texas LNG offers no evidence for this claim. 68 As illustrated above, the Texas LNG Project will assist Texas in complying with the CPP. Compliance with the CPP and other emissions reduction programs will help the United States fulfill its obligations under the Paris Agreement.<sup>69</sup>

More importantly, the United States has agreed to assist developing nations to meet their obligations under the Paris Agreement. As explained in its Application, Texas LNG's ability to liquefy and export natural gas at competitive prices to many developing nations around the world will assist these developing nations in transitioning to cleaner burning natural gas.<sup>71</sup> A study prepared for the DOE concluded that such fuel switching would lower lifecycle greenhouse gas emissions over regional coal supplies in both Europe and Asia.<sup>72</sup>

<sup>&</sup>lt;sup>67</sup> Application at 17.

<sup>&</sup>lt;sup>68</sup> Sierra Club's Protest at 7.

<sup>&</sup>lt;sup>69</sup> Sierra Club itself recognizes the connection between the obligations of the Paris Agreement and the CPP. A representative for Sierra Club called the CPP an "important part of U.S. commitments in Paris." Nick Stockton, The Supreme Court May Have Nuked the Paris Climate Deal, WIRED (Feb. 9, 2016) available at http://www.wired.com/2016/02/the-supreme-court-may-have-nuked-the-paris-climate-deal/ (last visited May 15, 2016). Sierra Club also called on its members to support the CPP in order to affirm the Paris Agreement's calls for limiting global temperature increases to 1.5°C. SIERRA CLUB, BEYOND PARIS: SUPPORT A STRONG AND JUST CLEAN POWER PLAN, http://sierra.force.com/actions/National?actionId=AR0030595 (last visited May 15, 2016).

<sup>&</sup>lt;sup>70</sup> Adoption of the Paris Agreement, FCCC/CP/2015/L.9/Rev.1 at Art. 11(3) (Dec. 12, 2015). Texas LNG recognizes that the Paris Agreement is not yet in force as at least 55 signatories representing at least 55% of global greenhouse gas emissions have not deposited their instruments of ratification with the United Nations Depository. See United Nations Framework Convention on Climate Change, Paris Agreement - Status of RATIFICATION, http://unfccc.int/paris agreement/items/9444.php (last visited May 16, 2016). However, given the substantial obligations the Paris Agreement creates, Texas LNG believes that the Project will play an important role in the United States' compliance with these obligations should the Paris Agreement eventually go into full effect.

<sup>&</sup>lt;sup>71</sup> Application at 17.

<sup>&</sup>lt;sup>72</sup> NATIONAL ENERGY TECHNOLOGY LABORATORY, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States at 9-10 (2014).

For these reasons, FERC should dismiss Sierra Club's Protest.

### B. Answer to Defenders of Wildlife Protest

Primarily by incorporating by reference its previous comments regarding the Texas LNG, Annova LNG, and Rio Grande LNG projects, Defenders of Wildlife ("DoW") erroneously asserts that various projects in the Brownsville area should be considered together, apparently as if they were one project. DoW ignores the law and regulations in this regard and ignores the realities of Texas LNG's proposal. Furthermore, DoW ignores the unique location of the Texas LNG Project, as well as its size, design, mitigation actions, and true impact.

## i. A formal trial-type hearing is not appropriate in this proceeding.

DoW requests that FERC convene a formal hearing on Texas LNG's Application.<sup>73</sup> Section 3 of the NGA does not require such a hearing. Furthermore, it is FERC's longstanding practice to provide a "paper hearing" when "the written record provides a sufficient basis for resolving the relevant issues." <sup>74</sup> Because FERC will be able to resolve the issues presented in this proceeding on the basis of the written record, a "paper hearing" is appropriate here. No formal trial-type hearing is warranted.

## ii. A programmatic EIS is inappropriate.

In DoW's Motion to Intervene ("MOI"), it repeatedly references the "Annova LNG, Texas LNG, and Rio Grande LNG sites" and attaches and incorporates into its MOI the comments that it previously submitted to FERC, which explicitly relate to all three projects (the "DoW Scoping Comments"). The primary assertion that DoW advances is that the Texas LNG Project "will likely have significant impacts on already imperiled federally listed species … particularly with respect to the cumulative (i.e., synergistic) effects of [Texas LNG] in

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 $<sup>^{73}</sup>$  Motion to Intervene of Defenders of Wildlife at 1.

<sup>&</sup>lt;sup>74</sup> *Dominion Cove Point LNG, LP,* 148 FERC ¶ 61,244 at P 283 (2014).

combination with the Annova and Rio Grande Projects."<sup>75</sup> Within the DoW Scoping Comments, DoW further asserts that Texas LNG, Annova LNG, and Rio Grande LNG, as well as the Rio Bravo Pipeline project associated with Rio Grande LNG, should be evaluated together.

First, Texas LNG disagrees with DoW's premise that Texas LNG "will likely have a significant impact" on any listed federal species. Further, Texas LNG disagrees with DoW's implication that all three LNG projects, as well as a pipeline project unrelated to Texas LNG, must be considered together as an all-or-nothing package. The authorities and regulations DoW cites for this proposition do not apply to this situation. Those authorities relate to situations in which connected (i.e. interdependent and interrelated) projects that are part of a single overall plan by an applicant should be considered together within a single programmatic EIS. On September 18, 2015, Texas LNG submitted extensive comments and analysis demonstrating that a programmatic EIS is not appropriate for this proceeding, which have been incorporated by reference into this Answer, and it will not repeat the entirety of that analysis here. The inescapable conclusion, however, is that a programmatic EIS is inappropriate in this situation.

It must again be emphasized that the concept of considering "connected," "cumulative," or "similar" *actions* that are <u>not</u> "unconnected single actions" together within a single EIS is very different from considering cumulative *impacts* of "past, present, and reasonably foreseeable future actions" within an EIS for a single project, the latter of which the Council on Environmental Quality's regulations implementing NEPA clearly require. The projects often cited by DoW in its MOI and in the DoW Scoping Comments are not connected actions that are being improperly segmented as in the *Delaware Riverkeeper* case cited by DoW. In that case, a

<sup>&</sup>lt;sup>75</sup> DoW Motion to Intervene at p. 4.

<sup>&</sup>lt;sup>76</sup> See, e.g., DoW Motion to Intervene at p. 6 (citing *Delaware Riverkeeper Network v. F.E.R.C.*, 753 F.3d 1304, (D.C. Cir. 2014)); 40 C.F.R. § 1508.25(a)(1).

<sup>7</sup> Id.

<sup>&</sup>lt;sup>78</sup> 40 C.F.R. § 1508.7

single applicant had four projects on a single pipeline all of which were designed to work in tandem to increase the overall capacity of the pipeline. In that situation, the court held that the projects were "connected" and should not be segmented into separate environmental reviews.<sup>79</sup> That simply is not the case as applied to the projects that DoW asserts here should be reviewed as related, integrated projects. Those LNG projects are unconnected, single actions that should be individually evaluated under NEPA.<sup>80</sup>

As discussed above, FERC should conduct an individual EIS analysis for the Texas LNG Project, not a single EIS for the Texas LNG, Annova LNG, and Rio Grande LNG Projects. While this individual EIS would include consideration of cumulative impacts pursuant to 40 C.F.R. § 1508.25, the degree of such a cumulative impact analysis is in FERC's discretion using reasonable forecasting. Since Texas LNG has no influence on the other projects to affect their project siting decisions and resultant environmental impacts, it makes no sense to lump Texas LNG in with these other projects and their environmental impacts.

iii. Texas LNG will have an insignificant impact on listed species.

DoW attempts to blur the distinctions between the Texas LNG Project on the one hand and the Annova LNG and Rio Grande LNG projects on the other by arguing that FERC should lump all three projects into a single, allegedly highly destructive project for NEPA purposes. A careful reading of the DoW Scoping Comments, however, reveals that even DoW recognizes the distinctive characteristics of these projects. For example, there is significant discussion on pages 11-14 of the DoW Scoping Comments addressing the Annova LNG's siting directly adjacent to the "corridor" linking the Laguna Atascosa National Wildlife Refuge ("NWR") to the Lower Rio Grande NWR (shown in purple on the map on page 22 of DoW Scoping Comments). In

<sup>79</sup> See Delaware Riverkeeper, 753 F.3d at 1318.

<sup>&</sup>lt;sup>80</sup> See, e.g., City of Shoreacres v. Waterworth, 332 F. Supp. 992, (S.D. Tex. 2004), aff'd 420 F.3d 440 (5th Cir. 2005).

contrast, there is very little discussion of any independent impact from the Texas LNG Project. There is only very general and speculative reference that the site of the Project "could potentially" be good habitat for ocelots and jaguarundi, might affect certain birds and sea turtle, and "could" deter ocelot movement. 81

DoW's apparent concern is the corridor between the two NWRs. As DoW's map shows, however, the Texas LNG Terminal Site is significantly removed from the corridor. The Texas LNG Terminal Site simply does not interfere significantly with the potential path of the ocelot or the jaguarundi and thus does not impact the connectivity between the two NWRs. Further, the jaguarundi has not been found officially in this region of Texas for as many as 35 years. The Port has established a wildlife corridor, which is not on or adjacent to the Texas LNG Terminal Site.

Similarly, DoW argues on pages 20 through 25 that the EIS must evaluate whether the projects collectively conflict with land use policies, citing to the Bahia Grand Coastal Corridor Project, the Comprehensive Conservation Plan for the Laguna Atascosa National Wildlife Refuge, the Environmental Defense Safe Harbor Agreement for the ocelot, and something generically referred to as the "recovery plans" for the ocelot and the jaguarundi (presumably the Recovery Plans from U.S. Fish and Wildlife Service, as revised). However, the future land use and development of the Texas LNG Terminal Site is guided most directly by the Port of Brownsville Master Plan, which provides a business and development plan for the Port and offers flexible land use recommendations for Port-owned land. 82 The Texas LNG Project is proposed to be sited in such a manner as to not meaningfully conflict with these land uses or

See DoW Scoping Comments at pp. 13, 15.
 TEXAS LNG RESOURCE REPORT 8 at 8-7.

plans, or the connectivity thereof, despite DoW's attempts to infer otherwise by grouping the three potential LNG projects into one.

DoW also references an "active petition" filed by WildEarth Guardians in 2010 to designate critical habitat for the ocelot. It is unclear whether this nearly six year old petition is even still pending. WildEarth's own website states that the petition has been denied. 83 Regardless, petitions for the designation of a habitat are governed by 50 C.F.R. § 424.14(d), which provides for review of such petitions pursuant to 5 U.S.C. § 553 of the Administrative Procedures Act ("APA"). Subsection (e) of that provision of the APA gives interested persons the right to petition for the issuance of a rule. The WildEarth Petition to designate critical habitat is a mere request for rulemaking with no independent legal affect. The U.S. Department of the Interior, Fish and Wildlife Services, specifically declined to designate a critical habitat for the ocelot because doing so "would not be in the interest of the species."

Further, by collectively commenting on the Texas LNG, Annova LNG, and Rio Grande LNG projects, DoW ignores other distinctions as well. Even a cursory review of the three Projects shows that the Rio Grande LNG Project is significantly larger than the Texas LNG Project. Moreover, the three projects are in different stages of the FERC filing process and will progress along individual siting and construction timelines. Thus, there are important differences in size, location, and timing that make these three Projects unique.

The Texas LNG Project has the lowest potential for impact on federally listed threatened and endangered species. This Project must be evaluated as a stand-alone, independent project.

While the EIS should appropriately consider "cumulative impacts" as provided in 40 C.F.R. §

<sup>&</sup>lt;sup>83</sup> WildEarth Guardians, Ocelot Leopardus pardalis: Significant actions (reporting that in "May 2011 - U. S. Fish and Wildlife Service denies petition to designate critical habitat for the ocelot"), *available at* <a href="http://www.wildearthguardians.org/site/PageServer?pagename=species\_mammals\_ocelot">http://www.wildearthguardians.org/site/PageServer?pagename=species\_mammals\_ocelot</a> (last visited May 17, 2016).

<sup>&</sup>lt;sup>84</sup> See 75 Fed. Reg. 52547 (Aug. 26, 2010) (citing 47 Fed. Reg. 31670 (July 21, 1982)).

1508.25, the scope of the EIS for the Texas LNG Project should not be expanded beyond that requirement to essentially encompass an EIS analysis for all three projects.

iv. DoW misstates FERC's siting requirements.

In its Scoping Comments at page 2, DoW states:

The Commission's own regulations for the implementation of NEPA require that the site selection for each proposed facility avoids or minimizes the impact to wildlife. Thus the alternatives analysis in each EIS must demonstrate that other locations for the proposed facilities *are infeasible or would result in greater harms*. 85

Texas LNG is not aware of any NEPA or FERC requirement that an EIS affirmatively demonstrate that other locations are "infeasible or would result in greater harm." FERC's rules provide that "siting, construction, and maintenance of facilities shall be undertaken in a way that avoids or minimizes effects on scenic, historic, wildlife, and recreational values." The Texas LNG Project does just that and Texas LNG is confident that, as a result, the EIS ultimately will concur with this, particularly in light of the location and size of the Project and the planned mitigation actions to minimize or eliminate any potential impact.

DoW's statements that an EIS must demonstrate that other locations would result in greater harm (along with other statements throughout the DoW Scoping Comments) imply that the EIS is essentially a "litmus test" for whether an LNG application may be approved. This is not the case. The EIS is one factor of many which FERC must consider in its decision making process. It is not the sole basis for a FERC decision as implied by DoW.<sup>87</sup> FERC's siting regulation simply does not provide what DoW asserts.

<sup>&</sup>lt;sup>85</sup> DoW Scoping Comments at p. 2 (emphasis added).

<sup>&</sup>lt;sup>86</sup> 18 C.F.R. § 380.15(a).

<sup>&</sup>lt;sup>87</sup> See, e.g., Robertson v. Methow Valley Citizens Council, 490 U.S. 332, 350(1989) (stating that "it is now well settled that NEPA itself does not mandate particular results, but simply prescribes the necessary process").

v. Non-jurisdictional facilities are not subject to FERC authorization.

In its Scoping Comments at page 19, DoW asserts that the EIS analysis of what DoW calls "cumulative effects" should include consideration of the construction and ultimate operations of the intrastate pipelines associated with the three projects. As explained in Texas LNG's Application and other submittals to FERC, the Project contemplates use of an intrastate pipeline for the transportation of natural gas to the facility. Texas LNG will not construct or operate the intrastate pipeline. While the pipeline will be subject to various regulations (including the U.S. Pipeline and Hazardous Materials Safety Administration's minimum pipeline safety standards at 49 C.F.R. Part 192), it will not be regulated as part of the FERC EIS consideration for the Project.

The pipeline may have some bearing on the "cumulative impacts" consideration pursuant to § 1508.25(c). Tellingly, DoW makes only passing reference to any perceived impact the pipeline may have on wildlife. The proposed and preferred location of the spur portion of the pipeline would primarily follow the strip of Port-owned land shown on the map found on page 22 of DoW's Scoping Comments, and indicated by the non-colored strip of land running generally to the southwest from the Texas LNG location. Because this spur pipeline would run adjacent to an already existing highway, habitat fragmentation typically associated with new linear developments will not be significantly increased. Texas LNG will work closely with the pipeline company with respect to mitigating any potential impact to wildlife. Adding the potential impacts of the pipeline to the minimal impacts of the Project does not rise to a significant cumulative impact, which can be addressed in the EIS.

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<sup>&</sup>lt;sup>88</sup> See DoW Scoping Comments at p. 19.

V. **CONCLUSION** 

For the reasons set forth herein, Texas LNG respectfully requests that the Commission

grant the instant Motion for Leave to Answer and issue an order consistent with this Answer

granting Texas LNG the authority under Section 3 of the NGA that is requested in its

Application in this docket.

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Dated: May 20, 2016

28

## Appendix A

## Excerpts of Stakeholder Activities from Texas LNG Brownsville LLC's Monthly Reports<sup>1</sup>

## **April 14 - May 15, 2015**

- On May 5, 2015, an open house was held at the Brownsville Events Center approximately 200 people attended.
- On May 6, 2015 in Brownsville, Texas, representatives from Texas LNG including Vivek Chandra, Langtry Meyer, Mike Maloney, and Samsung Engineering Americas President Bonjoon Ku and Vice President of Sales William Creighton had lunch with Brownsville Mayor Tony Martinez, Cameron County Commissioner Alex Dominguez, Brownsville Economic Development Council President Jason Hilts, Executive Vice President Gilbert Salinas, and Interim Cameron County Administrator David Garcia. The officials were briefed on the status of the project and the importance of the open house events.
- On May 6, 2015, an open house was held at the Port Isabel Events Center and Cultural Center approximately 160 people attended.
- On May 8, 2015, in South Padre Island, Texas, representatives from Texas LNG met with South Padre Island Economic Development Corporation Director Darla Lapeyre who was briefed on the project and the potential economic benefits to South Padre Island, Texas.

### May 16 - June 15, 2015

- On May 20, 2015, in Port Isabel, Texas, Langtry Meyer met with City of Port Isabel Commissioner JJ Zamora and Point Isabel Independent School District (ISD) board member Bertha Zamora to brief them on the project and answer their questions. Ms. Zamora asked Texas LNG to become involved with the Point Isabel ISD and to promote STEM fields in education.
- On May 20, 2015, in Brownsville, Texas, Langtry Meyer met with Irv Downing, Associate Vice President of Economic Development at the University of Texas Rio Grande Valley, and briefed Mr. Downing on the project and explained the FERC regulatory process.
- On May 20, 2015, in Brownsville, Texas, Langtry Meyer met Port of Brownsville
  officials including Chairman of the Board Ralph Cowen, Board Member John Wood, and
  Port Director Eduardo Campirano to discuss project development issues including right
  of way easements and possible mitigation options.
- On May 21, 2015, in Brownsville, Texas, Langtry Meyer met with Brownsville City Commissioner Cesar De Leon to brief him on the Texas LNG project. Commissioner De Leon expressed his desire for economic development projects in South Texas.
- On May 21, 2015, in Port Isabel, Texas, Langtry Meyer met with Port Isabel Justice of the Peace Bennie Ochoa to brief him on the Texas LNG project. Judge Ochoa offered to gather local fishermen to learn about the project and invited Langtry Meyer to answer any questions the group might have.

<sup>1</sup> These summaries of stakeholder activities reflect excerpts from the twelve monthly reports that Texas LNG Brownsville LLC filed with the Federal Energy Regulatory Commission under Docket No. PF15-14-000 on the following dates: May 29, 2015; June 18, 2015; July 22, 2015; August 24, 2015; September 24, 2015, October 22, 2015; November 20, 2015; December 22, 2015; January 28, 2016; February 18, 2016; April 4, 2016; and April 27, 2016.

- On May 21, 2015, in Port Isabel, Texas, Langtry Meyer met with City of Port Isabel Commissioner Jeffery David Martinez and Commissioner Martin C. Cantu to brief them on the Texas LNG project and discuss the regulatory process.
- On May 21, 2015, in Brownsville, Texas, Langtry Meyer delivered a presentation to the Propeller Club, a civic organization devoted to maritime issues.
- On June 2, 2015, Texas LNG Representative Trey Lewis presented to the Weslaco Lions Club in Weslaco, Texas about the Texas LNG project and answered the group's questions.
- On June 8, 2015 Texas LNG launched its Facebook page (https://www.facebook.com/TexasLNG).

## June 16 - July 15, 2015

- On June 16, 2015, in South Padre Island, Texas, Langtry Meyer presented at an open meeting of the City of South Padre Island's Economic Development Corporation (EDC) on the Texas LNG Project and addressed common misunderstandings regarding the LNG industry. Also at the meeting, Mr. Meyer had the opportunity to visit with members of the community including South Padre Island City Commissioner Julee LaMure and South Padre Island Chamber of Commerce President/CEO Roxanne Guenzel. After the meeting, Mr. Meyer gave an interview to Ron Whitlock.
- On June 16, 2015 in Brownsville, Texas, Langtry Meyer met with Point Isabel School Board Member Jimmy Vela to brief him on the Texas LNG Project and discussed potential partnerships between Texas LNG and local school districts, such as the Point Isabel Independent School District, to encourage students to pursue science, technology, engineering, and mathematics (STEM) fields.
- On June 16, 2015, in Port Isabel, Texas, Langtry Meyer presented to a group of local fishermen, briefed them on the Texas LNG Project, and answered their questions regarding the Project and the LNG industry generally.
- On June 17, 2015, in Brownsville, Texas, Langtry Meyer and David Glessner met with the Port of Brownsville to discuss a number of project development issues including the establishment of a utility corridor and potential mitigation options.
- On June 17, 2015, in Brownsville, Texas, Langtry Meyer presented to the United Brownsville Board, and updated the group on the Texas LNG Project and on the progress made since his last visit in 2014.

## July 16 - August 15, 2015

- On July 15, 2015, in Brownsville, Texas, Langtry Meyer presented to the Brownsville Rotary Club on the Texas LNG project and reviewed "myths vs facts" of LNG. Mr. Meyer also answered questions regarding the Texas LNG project and the LNG industry generally.
- On July 15, 2015, in Brownsville, Texas, Langtry Meyer met with Texas State Representative Rene Oliveira to brief the Representative on the Texas LNG project and update him on the regulatory process.
- On July 15, 2015, in Brownsville, Texas, Langtry Meyer and Dave Glessner presented the Texas LNG project and gave an LNG safety briefing to City of Brownsville first responders. Participants at the meeting included Brownsville Deputy Fire Chief Joseph Horn, Alex Martinez (also from the Brownsville Fire Department), Commander Juan

Hernandez from the Brownsville Police Department, and Odee Ann Leal who is the Director and Emergency Management Coordinator of the City of Brownsville's Office of Emergency Management.

- On July 15, 2015, in South Padre Island, Texas, Langtry Meyer and Dave Glessner met with City of Port Isabel Mayor Joe Vega and City of Port Isabel Commissioner Maria de Jesus Garza and updated them on the Texas LNG project and the FERC regulatory process.
- On July 16, 2015, in Brownsville, Texas, Langtry Meyer and Dave Glessner met with Texas State Senator Eddie Lucio, Jr. (District 27). Mr. Meyer briefed Senator Lucio on the Texas LNG project and answered the Senator's questions regarding the project and on the LNG industry generally. Senator Lucio expressed his support for the project given the economic benefits for South Texas.
- On July 16, 2015, in Brownsville, Texas, Langtry Meyer and Dave Glessner met with Tom Hushen, Cameron County Emergency Management Coordinator, and representatives from Cameron County Emergency Services District Number 1 including Rolando Martinez, Alfonso Guillen, and Graciela Salinas and briefed them on the project and updated them on safety aspects of LNG.
- On July 16, 2015, in Brownsville, Texas, Dave Glessner and Trey Lewis met with multiple U.S. Border Patrol agents including Melissa A. Lucio, Patrol Agent in Charge, of the Brownsville Station. Mr. Glessner and Mr. Lewis briefed the agents on the Texas LNG project including the project location, the project timeline, and the FERC regulatory process. Mr. Glessner and Mr. Lewis also received a short overview of the Border Patrol's mission and their activities in the Rio Grande Valley Sector. Mr. Lewis and Mr. Glessner explained that they are always available should the Border Patrol have any additional follow up questions.
- On July 16, 2015, in Brownsville, Texas, Langtry Meyer visited with Board members of the Brownsville Chamber of Commerce at the conclusion of their monthly board meeting.
- On July 17, 2015, in Brownsville, Texas, Langtry Meyer presented to Brownsville's Sunrise Rotary Club about the Texas LNG project.
- On July 17, 2015, Langtry Meyer visited with Judge Leonel Alejandro and briefed the Judge on the Texas LNG project and discussed the international markets that are potential LNG buyers.
- On July 17, 2015, in Brownsville, Texas, Langtry Meyer met with Texas State Representative Eddie Lucio, III (District 38). Mr. Meyer briefed Rep. Lucio on the Texas LNG project and answered any questions the Representative had on the project.
- On August 10, 2015, in Brownsville, Texas, Langtry Meyer and Dave Glessner met with Cameron County Commissioner Sofia Benavides to update her on the status the project, explain the purpose of the upcoming scoping meeting, and discuss community outreach efforts.
- On August 10, 2015, in Brownsville, Texas, Langtry Meyer and Dave Glessner met with Port of Brownsville Director & CEO Eduardo Campirano to discuss ongoing project development issues including a utility corridor and navigation simulations.
- On August 11, 2015, in Port Isabel, Texas, Langtry Meyer, Dave Glessner, Sandra Safro, Trey Lewis, and Les Hanson participated in the FERC scoping meeting, visiting with

- community members who visited the Texas LNG table, explaining the Texas LNG project, and answering questions.
- On August 14, 2015, in Brownsville, Texas, Langtry Meyer, met with Cameron County Administrator David Garcia and updated him on the status of the project and on the successful scoping meeting.
- On August 14, 2015, in Rancho Viejo, Texas, Langtry Meyer attended the Brownsville Chamber of Commerce Legislative Luncheon and had the opportunity to visit with multiple members of the community including Texas Shrimp Association Executive Director Andrea Hance, multiple county commissioners, and Brownsville Chamber of Commerce Board Members.

## **August 16 - September 15, 2015**

- On August 21, 2015, Trey Lewis met with Casandra Garcia, South Texas Regional Director for U.S. Senator Ted Cruz, and explained the Texas LNG Project and the LNG industry generally and answered questions regarding the Project.
- On August 25, 2015, Vanesa Pierce briefly presented at the Los Fresnos Chamber of Commerce Member Meeting about the Texas LNG Project and visited with local elected officials and chamber members after the official meeting ended.
- On August 25, 2015, Trey Lewis and Langtry Meyer presented to the City of Port Isabel City Council during the public comment session and made themselves available to answer questions community members may have on the Texas LNG Project.
- On August 31, 2015, Trey Lewis met with Laguna Vista Town Council Member Frank T. Davalos Jr. and representatives from other LNG projects to discuss the LNG industry and individual projects and to address any questions Mr. Davalos had about the Project.
- On September 1, 2015, Trey Lewis met with Melinda Rodriguez to discuss the upcoming Brownsville Chamber of Commerce LNG luncheon.
- On September 1, 2015, Trey Lewis presented during the public comment session at the Laguna Vista Town Council Meeting on the importance of the Texas LNG Project and was available to answer any questions community members may have on the Project.
- On September 2, 2015, Trey Lewis presented during the public comment session at the City of South Padre Island Council meeting on the importance of the Texas LNG Project and was available to answer any questions community members may have on the Project.
- On September 4, 2015, Trey Lewis met with Miguel Sarkis, District Director for the Office of State Representative Eddie Lucio, III and explained the Texas LNG Project and the LNG industry generally and answered questions regarding the Project.
- During the week of September 14, 2015, Texas LNG mailed an update letter to stakeholders on the Texas LNG Project and thanking them for their comments to the FERC.
- On September 14, 2015, Trey Lewis and Vanesa Pierce met with Los Fresnos
   Consolidated Independent School District ("Los Fresnos CISD") administrative officials
   including Valarie Londrie, executive director for academics, to discuss the types of jobs
   and skills necessary to work at the Texas LNG Project, learn about programs that Los
   Fresnos CISD has in place, and consider possible development of new programs.

#### **September 16 - October 16, 2015**

- On September 15, 2015, in Port Isabel, Texas, Trey Lewis, representing Texas LNG, attended a school board meeting of the Point Isabel Independent School District and visited with attendees.
- On September 16, 2015, in Brownsville Texas, Trey Lewis, representing Texas LNG, met with Mr. Escareno to brief him on the Texas LNG project and answer any questions he may have on the project or on LNG generally.
- On September 17, 2015, Trey Lewis distributed Texas LNG's response to scoping comments to key Texas LNG stakeholders via email.
- On September 18, 2015, Trey Lewis attended a meeting at the Port of Brownsville with representatives of the Brownsville Chamber of Commerce to discuss the logistics of the LNG panel discussion.
- On September 22, 2015, in McAllen, Texas, Langtry Meyer (COO and co-founder of Texas LNG) presented to the South Texas Manufacturer's Association. Mr. Meyer's presentation included an overview of the Texas LNG project, an explanation of the FERC permitting process, and reviewed the types of jobs and services that Texas LNG will require to build and operate the facility. Mr. Meyer also took questions from the audience.
- On September 30, 2015, at the Port of Brownsville, Trey Lewis and Retired U.S. Coast Guard Captain Tom Rodino, representing Texas LNG, met with members of the Texas Shrimp Association and the Brownsville-Port Isabel Shrimp Producers Association to discuss channel access issues and answer questions the shrimpers had regarding LNG carrier transits.
- On October 2, 2015, in Port Isabel, Texas, Trey Lewis presented at the Joint Port Isabel-South Padre Island Chambers All Member Meeting on the Texas LNG project. The presentation included viewshed photos, an overview of the FERC regulatory process and the economic impacts of the Texas LNG project. At this event, Texas LNG also had a table to allow audience members to ask questions and speak individually to Mr. Lewis.
- On October 13, 2015, in Harlingen, Texas, David Glessner, representing Texas LNG, met with Texas State Technical College interim president Dr. Stella Garcia to brief her on the Texas LNG project and discuss workforce alignment.
- On October 13, 2015, in Brownsville, Texas, Dave Glessner from Texas LNG participated in the Brownsville Chamber of Commerce LNG Panel Discussion, briefed the audience on the Texas LNG project, and answered panel questions on topics including the economic and environmental impact of the Texas LNG project and the FERC permitting process. Mr. Glessner also took questions from the audience. Additionally, Texas LNG had a table at the event to allow audience members to ask questions and speak individually with Texas LNG representatives.
- On October 14, 2015, in Brownsville, Texas, Langtry Meyer had lunch with Jason Hilts (President/CEO of Brownsville Economic Development Council) and Fred Rusteberg (United Brownsville) to discuss the continued progress made on the Texas LNG project.

## **October 16 - November 15, 2015**

- On October 14, 2015, in Brownsville, Texas, Trey Lewis met with Congressional staff from Washington, D.C., and briefed them on the status of Texas LNG in the regulatory process.
- On October 20, 2015, in Harlingen, Texas, Trey Lewis, representing Texas LNG, attended Our Energy Moment's LNG panel discussion at Texas State Technical College. Guests included key community stakeholders in education, government, and the private sector.
- On October 26, 2015, Texas LNG worked with the Brownsville Chamber of Commerce to respond to questions their members have regarding the Texas LNG facility to be distributed to members of the Brownsville Chamber of Commerce.
- On October 31, 2015, in Brownsville, Texas, Texas LNG sponsored the Sounds of Downtown Brownsville community event. Trey Lewis represented Texas LNG at the event, which was attended by many community leaders. Mr. Lewis was available to discuss with attendees LNG related questions.
- On November 10, 2015, Texas LNG issued a press release to announce the submission of all thirteen draft Resource Reports to the FERC and the forging of a technology alliance Agreement with Honeywell. An advanced copy of this press release was sent to community stakeholders.
- On November 12, 2015, Trey Lewis met with Brownsville Independent School District Public Information Office Administrator Drue Brown to brief her on the Texas LNG project and explore possible partnerships between BISD and Texas LNG.
- During this reporting period, Texas LNG responded to emails from stakeholders regarding channel access questions and Texas LNG's permitting status.

#### November 16 - December 15, 2015

- On November 17, 2015, in Brownsville, Texas, Langtry Meyer and Trey Lewis met with Brownsville Chamber of Commerce officials, local business leaders and Brownsville Independent School District officials to update them on the Texas LNG project and provide them the opportunity to visit with BNP Paribas bank officials.
- On November 18, 2015, in Brownsville, Texas, Langtry Meyer and Trey Lewis met with Port of Brownsville Commissioner John Wood and CEO Eduardo Campirano to update them on the Texas LNG project and discuss project development issues.
- On November 18, 2015, in McAllen, Texas, Langtry Meyer and Trey Lewis met with Casandra Garcia, U.S. Senator Ted Cruz's South Texas Regional Director and briefed her on the Texas LNG project and answered her questions regarding the Texas LNG project and the LNG industry.
- On November 18, 2015, in Edinburg, Texas, Langtry Meyer and Trey Lewis met with Edinburg City Manager Ramiro Garza and Edinburg Economic Development Corporation staff to give them an overview of the Texas LNG project and discussed opportunities for local contractors.
- On November 18, 2015, in McAllen, Texas, Langtry Meyer participated in a radio interview with News Talk KURV710 hosts Davis Rankin and Roxanne Garcia to provide an update on the Texas LNG project, explain the FERC permitting process, and answer callers' questions.

- On November 18, 2015, in Edinburg, Texas, Langtry Meyer and Trey Lewis attended an event for the University of Houston. South Texas educational leaders and University of Houston officials attended.
- On November 19, 2015, Langtry Meyer participated in a radio interview for The Valley's Morning News with Sergio Sanchez (KURV710) to provide an update on the Texas LNG project and explain the FERC permitting process.
- On November 19, 2015, in Harlingen, Texas, Langtry Meyer and Trey Lewis met with Leticia Flores, Lower South Texas Regional Representative for Governor Greg Abbott, to brief her on the Texas LNG project and discuss State of Texas economic development programs.
- On December 10, 2015, in Brownsville, Texas, Trey Lewis, representing Texas LNG, attended the Boy Scouts of America Friends of Scouting Dinner in Brownsville, Texas. Texas LNG was a host of this event. Stakeholders in the banking, government, and construction sectors attended the event.

### December 16, 2015 through January 15, 2016

- On December 29, 2015, Trey Lewis representing Texas LNG visited with a board member from Friends of Laguna Atascosa Wildlife Refuge about the Texas LNG project and coordinated a presentation for Texas LNG to present at the Friends of Laguna Atascosa Wildlife Refuge LNG meeting.
- On January 3, 2016, Texas LNG recognized its first "STEM Student of the Month" in conjunction with the Brownsville Independent School District in the Brownsville Herald and El Nuevo Heraldo to promote and encourage students to excel in the subjects of science, technology, engineering, and math.

## **January 16, 2016, through February 15, 2016**

- On January 20, 2016, Langtry Meyer, Texas LNG's Founder and COO, presented the Texas LNG Project to Friends of Laguna Atascosa National Wildlife Refuge and made himself available for questions regarding the LNG industry and the specifics of the Texas LNG project.
- On January 21, 2016, Langtry Meyer visited with Cameron County Administrator David Garcia to update him on the status of the Texas LNG project.
- On January 22, 2016, Langtry Meyer visited with Hanna High School students to recognize the inaugural Texas LNG STEM Student of the Month. Mr. Meyer visited with Mr. Daughters' class to describe the global liquefied natural gas market, the engineering required to construct the Texas LNG facility, and Mr. Meyer's college experience as a student athlete at Stanford University. Additionally, Mr. Meyer hosted a pizza party for the class to highlight STEM students' accomplishments.
- On January 23, 2016, Langtry Meyer visited with children, coaches, and parents at the Boys and Girls Club of Laguna Madre.
- On January 26, 2016, Trey Lewis sent a press release to community stakeholders on behalf of Texas LNG updating them on Texas LNG's community outreach activities and the Texas LNG Project.
- On February 7, 2016, Texas LNG recognized its February "STEM Student of the Month" in conjunction with the Brownsville Independent School District in the Brownsville

Herald and El Nuevo Heraldo to promote and encourage students to excel in the subjects of science, technology, engineering, and math.

## February 16, 2016, through March 15, 2016

- On March 2, 2016, Trey Lewis, representing Texas LNG, attended the Brownsville Navigation District Board of Commissioners meeting and was available should the Commissioners, Port staff, or members of the public wish to discuss the Texas LNG project.
- On March 5, 2016, the Port of Brownsville in partnership with the 2016 Challenge—an initiative by the City of Brownsville and the University of Texas School of Public Health, Brownsville Regional Campus to promote a healthy lifestyle—hosted a 5K Run & 1M Walk. The event was free and open to all members of the public. In support of this community event, Texas LNG donated water, fruit, and energy bars. Trey Lewis, representing Texas LNG, was present at the event to help distribute the refreshments to all participants. More than 300 runners and walkers completed the course, which took participants through the Port of Brownsville.
- On March 6, 2016, Texas LNG recognized its March "STEM Student of the Month" in conjunction with the Brownsville Independent School District in the Brownsville Herald and El Nuevo Heraldo to promote and encourage students to excel in the subjects of science, technology, engineering, and math.
- On March 10, 2016, Trey Lewis, representing Texas LNG, presented to Leadership Brownsville's Class XXXI on the global LNG industry, the economic benefits to South Texas of exporting LNG from the Port of Brownsville and the details of the Texas LNG project including site location and engineering required to permit and construct the project. Following the presentation, Mr. Lewis accompanied the class on a tour of the Port of Brownsville. Leadership Brownsville provides potential leaders the knowledge to effectively participate in community affairs, to learn the history and demography of the Brownsville community, and to understand its financial and political challenges and opportunities.
- On March 13, 2016, Trey Lewis, on behalf of Texas LNG, distributed an article in LNG Industry magazine which featured the Texas LNG project to stakeholders in the community. The article included an overview of Texas LNG's founders and partners, the facility, business model, project schedule, and aerial maps of the project site.

## March 16, 2016, through April 15, 2016

- On March 23, 2016, Texas LNG cofounder and COO Langtry Meyer met with Chairman of the Brownsville Navigation District Board of Commissioners Ralph Cowen and Commissioner John Wood to update them on the status of the Texas LNG project and the project's intention to file its formal FERC application by the end of March.
- On March 31, 2016, Texas LNG filed its formal application with the Commission. In compliance with FERC's rules and regulations and to properly give notice to the public and stakeholders of Texas LNG's filing, Texas LNG ran two notices in the Brownsville Herald announcing its filing. The notices reference the Commission's docket number for the project and explain that the application is available online and on file at the Brownsville and the Port Isabel libraries. In compliance with FERC's regulations, Texas LNG also mailed a notice of the filing of the formal application to various stakeholders.

- On March 31, 2016, Trey Lewis, on behalf of Texas LNG, distributed a press release announcing Texas LNG's filing to stakeholders in the local community. The press release included Texas LNG's FERC docket number associated with its formal application and additional information regarding the Texas LNG project.
- On April 10, 2016, Texas LNG recognized its April "STEM Student of the Month" in conjunction with the Brownsville Independent School District in the Brownsville Herald and El Nuevo Heraldo to promote and encourage students to excel in the subjects of science, technology, engineering, and math.

## **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in the proceeding.

Dated this 20th day of May 2016.

/s/ Michael L. O'Neill Michael L. O'Neill Counsel for Texas LNG Brownsville LLC