

**UNITED STATES OF AMERICA  
BEFORE THE  
DEPARTMENT OF ENERGY**

Jordan Cove Energy Project, L.P. ) FE Docket No. 12-32-LNG  
)

**CITIZENS AGAINST LNG AND JODY MCCAFFREE MOTION TO FILE PARTIAL  
ANSWER TO PROTEST OF EVANS SCHAAF FAMILY L.L.C., RON SCHAAF AND  
DEBORAH EVANS**

Pursuant to section 10 C.F.R. § 590.304(f), of the regulations of the Department of Energy (DOE), Jody McCaffree and the Citizens Against LNG hereby file this partial answer in response to the supplemental comment and protest e-mailed on October 17, 2017 from attorney Thane W. Tienson on behalf of clients Evans Schaaf Family L.L.C., Ron Schaaf and Deborah Evans. On October 27, 2017 we requested additional time with good cause shown for filing a complete answer pursuant to 10 C.F.R. § 590.304(f), 590.105(b), and 501.7(a)(6), depending on if the U.S. Dept of Energy (DOE) Assistant Secretary determines that good cause was shown to accept the supplemental comment and protest of Evans Schaaf Family L.L.C et. al.

We submit that there is good cause to accept this partial answer. This answer corrects and clarifies issues raised in the Evans-Schaaf supplemental comment and protest and will therefore contribute to the development of a more complete record and assist the DOE Assistant Secretary in its decision making process. We respectfully request that the Commission accept and consider this answer.

**I. CURRENT STATUS OF THE PROJECT**

On March 24, 2014 the DOE/FE issued Order 3413 Conditionally Granting Long-term Multi-contract Authorization to Export LNG by Vessel from the Jordan Cove LNG Terminal in Coos Bay, Oregon to Non-free Trade Agreement Nations. The Conditional Order stated among many other things that:

*...Insofar as a participant in the FERC proceeding actively raises concerns over the scope or substance of environmental review but is unsuccessful in securing that agency's consideration of its stated interests, DOE/FE reserves the right to address the stated interests within this proceeding... ...the issues addressed herein regarding the export of natural gas will be reexamined at the time of DOE/FE's review of the FERC environmental analysis... (Emphasis added)  
3413 Order at page 152.*

The Conditional Order also stated that:

*...G. (i) Jordan Cove shall file, or cause others to file, with the Office of Oil and Gas Global Security and Supply a non-redacted copy of all executed long-term contracts associated with the long-term export of LNG on its own behalf or as agent for other entities from the Jordan Cove Terminal. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if Jordan Cove has filed the contracts described in the preceding sentence under seal or subject to a claim of confidentiality or privilege, within 30 days of their execution, Jordan Cove shall also file, or cause others to file, for public posting either: i) a redacted version of the contracts described in the preceding sentence, or ii) major provisions of the contracts. In these filings, Jordan Cove shall state why the redacted or non-disclosed information should be exempted from public disclosure.*

*(ii) Jordan Cove shall file, or cause others to file, with the Office of Oil and Gas Global Security and Supply a non-redacted copy of all executed long-term contracts associated with the long-term supply of natural gas to the Jordan Cove Terminal. The non-redacted copies may be filed under seal and must be filed within 30 days of their execution. Additionally, if Jordan Cove has filed the contracts described in the preceding sentence under seal or subject to a claim of confidentiality or privilege, within 30 days of their execution, Jordan Cove shall also file, or cause others to file, for public posting either: i) a redacted version of the contracts described in the preceding sentence, or ii) major provisions of the contracts. In these filings, Jordan Cove shall state why the redacted or non-disclosed information should be exempted from public disclosure.  
3413 Order at page 154 to 155.*

On March 3, 2016, the U.S. Dept of Energy published in the Federal Register a notice concerning the Jordan Cove Energy Project, L.P. Amendment of their Application for Long-term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations under FE Docket 12-32-LNG. The Jordan Cove Amendment Application sought to increase the volume of LNG for which Jordan Cove had previously requested export authorization from the equivalent of 292 Bcf/yr to the equivalent of 350 Bcf/yr of natural gas (0.96 Bcf/day). To date

the DOE/FE has not yet issued a Final Order on the pending Application or on Jordan Cove's Amended Application.

On March 11, 2016, FERC issued an order (FERC Order),<sup>1</sup> finding that the Pacific Connector Gas Pipeline (PCGP) had not made a showing of customer commitment sufficient for the issuance of a NGA § 7 certificate of public convenience and necessity and denying its application for authorization to construct and operate the proposed pipeline facilities.<sup>2</sup> Because Jordan Cove would thus be without a pipeline connecting it to the sources of natural gas, FERC denied Jordan Cove's application for authorization under NGA § 3 to construct and operate the Facility.<sup>3</sup> The March 11, 2016 FERC Order specifically stated:

*42. Because the record **does not support a finding that the public benefits of the Pacific Connector Pipeline outweigh the adverse effects on landowners**, we deny Pacific Connector's request for certificate authority to construct and operate its project, as well as the related blanket construction and transportation certificate applications.*  
(Emphasis added)

(FERC Order at page 18)

\* \* \* \*

*46. Because the record does not support a finding that the Jordan Cove LNG Terminal can operate to liquefy and export LNG absent the Pacific Connector Pipeline, **we find that authorizing its construction would be inconsistent with the public interest**. Therefore, we also deny Jordan Cove's request for authorization to site, construct and operate the Jordan Cove LNG Terminal.* (Emphasis added)

(FERC Order at page 20)

On April 8, 2016, Jordan Cove and PCGP filed a request for rehearing of the FERC Order<sup>4</sup> and on April 14, 2016, the Jordan Cove Energy Project filed an Answer with the DOE Secretary in response to Interventions, Protest and Comments that had been submitted to the DOE on March 23, 2016 by the Sierra Club, Craig and Stacey McLaughlin, Wim de Vriend, Tony Woosley, Kathy Dodd, the American Petroleum Institute, the Industrial Energy Consumers

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<sup>1</sup> Order Denying Applications for Certificate and Section 3 Authorization, Jordan Cove Energy Project, L.P. and Pacific Connector Gas Pipeline, LP, 154 FERC ¶ 61,190 (Mar. 11, 2016) (FERC Docket Nos. CP13-483-000 and CP13-492-000). <http://www.ferc.gov/CalendarFiles/20160311154932-CP13-483-000.pdf>

<sup>2</sup> FERC Order, 154 FERC ¶ 61,190 at PP 39-42.

<sup>3</sup> Id. at PP 44-46.

<sup>4</sup> Request for Rehearing of Jordan Cove Energy Project, L.P. and Pacific Connector Gas Pipeline, LP, FERC Docket Nos. CP13-483-000 and CP13-492-000 (filed Apr. 8, 2016)

of America, Jody McCaffree, the Citizens Against LNG, MA Rohrer, the Evans Schaaf Family LLC, Francis Eatherington, Oregon Women's Land Trust, Katy Eymann and Alan Journet under FE Docket 12-32-LNG. In Jordan Cove's Answer they specifically state:

*...On March 22, 2016, Jordan Cove finalized the key commercial terms with JERA Co., Inc. (JERA) for the sale of at least 1.5 million mtpa of natural gas liquefaction capacity for an initial term of 20 years, subject to customary conditions including the execution of a detailed liquefaction tolling agreement...* (JCEP 4-14-2016 DOE Answer page 4)

\* \* \* \*

*...On April 8, 2016, Jordan Cove reached preliminary agreement with ITOCHU Corporation (ITOCHU) with respect to certain key commercial terms for the purchase by ITOCHU of an additional 1.5 million mtpa of natural gas liquefaction capacity for an initial term of 20 years. The agreement is subject to the negotiation of a mutually acceptable, definitive liquefaction tolling agreement, which Jordan Cove and ITOCHU will continue to work together to conclude. ...* (JCEP 4-14-2016 DOE Answer page 5)

\* \* \* \*

*...Additionally, in early April, PCGP entered into precedent agreements covering in total 77% of the capacity of PCGP with: (1) Macquarie Energy LLC, a large natural gas marketer that will act as an aggregator of natural gas supplies for liquefaction service customers of Jordan Cove; (2) Avista Corporation, a combined electric-gas utility whose southern Oregon service territory is traversed by the proposed route of PCGP; and (3) Jordan Cove, ...* (JCEP 4-14-2016 DOE Answer page 5)

**As intervenors in this proceeding, we have yet to see any timely versions or redacted versions of these contracts as required under DOE Order 3413.** Press Releases containing forward-looking information statements do not constitute contractual agreements.

On December 9, 2016, FERC issued an Order<sup>5</sup> denying Jordan Cove's Rehearing Request and affirming their March 11, 2016 Order that denied the Jordan Cove project under FERC Docket Nos. CP13-483-000 and CP13-492-000. FERC's March 11, 2016 Order was "*without prejudice to Jordan Cove and/or Pacific Connector submitting a new application to construct and/or operate LNG export facilities or natural gas transportation facilities should the companies show a market need for these [LNG Export]services in the future.*" (Emphasis added) (FERC Order at 48 page 21)

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<sup>5</sup> Order Denying Rehearing Request of Jordan Cove Energy Project, L.P. and Pacific Connector Gas Pipeline, LP, and affirming March 11, 2016 Order; 157 FERC ¶ 61,194 (Dec. 9, 2016) (FERC Docket Nos. CP13-483-000 and CP13-492-000). <https://www.ferc.gov/CalendarFiles/20161209152707-CP13-483-001.pdf>

On January 23, 2017, Jordan Cove filed a Request for Approval of a Pre-Filing Review Process of the Jordan Cove Energy Project, L.P. and Pacific Connector Gas Pipeline, LP with the FERC under FERC Docket No. PF17-4-000.<sup>6</sup> On June 9, 2017, the FERC issued a Notice of Intent to Prepare an Environmental Impact Statement (EIS) for the proposed Jordan Cove LNG Terminal and Pacific Connector Pipeline Projects re Jordan Cove Energy Project, LP under PF17-4.<sup>7</sup>

On September 21, 2017 the Jordan Cove / Pacific Connector Project filed their official applications with the Federal Energy Regulatory Commission (FERC)<sup>8</sup> and on October 5, 2017 FERC issued a Formal Notice of those Applications<sup>9</sup> under FERC Dockets CP17-495-000 and CP17-494-000. On October 2, 2017, Pembina, a Canadian Energy Corporation, acquired 100 percent of the outstanding shares of Veresen Inc. and JCEP(Jordan Cove) and PCGP(Pacific Connector) are now wholly owned subsidiaries of Pembina.<sup>10</sup>

## II. ANSWER TO PROTESTS

- 1) DOE March 24, 2014 U.S. DOE Order 3413 was a “Conditional Order” under 10 CFR § 590.402 and not a Final Order. The Conditions in the Order have not been met.**

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<sup>6</sup> [http://elibrary.FERC.gov/idmws/file\\_list.asp?accession\\_num=20170123-5362](http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20170123-5362)

<sup>7</sup> [http://elibrary.FERC.gov/idmws/file\\_list.asp?accession\\_num=20170609-3031](http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20170609-3031)

<sup>8</sup> Public Section 3 Application of Jordan Cove Energy Project L.P. under CP17-495: [https://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20170921-5142](https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170921-5142)  
Privileged Section 3 Application of Jordan Cove Energy Project L.P. under CP17-495: [https://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20170921-5143](https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170921-5143)  
CEII Section 3 Application of Jordan Cove Energy Project L.P. under CP17-495: [https://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20170921-5144](https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170921-5144)  
Public Section 7 Application of Pacific Connector Gas Pipeline, LP under CP17-494: [https://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20170921-5139](https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170921-5139)  
Privileged Section 7 Application of Pacific Connector Gas Pipeline, LP under CP17-494: [https://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20170921-5140](https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170921-5140)  
CEII Section 7 Application of Pacific Connector Gas Pipeline, LP under CP17-494: [https://elibrary.ferc.gov/idmws/file\\_list.asp?accession\\_num=20170921-5141](https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170921-5141)

<sup>9</sup> [http://elibrary.FERC.gov/idmws/file\\_list.asp?accession\\_num=20171005-3081](http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20171005-3081)

<sup>10</sup> [http://elibrary.FERC.gov/idmws/file\\_list.asp?accession\\_num=20171004-5128](http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20171004-5128)  
and [http://elibrary.FERC.gov/idmws/file\\_list.asp?accession\\_num=20171004-5129](http://elibrary.FERC.gov/idmws/file_list.asp?accession_num=20171004-5129)

Under 10 CFR § 590.402, *[t]he Assistant Secretary may issue a conditional order at any time during a proceeding prior to issuance of a final opinion and order.*” Until the Conditions spelled out in the Order have been met, the Order does not approve the Jordan Cove LNG export project.

On August 15, 2014, the Department of Energy’s (DOE) Office of Fossil Energy announced changes to its procedures for liquefied natural gas (LNG) export decisions. Pursuant to these procedures, DOE will act on applications to export liquefied natural gas (LNG) from the lower-48 states to non-FTA countries only after the review required by the National Environmental Policy Act (NEPA) has been completed by the FERC, suspending its practice of issuing conditional decisions prior to final authorization decisions.

The DOE announced on August 15, 2014 that these procedures would not affect the continued validity of the conditional orders DOE has already issued. For those applications, DOE stated it would proceed as explained in the conditional orders: when the NEPA review process for those projects is complete, DOE will reconsider the conditional authorization in light of the information gathered in the environmental review and take appropriate final action.

**DOE Order 3413 specially requires that JCEP, among many other things:**  
(For a full listing of Conditions see DOE Order 3413, pages 146 to 158.)

Order Page 147:

**C. Transfer, Assignment, or Change in Control**

*DOE/FE’s natural gas import/export regulations prohibit authorization holders from transferring or assigning authorizations to import or export natural gas without specific authorization by the Assistant Secretary for Fossil Energy ... This condition was deemed necessary to ensure that, prior to any transfer or change in control, DOE/FE will be given an adequate opportunity to assess the public interest impacts of such a transfer or change.*

Order Page 149: (Second paragraph)

*To ensure that the public interest is served, the authorization granted herein shall be conditioned to require that where Jordan Cove proposes to export LNG as agent for other entities who hold title to the LNG (Registrants), Jordan Cove must register with*

*DOE/FE those entities on whose behalf it will export LNG in accordance with the procedures and requirements described herein.*

Order Page 150: (Second paragraph)

*In addition, DOE/FE finds that section 590.202(c) of DOE/FE's regulations requires that Jordan Cove file, or cause to be filed, all long-term contracts associated with the long-term supply of natural gas to the Jordan Cove Terminal, whether signed by Jordan Cove or the Registrant, within 30 days of their execution*

Order Page 152:

#### ***H. Environmental Review***

*As explained above, DOE/FE intends to complete its NEPA review as a cooperating agency in FERC's review of the Jordan Cove project. The authorization issued in this Order will be conditioned on Jordan Cove's satisfactory completion of the environmental review process. Accordingly, this conditional Order makes preliminary findings and indicates to the parties DOE/FE's determination at this time on all but the environmental issues in this proceeding. **All parties are advised that the issues addressed herein regarding the export of natural gas will be reexamined at the time of DOE/FE's review of the FERC environmental analysis. Inasmuch as DOE/FE is a cooperating agency in the FERC environmental review, persons wishing to raise questions regarding the environmental review of the present Application are responsible for doing so within the FERC proceedings.** (Emphasis added)*

*Insofar as a participant in the FERC proceeding actively raises concerns over the scope or substance of environmental review **but is unsuccessful in securing that agency's consideration of its stated interests, DOE/FE reserves the right to address the stated interests within this proceeding.** However, absent a showing of good cause for a failure of interested persons to participate in the FERC environmental review proceeding, DOE/FE may dismiss such claims if raised out of time in this proceeding. ( (Emphasis added)*

- 2) **We agree with the Evans-Schaaf that the Jordan Cove Energy Project has failed to provide the necessary evidence in order to proceed under either the DOE Conditional Order 3413 issued on March 24, 2014 or the FERC Final Order issued on March 11, 2016.**

Section 3 of the Natural Gas Act (NGA) (15 U.S.C. § 717b) prohibits the import or export of natural gas, including liquefied natural gas (LNG) from or to a foreign country without prior approval from the FERC Commission. Parties who want to enter into natural gas transactions with foreign sellers and buyers must also file for an import and/or export authorization with the U.S. Department of Energy's (DOE) under the rules and procedures found in (10 CFR Part 590).

PUBLIC INTEREST STANDARD found under Section 3(a) of the NGA sets forth the standard for review of Jordan Cove's Application:

*[N]o person shall export any natural gas from the United States to a foreign country or import any natural gas from a foreign country without first having secured an order of the Commission<sup>11</sup> authorizing it to do so. The Commission shall issue such order upon application, unless, after opportunity for hearing, it finds that the proposed exportation or importation will not be consistent with the public interest. The Commission may by its order grant such application, in whole or in part, with such modification and upon such terms and conditions as the Commission may find necessary or appropriate, and may from time to time, after opportunity for hearing, and for good cause shown, make such supplemental order in the premises as it may find necessary or appropriate.*

The FERC March 11, 2016 Order determined that the Jordan Cove LNG Export project was **not in the public interest**. That determination was affirmed in FERC's December 9, 2016 Order. This should have been the end of it with respect to the LNG Project but FERC's March 11, 2016 Order was without prejudice to Jordan Cove Energy Project being able to show a need for their project in the future. Jordan Cove's recent application to the FERC under FERC Docket Nos. CP17-494-000 and CP17-495-000 does not meet the necessary requirements to proceed that were set out by the FERC Order on March 11, 2016. Jordan Cove has NOT provided proof of market demand for their project other than the same outdated press releases from Veresen that they previously provided to the FERC as a part of their Rehearing Request on April 8, 2016. Pacific Connector Gas Pipeline (PCGP) 2017 FERC Application states on page 17:

*...PCGP did not receive any qualifying bids during the open season beyond the Precedent Agreements with JCEP, and JCEP was accordingly awarded a full allocation of 1,150,000 Dth/day of capacity entitlements.*

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<sup>11</sup> The term "Commission" here refers to the Federal Power Commission (FPC). In 1977, Congress reorganized the FPC as FERC and the responsibilities of the Commission continued to expand. Under 42 U.S. Code § 7172 some powers of the FPC were given to the Secretary of Energy. Under CALNG/ McCaffree November 1, 2017 Answer  
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Under the Natural Gas Act (NGA), transportation of natural gas for public distribution must be “affected with a public interest.” 15 U.S.C. § 717(a). Under FERC regulations, the applicant must set forth “[t]he facts relied upon” to show that the construction is required by the public convenience and necessity. 18 C.F.R. §157.6(b)(2). Additionally, the applicant must provide “all information necessary to advise the commission fully concerning the operation, sales, service, construction, extension, or acquisition for which a certificate is requested..” 18 C.F.R. 157.5(a). The burden of justification for omitted data rests on the applicant. 18 C.F.R. §157.5(c).

Both JCEP and PCGP applications have failed to demonstrate that the proposed facilities are not inconsistent with the public interest as required by applicable regulations. 18 C.F.R. § 153.7(c). The applicant has failed to provide adequate evidence to support the proposition in the applications that the current proposed pipeline route and terminal local and design will have the least adverse impact on local water resources, salmon habitat, forests, and agricultural values. There is significant evidence that the project will negatively impact American landowners, local farms and businesses, fish habitat, water quality and natural resources.

The Jordan Cove Energy Project L.P. (JCEP) has no experience in the export of LNG and both JCEP and PCGP’s prior and current applications have failed to demonstrate that the proposed facilities will not involve any existing contract(s) between the applicant and a foreign government or person concerning the control of operations or rates for the delivery or receipt of natural gas which may restrict or prevent other United States companies from extending their activities in the same general area. 18 C.F.R. § 153.7(c)iii

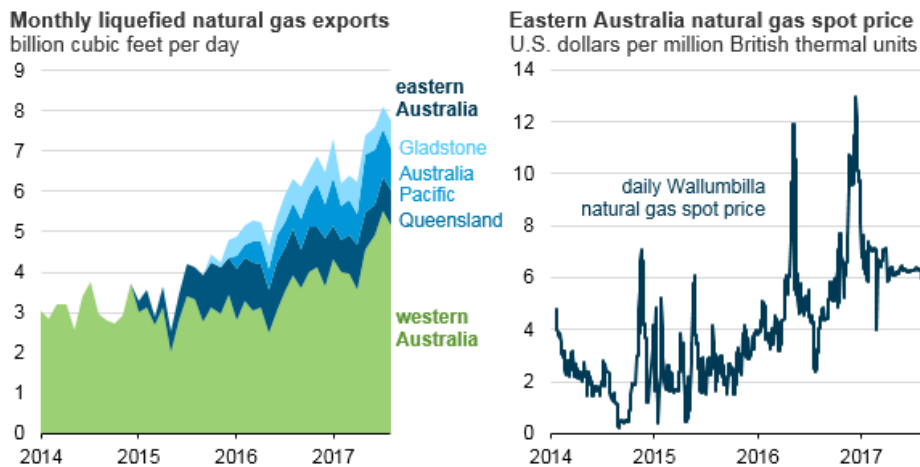
### **3) The Market does not support the Jordan Cove LNG Export Project**

In addition to other evidence that has already previously been placed before the DOE Secretary under FE Docket 12-32-LNG, we submit the following pages from the International CALNG/ McCaffree November 1, 2017 Answer  
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Gas Union (IGU) *2017 World LNG Report* that clearly shows the LNG glut and why projects like Jordan Cove are not viable.<sup>12</sup> (See *Exhibit I*) IGU reported that 258 million tonnes (MT) of LNG was traded in 2016 while global liquefaction capacity reached 340 million tonnes per annum (MTPA) as of January 2017. Despite 82 MTPA of excess LNG being produced, an additional 114.6 MTPA of capacity was also under construction as of January 2017. Currently liquefied natural gas export plans face years of oversupply.<sup>13</sup> In addition, the press reported in August of 2016 that Japan’s Jera had plans to cut long-term LNG contracts by 42 percent by 2030.<sup>14</sup>

The U.S. Energy Information Administration (EIA) reported on October 20, 2017 in an article titled, “*Australian domestic natural gas prices increase as LNG exports rise*” that:

*Australia became the world’s second-largest exporter of liquefied natural gas (LNG) in 2015 and is likely to overtake Qatar as the world’s largest LNG exporter by 2019. **As Australia’s LNG exports have increased, primarily from LNG projects in eastern Australia, the country has had natural gas supply shortages in eastern and southeastern Australia and an increase in domestic natural gas prices.***<sup>15</sup> (Emphasis added)



<sup>12</sup> [http://www.igu.org/sites/default/files/103419-World\\_IGU\\_Report\\_no%20crops.pdf](http://www.igu.org/sites/default/files/103419-World_IGU_Report_no%20crops.pdf)

<sup>13</sup> *Liquefied Natural Gas Export Plans Face Years of Oversupply* (July 18, 2017) <https://www.bna.com/liquefied-natural-gas-n73014461925/>

<sup>14</sup> *Japan’s Jera plans 42 percent cut in long-term LNG contracts by 2030* (August 10, 2016) <https://www.reuters.com/article/us-lng-jera/japans-jera-plans-42-percent-cut-in-long-term-lng-contracts-by-2030-idUSKCN10L117>

<sup>15</sup> EIA *Australian domestic natural gas prices increase as LNG exports rise* Oct 20, 2017 <https://www.eia.gov/todayinenergy/detail.php?id=33412#>

Eastern Australia daily spot natural gas price and LNG export price  
U.S. dollars per million British thermal units



The EIA October 20, 2017 Report also states:

*The U.S. experience with growing LNG exports is unlikely to be similar to Australia's. **More than half of Australia's total natural gas production was exported in 2016.** Australia's Energy Market Operator expects Australia's LNG exports will account for 80% of domestic production by 2020. Despite the rapid LNG export capacity growth, EIA's latest Annual Energy Outlook 2017 (AEO2017) Reference case—which reflects current policies and regulations—projects U.S. LNG exports to amount to only about 9% of total domestic natural gas production by 2020. (Emphasis added)*

This EIA statement above concerning U.S. impacts is misleading due to the fact that as of September 27, 2017, the U.S. Dept of Energy (DOE) had accepted applications for **LNG export volumes totaling 54.98 Bcf/d to Free Trade Agreement Nations and 51.59 Bcf/d to Non-Free Trade Agreement Nations.**<sup>16</sup> Most of these volumes have already been approved either directly or conditionally.

The U.S. EIA reported in an August 9, 2017 article titled, *United States expected to become a net exporter of natural gas this year*<sup>17</sup> that:

*Natural gas production in the **United States increased from 55 billion cubic feet per day (Bcf/d) in 2008 to 72.5 Bcf/d in 2016.** Most of this natural gas—about 96% in 2016—**is consumed domestically.** (Emphasis added)*

The U.S. EIA was wrong to not consider in their analysis that the U.S. DOE has ALREADY APPROVED LNG Exports in excess of the EIA projected U.S. production and is HEADING

<sup>16</sup> <https://energy.gov/sites/prod/files/2017/10/f37/Summary%20of%20LNG%20Export%20Applications.pdf>

<sup>17</sup> EIA *United States expected to become a net exporter of natural gas this year* - August 9, 2017 <https://www.eia.gov/todayinenergy/detail.php?id=32412>

THE U.S. FOR WORSE THAN WHAT IS HAPPENING IN AUSTRALIA where unfettered LNG Exports have tripled natural gas prices, harmed domestic consumers and caused manufacturing plants that rely on natural gas to close, throwing people out of work.<sup>18</sup>

**This is NOT IN THE PUBLIC INTEREST.**

On July 11, 2017, The Industrial Energy Consumers of America (IECA) President, Paul N. Cicio, issued the following statement following a July 11, 2017 Wall Street Journal story titled “*How Energy-Rich Australia Exported Its Way Into an Energy Crisis.*”<sup>19</sup>

*“We applaud the Wall Street Journal on their story on how the Australian government failed the public and their manufacturing sector by failing to put consumer safeguards in place. Foreign consumers benefited from LNG exports, while Australian consumers saw natural gas prices skyrocket. Shortages forced power plant outages and manufacturers were forced to cut back production or shutdown. Manufacturers continue to leave the country, resulting in the loss of good paying jobs.*

*“The U.S. is following the same failed policy. There are no consumer protections in place on U.S. LNG exports. Currently, a breathtaking volume equal to 71 percent of 2016 U.S. natural gas supply has been approved for exports.*

*“The Energy Information Administration’s (EIA) Annual Energy Outlook (AEO) 2017 forecasts that cumulative demand in 2050, only 33 years away, indicates that 56 percent of all U.S. natural gas resources in the lower 48 states will be consumed. Natural gas is unique and a valuable resource for manufacturing jobs and investment, for which there is no substitute.*

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<sup>18</sup> • *Everyone’s a Loser in Australia’s LNG Boom* By David Fickling March 26, 2017

<https://www.bloomberg.com/gadfly/articles/2017-03-26/everyone-s-a-loser-in-australia-s-lng-boom>

• *IECA to Congress: Australians’ Gas Bills Soar Amid LNG Export Boom*

(view letter to U.S. House / Senate) October 3, 2014

[http://www.ieca-us.com/wp-content/uploads/10.03.14\\_Australia-LNG-Article\\_Senate1.pdf](http://www.ieca-us.com/wp-content/uploads/10.03.14_Australia-LNG-Article_Senate1.pdf)

[http://www.ieca-us.com/wp-content/uploads/10.03.14\\_Australia-LNG-Article\\_House2.pdf](http://www.ieca-us.com/wp-content/uploads/10.03.14_Australia-LNG-Article_House2.pdf)

• *Australian Nitrogen Fertilizer CEO Confirms Unfettered LNG Exports Have Tripled Natural Gas Prices*

April 15, 2014

[http://www.ieca-us.com/wp-content/uploads/04.15.14\\_Australia-Congressional-Communication\\_Incitec-Pivot.pdf](http://www.ieca-us.com/wp-content/uploads/04.15.14_Australia-Congressional-Communication_Incitec-Pivot.pdf)

<sup>19</sup> The Wall Street Journal “*How Energy-Rich Australia Exported Its Way Into an Energy Crisis*”

*The world’s No. 2 seller abroad of liquefied natural gas holds so little in reserve that it can’t keep the lights on in Adelaide—a cautionary tale for the U.S.* By Rachel Pannett; July 10, 2017

*On a sweltering night this February, the world’s No. 2 exporter of liquefied natural gas didn’t have enough energy left to keep its own citizens cool.*

*A nationwide heat wave in Australia drove temperatures above 105 degrees Fahrenheit around the city of Adelaide on the southern coast. As air –conditioning demand soared, regulators called on Pelican Point, a local gas –fueled power station running at half capacity to crank up....*

<https://www.wsj.com/articles/how-energy-rich-australia-exported-its-way-into-an-energy-crisis-1499700859>

**“The U.S. still has time to put common-sense consumer safeguards in place now.”**<sup>20</sup>  
(Emphasis added)

On August 16, 2017, the Industrial Energy Consumers of America (IECA) sent a letter to Secretary Perry which outlines how the previous Administration failed to properly conduct public interest determinations on LNG application volumes for export to non-free trade agreement (NFTA) countries, as required under the Natural Gas Act (NGA). (*See Exhibit 2*) On August 22, 2017 The Industrial Energy Consumers requested that the DOE conduct a legal review of this matter. (*See Exhibit 3*) **We stand in solidarity with the Industrial Energy Consumers of America (IECA) and fully support this most urgent request for a legal review.**

Dated this 1<sup>st</sup> day of November 2017:

Respectfully Submitted:

/s/ Jody McCaffree  
Jody McCaffree,  
Individual / Executive Director  
Citizens Against LNG  
PO Box 1113  
North Bend, OR 97459

/s/ Kathleen Eymann  
Kathleen Eymann  
President  
Citizens Against LNG  
1256 Newport Ave. S.W.  
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<sup>20</sup> IECA Press Release “*WSJ Story Illustrates How Australian LNG Exports Resulted in a Domestic Shortage for Consumers*” July 11, 2017 [http://www.ieca-us.com/wp-content/uploads/07.11.17\\_WSJ\\_Australian-LNG-Story-Press-Release.pdf](http://www.ieca-us.com/wp-content/uploads/07.11.17_WSJ_Australian-LNG-Story-Press-Release.pdf)

## CERTIFICATE OF FILING

I hereby certify that in accordance with 10 C.F.R. § 590.107(c), I have this 1<sup>st</sup> day of November 2017 filed the foregoing CITIZENS AGAINST LNG AND JODY MCCAFFREE MOTION TO FILE PARTIAL ANSWER TO PROTEST OF EVANS SCHAAF FAMILY L.L.C., et al by postal U.S. Certified mail and also by e-mail on:

Ms. Larine A. Moore  
Docket Room Manager FE-34  
U.S. Department of Energy  
PO Box 44375  
Washington, D.C. 20026-4375  
[fergas@hq.doe.gov](mailto:fergas@hq.doe.gov)

## CERTIFICATE OF SERVICE

I hereby certify that in accordance with 10 C.F.R. § 590.107 (c), I have this 1<sup>st</sup> day of November 2017 caused a copy of the foregoing CITIZENS AGAINST LNG AND JODY MCCAFFREE MOTION TO FILE PARTIAL ANSWER TO PROTEST OF EVANS SCHAAF FAMILY L.L.C., et al to be served by postal U.S. First Class mail and also by e-mail on the following individuals listed in the Service list for Docket FE-12-32:

Current President ([eltrepper@attglobal.net](mailto:eltrepper@attglobal.net) )  
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John S. Decker ([jdecker@velaw.com](mailto:jdecker@velaw.com))  
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Oakland, CA 94612

#### CERTIFICATE OF SERVICE

I also hereby certify that in accordance with 10 C.F.R. § 590.107 (a), I have this 1<sup>st</sup> day of November 2017 caused a copy of the foregoing CITIZENS AGAINST LNG AND JODY MCCAFFREE MOTION TO FILE PARTIAL ANSWER TO PROTEST OF EVANS SCHAAF FAMILY L.L.C., et al to be served by e-mail on the following individuals pending intervenor status in the Docket FE-12-32:

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Dated this 1<sup>st</sup> day of November 2017

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