

October 17, 2017

**BY EMAIL (fergas@hq.doe.gov
and larine.moore@hq.doe.gov)**

Larine Moore, Docket Room Mgr.
U.S. Department of Energy
Office of Fossil Energy
1000 Independence Ave. SW
Washington, D.C. 20585

**Re: Supplemental Comments for the Record
Jordan Cove
Docket 12-32-LNG**

Dear Ms. Moore and Interested Parties:

I am writing on behalf of my clients, Evans Schaaf Family LLC, Ron Schaaf and Deborah Evans (collectively "Intervenors"), who will be directly impacted and harmed by the proposed Pacific Connector Gas Pipeline L.P. (PCGP) and Jordan Cove Energy Project L.P. (JCEP). Intervenors respectfully ask the Department of Energy/Fossil Energy (DOE/FE) to rescind Order 3413 issued on March 24, 2014, conditionally granting long-term, multi-contract authorization to export liquefied natural gas by vessel from Jordan Cove LNG terminal in Coos Bay, Oregon to non-free trade agreement (non-FTA) nations. Intervenors further ask that DOE/FE take into consideration additional comments provided herein and re-evaluate the "public interest" determination for JCEP based on current facts and the significant shift in LNG market dynamics.

On October 3, 2017, Intervenors, along with eight additional affected landowners, filed a letter/protest with the Federal Energy Regulatory Commission (FERC).¹ In it, Intervenors asked FERC to deny the new JCEP and PCGP applications and raised issues that are required to be considered by DOE/FE, as well as FERC, and we include the letter as part of our comments herein.

A. Rescind Order 3413 based on the facts that JCEP has not, and cannot, meet the conditions of the Order; current and projected longer-term LNG market dynamics have rendered the "public interest" determination from 2014 obsolete and JCEP, after being denied their

¹Landowner letter to FERC (10/3/17) (Ex. 1).

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previous applications by FERC, should follow current protocol and reapply, if they so choose, under current DOE/FE application procedures.

JCEP filed an application with DOE/FE on March 23, 2012 asking for permission to export 292 bcf/yr (approximately 6,000,000 tons) of LNG to non-FTA nations. On March 24, 2014, JCEP received Order 3413 **conditionally** granting long-term, multi-contract authorization to export liquefied natural gas by vessel from Jordan Cove LNG terminal in Coos Bay, Oregon to non-free trade agreement (non-FTA) nations (emphasis added)².

Under the Terms and Conditions of JCEP's Order 3413, DOE/FE states:

To ensure that the authorization issued by this Order is not inconsistent with the public interest, DOE/FE has attached the following terms and conditions to the authorization. The reasons for each term or condition are explained below. **Jordan Cove must abide by each term and condition or face rescission of its authorization or other appropriate sanction** (emphasis added).

Two of the conditions of the Order have not been met and can no longer be met. Condition XII.F. of Order 3413 states:

XII.F. The authorization granted by this Order is conditioned on Jordan Cove's satisfactory completion of the environmental review process under NEPA in FERC Docket Nos. CP13-483-000 and CP13-492-000, and on issuance by DOE/FE of findings of no significant impact or a record of decision pursuant to NEPA. Additionally, the authorization is conditioned on Jordan Cove's ongoing compliance with any and all preventative and mitigative measures at the Jordan Cove Terminal imposed by federal or state agencies.

On March 11, 2016, the Federal Energy Regulatory Commission (FERC) issued an Order denying applications for PCGP's Certificate of Public Convenience (Docket No. CP13-492-000) and JCEP's Section 3 authorization for the LNG terminal at Coos Bay

² DOE/FE Order 3413, Docket No. 12-32-LNG (3/24/14), p. 146 (Ex. 2).

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(Docket No. CP13-483-000). On December 12, 2016, FERC denied JCEP/PCGP's requests to rehear the case. In so doing, compliance with DOE/FE's mandated requirements of "completion of the environmental review process under NEPA in FERC Docket Nos. CP13-483-000 and CP13-492-000, and on issuance by DOE/FE of findings of no significant impact or a record of decision pursuant to NEPA" were no longer possible.

Additionally, Order 3413, Section XII.B., states: "Jordan Cove must commence export operations using the planned liquefaction facilities no later than seven years from the date of issuance of this Order." Seven years from the issuance of the Order is March 24, 2021. This is no longer feasible. In fact, JCEP admits in its September 21, 2017 "Application of Jordan Cove Energy Project L.P. for Authorization under Section 3 of the Natural Gas Act" (p. 2), that the proposed facilities will not be in service before the first half of 2024. Accordingly, compliance with this DOE/FE imposed requirement is also now impossible. The reason for the seven-year condition is explained in the Order as follows:

X.B. Commencement of Operations Within Seven Years – Jordan Cove requested this conditional authorization to commence on the earlier of the date of first export or seven years from the date of the issuance of this Order. Consistent with the final and conditional non-FTA authorizations granted to date,³ DOE/FE will impose the condition that Jordan Cove must commence commercial LNG export operations no later than seven years from the date of issuance of this Order. The purpose of this condition is to ensure that other entities that may seek similar authorizations are not frustrated in their efforts to obtain those authorizations by authorization holders that are not engaged in actual export operations.⁴

At the time JCEP's conditional Order was issued, DOE/FE was relying heavily on the 2012 EIA *Effect of Increased Natural Gas Exports on Domestic Energy Markets Study*⁵ and the 2012 NERA *Macroeconomics Impacts of LNG Exports from the United States Report*⁶ -- each

³ Ex. 2, fn. 165; see, e.g., *Sabine Pass*, DOE/FE Order No. 2961-A, at 33; *Freeport LNG*, DOE/FE Order No. 3282, at 122; *Lake Charles Exports*, DOE/FE Order No. 3324, at 128; *Freeport II*, DOE/FE Order No. 3357, at 158.

⁴ Ex/ 2, p. 147.

⁵ *Effect of Increased Natural Gas Exports on Domestic Energy Markets* as requested by the Office of Fossil Energy (January 2012) (https://www.eia.gov/analysis/requests/fe/pdf/fe_lng.pdf) (Ex. 3).

⁶ *Macroeconomic Impacts of LNG Exports from the United States*, NERC Economic Consulting (2012) (Ex. 4).

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of which looked specifically at impacts of LNG exports of between 6 bcf/d up to 12 bcf/d. As of May 1, 2017, FERC and DOE/FE have approved LNG export projects totaling 16.44 bcf/d.⁷ As of August 28, 2017, an additional 26.84 bcf/d of LNG export pending projects are asking for approval and 6.15 bcf/d of additional projects, including Jordan Cove, were in pre-filing.⁸ Even with the more recent 2015 Export LNG study *The Macroeconomic Impacts of Increasing U.S. LNG Exports*⁹ commissioned by DOE/FE, on which Intervenors commented extensively, the macroeconomics of increasing from 12 bcf/d to 20 bcf/d of exports was studied and determined with modeling to have a very marginal positive impact on GDP (.03%-.07% - not including all externalities). Competition is clearly fierce, raising the question of how many of these pending projects that will get approval and which are positioned to best be in the “public interest.” All projects, with the exception of Jordan Cove, are sourcing American natural gas and competing equally for Asian markets. Jordan Cove’s non-FTA approval should be rescinded and freed up for other domestically-sourced natural gas LNG export projects that are ahead of JCEP in the approval and potentially operational processes.

B. Procedural Rules at DOE/FE for obtaining authorization to export LNG to non-FTA nations changed on August 15, 2014¹⁰ to streamline the process. Conditionally approved orders were grandfathered in, but this should not mean indefinitely.

The following statement can be found on the DOE/FE website:

On August 15, 2014, the Department of Energy’s (DOE) Office of Fossil Energy announced its Procedures for Liquefied Natural Gas Export Decisions (Procedures). 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

⁷ North American LNG Import/Export Terminals Approved (May 1, 2017) (Ex. 5).

⁸ North American LNG Export Terminals Proposed (Aug. 28, 2017) (Ex. 6).

⁹ *The Macroeconomic Impact of Increasing U.S. LNG Exports* (Oct. 2015) (https://energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports.pdf) (Ex. 15).

¹⁰ *Federal Register*/Vol. 79, No. 158/Friday, Aug. 15, 2014/Notices - Department of Energy Procedures for Liquefied Natural Gas Export Decisions (https://energy.gov/sites/prod/files/2014/08/f18/FR%20Procedures%20LNG%20Exports%2008_15_14.pdf) (Ex. 7).

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Policy Act (NEPA) has been completed, suspending its practice of issuing conditional decisions prior to final authorization decisions.

These Procedures will not affect the continued validity of the conditional orders DOE has already issued. For those applications, DOE will 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.¹¹

According to the Department of Energy Procedures for Liquefied Natural Gas Export Decisions Notice posted August 15, 2014 in the *Federal Register*:

The Department [of Energy] offered four reasons for the proposed procedural change. First, the Department explained that conditional authorizations no longer appear necessary for FERC or the majority of applicants to commit resources to the NEPA review process. Second, the Department explained that by suspending its practice of issuing conditional decisions and ceasing to follow the order of precedence published on December 5, 2012, DOE would better be able to ensure prompt action on applications that are otherwise ready to proceed. Third, the Department explained that the proposed procedures would improve the quality of information on which DOE bases its decisions. Finally, the Department noted that suspending its practice of issuing conditional decisions would better allocate departmental resources by reducing the likelihood that the Department would be forced to act on applications with little prospect of proceeding.¹²

JCEP's application and current Order 3413 have spanned a period of 5½ years, during which time the LNG market has experienced significant change exemplifying the need for, and DOE's insight in, implementing procedures that would "*ensure prompt action on applications that are otherwise ready to proceed ... and that would improve the quality of information on which DOE bases its decisions.*"¹³

¹¹ <https://fossil.energy.gov/app/docketindex/docket/index/3>.

¹² Ex. 3.

¹³ *Id.*, p. 48133.

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At the time this procedural change was made there were eight grandfathered projects in process, seven of those with “conditional” Orders. Of these, five went on to receive final Orders and one vacated their Order, leaving Jordan Cove (JCEP) as the only conditional Order remaining.

Project	FE Docket	Order	Date conditional order	Current Status
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC	10-161-LNG	3282	5/17/2013	11-20-2014 - Final Record of Decision
Lake Charles Exports, LLC	11-59-LNG	3324	8/7/2013	7-29-2016 - Final Record of Decision
Carib Energy (USA) LLC	11-141-LNG	3487		9-10-2014 - Final Record of Decision
Dominion Cove Point LNG, LP	11-128-LNG	3331	9/11/2013	5-7-2015 - Final Record of Decision 3331-A
Jordan Cove Energy Project LP	12-31-LNG	3413	3/24/2014	*waiting - conditions not met*
Cameron LNG, LLC	11-162-LNG	3391	2/11/2014	9-10-2014 - Final Record of Decision - 3391-A
Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC	10-161-LNG	3357	11/15/2013	11/11/2014 - Final Record of Decision - 3357-B
Oregon LNG	12-77-LNG	3465	7/31/2014	Vacated - 5-31-2016

For reasons stated in Section A above, JCEP, which is now at the back of the line due to failure to execute a successful application with FERC in 2016, should not be allowed to hold on to their order indefinitely, when others are ready to proceed. To allow it to do so is contrary to and will undermine the entire rationale behind the 2015 changes to DOE/FE’s LNG export decision-making procedures.

C. Order 3413’s “public interest” determination was based on 2012 data from the EIA Study, the NERA report and public input offered under significantly different global LNG market dynamics and should be re-evaluated using current facts.

Between 2012 and 2017, significant shifts have taken place in global LNG markets with new changes and demands for lower priced contracts and more flexibility coming almost daily.^{14 15 16} Many of these market changes were outlined to DOE in Intervenors’ earlier comments submitted to FE Docket No. 12-32-LNG on March 23, 2016 in response to

¹⁴ *Japan's JERA in talks for LNG contract with no destination limits* (Oct. 11, 2017) (<https://www.reuters.com/article/us-commodities-summit-jera/japans-jera-in-talks-for-lng-contract-with-no-destination-limits-idUSKBN1CG0SR>) (Ex. 8).

¹⁵ *India to renegotiate LNG rate with US* (Oct. 4, 2017) (<https://timesofindia.indiatimes.com/business/india-business/india-to-renegotiate-lng-rate-with-us-russia/articleshow/60939421.cms>) (Ex. 9).

¹⁶ *India, Japan to team up to get more flexible LNG deals* (Oct. 11, 2017) (<https://www.reuters.com/article/us-india-japan-lng/india-japan-to-team-up-to-get-more-flexible-lng-deals-idUSKBN1CG2DD>) (Ex. 10).

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JCEP's October 5, 2015 request to increase the volume of LNG exported from 292 to 350 bcf/yr.

Since then, Intervenors have outlined further concerns over markets and the JCEP/PCGP projects in additional comments to FERC asking FERC to deny the rehearing request made by JCEP and PCGP following their March 11, 2016 denial¹⁷ and most recently in asking FERC to deny JCEP's and PCGP's most recent Section 3 and Section 7 applications submitted September 21, 2017¹⁸. The latter request is based on grounds that JCEP/PCGP has not lifted the bar, and adverse effects to landowners/communities and approved projects in the Gulf Coast — that use domestically-sourced gas and are struggling to get off-take contracts — are competing for the same market. Additionally, DOE/FE and FERC approved projects are being squeezed by large aggregator buyers using Jordan Cove, and what we believe will be all Canadian-sourced gas, to leverage down price and flexibility in contracts elsewhere.¹⁹ In this respect, a project that provides fewer American jobs, competing for market share with a Gulf Coast, fully approved project waiting on off-take buyers, cuts directly into what should be, and what inevitably will be, more American jobs if U.S. domestically-source gas is used.

Other conditions that have changed include potentially significant curtailment of U.S. LNG exports to European markets due to increased renewable energy and aggressive Russian negotiations to double natural gas delivery to Europe via pipeline.²⁰ This is causing Gulf Coast projects to increasingly turn toward Asian markets which currently make up more than 70% of LNG demand. If the only U.S. West Coast port — with significant Canadian gas supply — is permitted, it could give a distinct transportation advantage to the coveted Asian markets with eight-day shipping times versus roughly 16 days, assuming ship size and capacity is equal. In the event that the West Coast Port caters, in part or in full, to spot market cargos sold on a daily basis, the travel advantage will work directly against U.S. domestically-sourced natural gas Gulf Coast projects. Additionally, the glut of

¹⁷ [Corrected] Motion for Leave to Answer and Answer of Evans Schaaf Family LLC, Deborah Evans and Ron Schaaf, Robert Barker, John Clarke, Oregon Women's Land Trust, Stacey McLaughlin and Craig McLaughlin, FERC Docket Nos. CP13-492-000 and CP13-483-000 (4/26/2016) (**Ex. 11**).

¹⁸ **Ex. 1**.

¹⁹ *Id.*

²⁰ *Six Threats for The U.S. Liquefied Natural Gas Business* (May 15, 2016) (<https://www.forbes.com/sites/judeclemente/2016/05/15/six-threats-for-the-u-s-liquefied-natural-gas-business/#6c927b3a1b5b>) (**Ex. 12**).

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LNG available has created a “buyer’s market” and a strong push for more flexible terms, shorter term/lower priced contracts, increase in spot market buying and trading, and “no destination” clauses — all influencing U.S. LNG’s competitiveness in the global market.

The current LNG market conditions have prevailed long enough now to demonstrate that they are not merely temporary, and they are sufficiently dramatic to warrant a “new hard look” at whether this project that claims to include both Canadian-sourced and U.S. Rockies-sourced gas is still in the national “public interest,” is truly warranted. In fact, an open season conducted between July 18, 2017 and August 17, 2017 failed to garner any qualifying takers, leaving JCEP to sign Precedent Agreements for 95.8% of the Pacific Connector Gas Pipeline, thereby lending considerable credence to the charge that the JCEP project will ultimately deal in 100% Canadian gas. DOE/FE has authority to look at all executed contracts and must do so, and it is particularly appropriate to investigate where gas will be sourced to determine if building a U.S. LNG facility as a conduit for Canadian gas is in the “public interest” and if it is not, to reject authorization. We urge you to do so here.

On September 21, 2017, JCEP and PCGP filed new applications for Section 3 authorization and Section 7 Certificate for Public Convenience and Necessity under the Natural Gas Act. After reading the Abbreviated Application for PCGP, Intervenors and eight other affected landowners filed a protest with FERC raising concerns over continued lack of binding contracts, adverse effects to landowners and communities, as well as competition the project would create for existing pipelines and terminals in the Gulf Coast, particularly those that use only domestically-sourced natural gas. These concerns are serious and deserve serious consideration.

D. Semi-Annual reports from JCEP span from April 2012 to October 2017. Despite multiple attempts at obtaining binding contracts, the company still has no binding contracts in place as evidenced by lack of reporting the required data.

For five years, JCEP has offered 10 semi-annual reports to DOE/FE, each stating the progress, or lack thereof, on pending applications with FERC and market prospects.²¹ Throughout these reports, JCEP repeatedly states that it is in negotiation with buyers, with

²¹ Semi-Annual Reports for Jordan Cove Energy Project, L.P., Docket No. 11-127-LNG (4/2/2012), Order 3413, on the progress of JCEP’s planned LNG terminal and liquefaction facility (<https://energy.gov/fe/downloads/semi-annual-reports-jordan-cove-energy-project-lp-fe-dkt-no-11-127-lng-order-3041-fe>) (Exs. 13a-13l).

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several preliminary Heads of Agreements coming and going, but it has yet to land a binding contract for either pipeline capacity or LNG offtake agreements as evidenced by JCEP's continuing inability to provide the Office of Oil and Gas Global Security and Supply with notice of executed long-term contracts within 30 days of execution as required by Order 3413, XII.G.(i) and (ii):

XII.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.²²

(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.²³

²² Ex. 2, p. 154.

²³ *Id.*, p. 154.

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To date, there has been no evidence of binding contracts posted publicly as required in Order 3413 stated above. We submit the reason for that is that none exist. Additionally, in JCEP's Semi Annual Reports on the status of long-term contracts associated with the long-term import of natural gas and any long-term supply contracts for the LNG terminal and liquefaction facility as required for FE Docket No. 13-141-LNG, Order 3412, the last two reports dated April 3, 2017 and October 2, 2017 state: "JCLNG remains in negotiations with potential counterparties regarding long-term imports and supply of natural gas."²⁴ The October 2017 letter conspicuously fails to mention anything about the fact that Precedent Agreements were signed by JCEP for 95.8% of PCGP, a statement made in its Abbreviated Application to FERC.

We can only assume these are non-binding Precedent Agreements, because otherwise JCEP/PCGP would have publicly posted the redacted copy or key terms with an explanation of why redacted or non-disclosed information should be exempted from public disclosure within 30 days of signing. Accordingly, Intervenor respectfully request that DOE/FE look closely at JCEP/PCGP's semi-annual letters and any submittals of non-redacted contracts and public posting of contracts to assess if JCEP/PCGP is in compliance with XII.G.(i) and (ii) of Order 3413. We believe that the public has the right to know if binding contracts exist and where the natural gas will be supplied from and for what duration of time.

The market dynamics including oversupply of LNG for the foreseeable future, higher costs of greenfield projects, large buyers like Japan's JERA, Co. Inc. (JERA) becoming aggregators/traders, and the growing push for non-destination clauses have created a climate where few are willing to sign long-term contracts. Additionally, in this highly competitive market, buyers are pushing to renegotiate contracts that do exist. We strongly suspect that the two Precedent Agreements JCEP signed for 95.8% of the pipeline capacity, as stated in PCGP's application to FERC, are nonbinding and are for all Canadian-sourced natural gas. In making a "public interest" determination, DOE/FE will need to weigh the benefits of allowing long-term Canadian-sourced gas to compete with fully approved, lower cost Gulf Coast LNG terminals struggling to get binding off-take agreements. The outcome would lose far more American jobs than Jordan Cove would gain.

²⁴ Semi-Annual Reports for Jordan Cove LNG L.P. – Docket No. 13-141-LNG, Order 3412 - on the status of long-term contracts associated with the long-term import of natural gas and any long term supply contracts for the LNG terminal and liquefaction facility planned by JCEP (<https://energy.gov/fe/downloads/semi-annual-reports-jordan-cove-lng-lp-fe-dkt-no-13-141-lng-order-3412>) (Exs. 14a and 14b).

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E. DOE/FE should reject the project outright if long-term contracts do materialize that lock in Canadian-sourced gas making Jordan Cove simply a conduit for Canadian interests to compete with and threaten American interests.

DOE/FE has the unique responsibility to weigh all considerations — economic, international and environmental — when making its “public interest” determination. If under the current conditions and existing LNG global markets, providing a conduit for Canadian gas through a proposed American LNG terminal creates an unfair disadvantage to already approved U.S. domestically-produced gas projects, this critical factor must be weighed in making that determination. Using the most current studies, projections and on the ground reality, DOE/FE should look at the unique characteristics of Jordan Cove and reject it sooner, rather than later, if it no longer meets the criteria.

F. New DOE/FE procedures implemented in August 15, 2014 make good sense and avoid conflict between FERC’s and DOE/FE’s jurisdictions on determining economic benefits test and “public interest” determination and should be used for JCEP if DOE/FE does not reject JCEP/PCGP outright.

By rescinding conditional Order 3413 and following current protocol for final “public interest” determination following FERC’s process and NEPA analysis, DOE/FE can streamline efforts and at the same time avoid confusion over conflicting jurisdictional decisions as happened in the last round of JCEP and PCGP’s failed attempts. By DOE/FE pre-determining “public interest,” JCEP felt entitled to get FERC approval, despite the fact that it had hardly lifted a finger to secure landowner easements and failed to secure any market contracts. Because the earlier Certificate of Public Convenience was denied without prejudice, landowners and Intervenor find themselves back in the same position as they were in late 2015, when JCEP and PCGP were asking for FERC approval. By removing the outdated preliminary “public interest” agreement, the “public interest” can and should be reassessed under the facts of Jordan Cove’s agreements to determine whether this project truly satisfies all elements of the FERC process as well as those of the separate DOE/FE process separately with the DOE/FE determination following the FERC decision. We agree with the following DOE/FE’s assessment and reasoning on why this is necessary:

DOE’s public interest determinations involve consideration of a wide range of factors. These public interest factors include economic, international, and environmental considerations that, under current practice, have been

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bifurcated between DOE's conditional and final authorizations. In some instances, the bifurcation is not problematic because the issues are largely distinct. In other instances, however, there may be overlap between environmental and non-environmental issues that would be more efficiently and thoroughly resolved in a single order. For these reasons, DOE believes that it is generally preferable to consider these factors concurrently and to present them in a single analysis. Further, doing so demonstrates that each factor is given full consideration and allows DOE to communicate its decision to the public in a simpler, more comprehensible way.²⁵

On behalf of landowners across southern Oregon whose properties now have been held in limbo for more than 10 years now and who are facing the exercise of eminent domain, and for all of the reasons identified above, we ask that DOE/FE decide it is simply no longer appropriate to except the JCEP project from the 2015 LNG export decision-making procedures. There is no longer any basis in law or fact to effectively "grandfather" this project and exempt it from being subjected to the current decision-making process. It has failed to comply with the imposed conditions of that conditional Order and, accordingly, it should be treated as no longer valid, especially considering the probable source of its natural gas and the economics of benefits that will be lost elsewhere if this project is approved, thereby causing others to falter. All LNG terminals are not equal and this project has so far failed every test.

G. Should DOE/FE choose not to rescind JCEP's Order 3413, then they must at a minimum re-evaluate the "public interest" determination in light of current information weighing the economic, international and environmental factors, including where the natural gas will be sourced and whether this project directly competes with approved US Gulf Coast projects and takes away American jobs elsewhere.

For the reasons already stated in these and earlier comments, we believe the facts and the record do not support the contention that this project is in the "public interest" and request that DOE/FE conduct a thorough review of all considerations that go into DOE's public interest determination now and concurrently with FERC.

²⁵ Ex. 7.

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As in our request to FERC, we respectfully ask that DOE/FE use the most recent data and closely inspect all contracts when making its “public interest” determination to ensure that this project will not unfairly discriminate against entirely domestically-sourced natural gas projects and American jobs elsewhere, cause significant harm, or compromise U.S. benefits by allowing profits and natural gas sales to go to Canadian interests versus U.S. interests.

In conclusion, DOE/FE has both the authority and the discretion to rescind Order 3413, especially when the mandated conditions for the Order have not been met and the facts and circumstances underlying its initial issuance have so dramatically changed, and we respectfully ask that you do so.

Thank you for your consideration of these comments.

Sincerely,



Thane W. Tienson

/jz
Attachments Exs. 1-15

CERTIFICATE OF SERVICE

I hereby certify that on October 17, 2017, I served the foregoing document upon the following representatives of all parties in these proceedings in accordance with 10 C.F.R. § 590.107(a):

David T. Andril (dandril@velaw.co)
John S. Decker (jdecker@velaw.co)
Vinson & Elkins L.L.P.
2200 Pennsylvania Ave. NW, Ste. 500W
Washington, D.C. 20037

Nathan Matthews (nathan.matthews@sierraclub.org)
Harry Libarle (harry.libarle@sierraclub.org)
Sierra Club Environmental Law Program
2101 Webster St., Ste. 1300
Oakland, CA 94612

William M. Fowler (bfowler@veresenine.com)
President
Jordan Cove Energy Project, L.P.
5615 Kirby Drive, Ste. 500
Houston, TX 77005

Jody McCaffree, Executive Director (mccaffrees@frontier.com)
Curt Clay, President (curtclay@gmail.com)
Citizens Against LNG, Inc.
P.O. Box 1113
North Bend, OR 97459

Benjamin Norris (norrish@api.org)
American Petroleum Institute
1220 L Street NW
Washington, D.C. 20005

David L. Wochner (david.wochner@klgates.com)
Sandra Safro (sandra.safro@klgates.com)
K&L Gates, LLP
1601 K Street NW, Ste. 400
Washington, D.C. 20006

Paul N. Cicio, President (pcicio@leca-us.org)
Marine Satterfield, Government Affairs Mgr. (msatterfield@leca-us.org)
Industrial Energy Consumers of America
1776 K Street NW, Ste. 720
Washington, D.C. 20006

Wim de Vriend (costacoosta@coosnet.com)
573 S. 12th St.
Coos Bay, OR 97420

Francis Eatherington (francis@douglasfast.net)
P.O. Box 1692
Roseburg, OR 97470

Deborah and Ron Evans (debron3@gmail.com)
Evans Schaaf Family LLC
9687 Highway 66
Ashland, OR 97520

Brent Foster (foster.brent@ymail.com)
1767 12th St., #248
Hood River, OR 97031

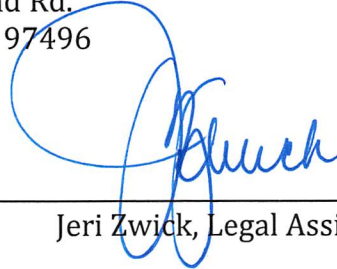
John Gregg (jgregg@mccarter.com)
General Counsel
McCarter & English
1015 Fifteenth St. NW, 12th Floor
Washington, D.C. 20005

David Schryver (dschryver@apga.org)
Vice President
American Public Gas Association
201 Massachusetts Avenue NE, Ste. C-4
Washington, D.C. 20002

Lesley Adams (lesley@rogueriverkeeper.org)
Program Director
Rogue Riverkeeper
P.O. Box 102
Ashland, OR 97520

Joseph Vaile (joseph@kswild.org)
Program Director
Klamath-Siskiyou Wildlands Center
P.O. Box 102
Ashland, OR 97520

Clarence Adams (adams@mcsi.net)
Landowners United
2039 Ireland Rd.
Winston, OR 97496

A handwritten signature in blue ink, appearing to read "Jeri Zwick", is written over a horizontal line.

Jeri Zwick, Legal Assistant