

By Received DOE/FE at 9:47 am, May 09, 2018

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May 9, 2018

Electronic Filing by email: <u>fergas@hq.doe.gov</u> :

Larine Moore Amy Sweeney U.S. Department of Energy (FE-34), Office of Regulation and International Engagement, Office of Fossil Energy, P.O. Box 44375, Washington, DC 20026-4375.

### **RE:** Comment and Protest of February 6, 2018 Amendment Application of Jordan Cove Energy Project, L.P. for Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, FE Docket No. 12-32-LNG

Dear Ms. Moore, Ms. Sweeney, U.S. Department of Energy:

In addition to the comments and interventions that have been previously filed in this proceeding, please accept these additional comments concerning the current Jordan Cove Energy Project (JCEP) Amendment Application dated February 6, 2018, that seeks to increase the volume of LNG exports —to the equivalent of 395 Bcf/yr (1.08 Bcf/d) of natural gas—as approved in its "Conditional" Non-FTA Authorization (DOE/FE Order No. 3413) and as requested in its pending Non-FTA Amended Application. JCEP states that the purpose of this Amendment is to conform its requested export volume to the proposed production capacity of the LNG Terminal in JCEP's current application at the Federal Energy Regulatory Commission (FERC). On April 19, 2018, the Office of Fossil Energy at the Department of Energy (DOE/FE) posted in the Federal Register a notice of receipt for the proposed February 6<sup>th</sup> amendment application.

# I. STATUS OF PROPOSED LNG PROJECT

On March 24, 2014, the Department of Energy issued DOE/FE Order No. 3413, conditionally granting Jordan Cove's Application for .8 Bcf/day but has not yet issued a Final Order on the pending Application. 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 <u>issues addressed herein regarding the</u> <u>export of natural gas will be reexamined at the time of DOE/FE's review of the FERC environmental analysis</u>... (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 <u>all executed long-term contracts</u> <u>associated with the long-term export of LNG</u> 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 <u>all executed long-term contracts associated</u> with the long-term supply of natural gas to the Jordan Cove Terminal. The nonredacted 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 October 5, 2015, JCEP filed an amendment to its DOE/FE Application (81 FR 11202), asking DOE/FE to increase its requested non-FTA LNG export volume from the equivalent of 292 Bcf/yr to 350 Bcf/yr of natural gas (0.96 Bcf/d). At that time, JCEP did not seek to amend its Conditional Non-FTA Authorization. DOE/FE has not yet issued a final order on JCEP's Non-FTA Application, and it's requested 2015 amendment request remains pending.

On March 11, 2016 the Federal Energy Regulatory Commission issued and Order<sup>1</sup> that denied both the Jordan Cove LNG Export Project and the Pacific Connector Gas Pipeline (FERC Docket No. CP13-483-000 & CP13-492-000) due to the project not having contracts and not having met Public Interest requirements with respect to impacted landowners. The Order found that 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. 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. The March 11, 2016 FERC Order specifically stated:

42. Because the record <u>does not support a finding that the public benefits of the</u> <u>Pacific Connector Pipeline outweigh the adverse effects on landowners</u>, we deny Pacific Connector's request for certificate authority to construct and operate its project,

<sup>&</sup>lt;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). <u>http://www.ferc.gov/CalendarFiles/20160311154932-CP13-483-000.pdf</u>

as well as the related blanket construction and transportation certificate applications. (FERC Order at page 18) (Emphasis added)

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, <u>we find that authorizing its construction would be inconsistent with the public interest.</u> 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>2</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. 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 FE/DOE 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>3</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 <u>should the companies show</u>

<sup>&</sup>lt;sup>2</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)

<sup>&</sup>lt;sup>3</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). <u>https://www.ferc.gov/CalendarFiles/20161209152707-CP13-483-001.pdf</u>

a market need for these [LNG Export]services in the future." (Emphasis added) (FERC Order at 48 page 21)

On September 21, 2017, JCEP filed a new application with the Federal Energy Regulatory Commission (FERC)<sup>4</sup> (FERC Docket No. CP17-495-000) requesting authorization to site, construct, and operate the LNG Terminal with a proposed maximum capacity of 7.8 million metric tons per annum of LNG, equivalent to 395 Bcf/yr of natural gas.

On October 5, 2017 FERC issued a Formal Notice of those Applications<sup>5</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>6</sup>

# **II. ISSUES WITH JORDAN COVE AMENDED APPLICATION**

## 1. Problems documented in Prior Comments have still not been resolved

The current proposed export increase to non-free trade agreements nations is an approximate 20% increase in the export volume of an important energy resource product that should be kept and used domestically in the United States by Americans and American Businesses. All the issues we have already raised with respect to this project only get worse with this increase. Rather than having to repeat over and over again the same issues that we have covered in detail already, please review our prior comments and concerns with respect to Jordan Cove's request for increased LNG exporting volumes:

We respectfully ask the U.S. Dept of Energy Assistant Secretary to consider carefully our participation and comments during the course of this proceeding. The issues raised in our comments continue to be relevant and need to be fully addressed before a final decision is made by the DOE under FE Docket 12-32-LNG:

 CALNG / McCaffree August 6, 2012, Intervention, Protest and Comments: <u>http://www.fossil.energy.gov/programs/gasregulation/authorizations/Orders\_Issued\_2012/citizens\_against\_lng08\_06\_12.pdf</u>

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 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 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 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 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 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 <sup>5</sup>http://elibrary.FERC.gov/idmws/file\_list.asp?accession\_num=20171005-3081 <sup>6</sup> 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 McCaffree Comment and Protest - May 9, 2018 Page | 4

- CALNG / McCaffree September 12, 2012, Answer to Jordan Cove: <u>http://www.fossil.energy.gov/programs/gasregulation/authorizations/Orders\_Issued\_2012/Cit</u> <u>izens\_Against\_LNG\_Answer\_to\_JCEP\_09\_1.pdf</u>
- CALNG / McCaffree 1-24-2013, Initial Comments on NERA study: <u>https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizatio</u> <u>ns/export\_study/jody\_mccafree\_lam01\_24\_13\_Final.pdf</u>
- CALNG / McCaffree 2-25-2013, Rebuttal Comments on NERA study: https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizatio ns/export\_study/reply\_comments/Citizens\_Against\_LNG02\_26\_13.pdf and https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizatio ns/export\_study/reply\_comments/Citizens\_Against\_LNG02\_25\_13.pdf
- CALNG / McCaffree July 21, 2014, Comments on Proposed Procedures for Liquefied Natural Gas Export Decisions. Environmental Review Documents concerning Exports of Natural Gas from the United States. LifeCycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: <u>https://fossil.energy.gov/app/DocketIndex/docket/DownloadFile/202</u> and Exhibits: <u>https://fossil.energy.gov/app/DocketIndex/docket/DownloadFile/203</u>
- CALNG / McCaffree February 12, 2016, Comments on U.S. DOE LNG Export Economic Consulting Studies
  CALNG-McCaffree\_Comment\_2-12-2016.pdf: <u>https://fossil.energy.gov/App/DocketIndex/docket/DownloadFile/537</u> DOE\_CALNG-McCaffree\_Index-for-Exhibits\_2-12-2016.... <u>https://fossil.energy.gov/App/DocketIndex/docket/DownloadFile/538</u> DOE\_CALNG-McCaffree\_Exhibits\_1-to-10.pdf <u>https://fossil.energy.gov/App/DocketIndex/docket/DownloadFile/539</u> DOE\_CALNG-McCaffree\_Exhibits\_11-to-20.pdf <u>https://fossil.energy.gov/App/DocketIndex/docket/DownloadFile/540</u> DOE\_CALNG-McCaffree\_Exhibits\_21-to-26.pdf <u>https://fossil.energy.gov/App/DocketIndex/docket/DownloadFile/541</u> DOE\_CALNG\_McCaffree\_Exhibits\_27-to-31.pdf <u>https://fossil.energy.gov/app/DocketIndex/docket/DownloadFile/556</u>
- McCaffree March 23, 2016 Notice of Intervention, Protest and Comment re Jordan Cove's Amended Application<sup>7</sup>
  <u>https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizations/2012/applications/March\_23\_2016\_12-32-LNG/McCaffree\_NOI\_correct03\_23\_16.pdf</u>
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 $<sup>\</sup>label{eq:https://fossil.energy.gov/ng_regulation/sites/default/files/programs/gasregulation/authorizations/2012/applications/F_R_Notice_12-32-LNG_Signed_02_26_16.pdf$ 

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March 23, 2016 (continued):

Exhibits A – F

https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/sites/default/files

LNG/1Comment\_6\_attach\_1\_of\_8\_USDOE\_Exb-A-to-.pdf

Exhibit G-1

https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorization/s/2012/applications/March\_23\_2016\_12-32-

LNG/2Comment\_6\_attach\_2\_of\_8\_USDOE\_Exb-G-1\_M.pdf

Exhibit G-2 (Exb 1-10)

https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/sites/default/files/programs/gasregulation/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/default/sites/defa

LNG/3Comment\_6\_attach\_3\_of\_8\_USDOE\_Exb-G-2\_M.pdf

Exhibit G-3 (Exb 11-20)

https:/fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorization/s/2012/applications/March\_23\_2016\_12-32-

LNG/4Comment 6 attach 4 of 8 USDOE Exb-G-3 M.pdf

Exhibit G-4 (Exb 21-26)

https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/sites/default/files

LNG/5Comment\_6\_attach\_5\_of\_8\_USDOE\_Exb-G-4\_M.pdf

Exhibit G-5 (Exb 27)

https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorization/s/2012/applications/March\_23\_2016\_12-32-

LNG/6Comment 6 attach 6 of 8 USDOE Exb-G-5 M.pdf

Exhibit G-6 (Exb 28-31)

https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/authorization/sites/default/files/programs/gasregulation/sit

LNG/7Comment\_6\_attach\_7\_of\_8\_USDOE\_Exb-G-6\_M.pdf

Exhibits H to K

https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizatio ns/2012/applications/March\_23\_2016\_12-32-

LNG/8Comment\_6\_attach\_8\_of\_8\_USDOE\_Exb-H-to-.pdf

• Citizens Against LNG and Jody McCaffree November 1, 2017 Motion To File Partial Answer to Protest of Evans Schaaf Family L.L.C., Ron Schaaf and Deborah Evans <u>https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizations/CALNG\_Request% 20for% 20additional% 20time% 20under% 20FE% 2012-32-LNG.pdf</u>

The above November 1, 2017 Motion and Exhibits were dismissed as moot by the U.S. DOE on February 1, 2018.<sup>8</sup> Due to the fact the exhibits and arguments raised in the Motion are relevant in this current amendment application preceding, they are being resubmitted below.

<sup>&</sup>lt;sup>8</sup> <u>https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizations/12-32%20Ord%20Dismissing%20Supp%20Comments02\_01\_18.pdf</u>

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In addition, I also respectfully ask the U.S. Dept of Energy Assistant Secretary to consider comments that have been filed in the course of this proceeding (1-27-13) from the DOW Chemical Company,<sup>9</sup> the Industrial Energy Consumers of America,<sup>10</sup> Alcoa,<sup>11</sup> American Forest & Paper Association,<sup>12</sup> American Iron and Steel Institute,<sup>13</sup> American Public Gas Association,<sup>14</sup> CarbonX Energy Corporation Inc,<sup>15</sup> Nucor Corp,<sup>16</sup> Rentech Inc,<sup>17</sup> the Aluminum Association,<sup>18</sup> the Fertilizer Institute<sup>19</sup> along with the many other participants. The issues and concerns raised by these companies continue to be relevant and need to be fully considered under FE Docket 12-32-LNG.

# 2. U.S. DOE March 24, 2014 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.

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

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-and-

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https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizations/export\_study/peter\_ molinaro\_em01\_24\_13.pdf

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https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizations/2012/applications/ March\_23\_2016\_12-32-LNG/2Cicio\_IECA\_03\_23\_16.pdf

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https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizations/export\_study/James McVaney01\_24\_131.pdf

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https://fossil.energy.gov/ng\_regulation/sites/default/files/programs/gasregulation/authorizations/export\_study/06.Th e\_Fertilizer\_Institute01\_04\_13.pdf

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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 <u>only</u> 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, <u>DOE stated it</u> would proceed as explained in the conditional orders: when the NEPA review process for those projects is complete, <u>DOE will reconsider the conditional authorization in light of the information gathered in the environmental review and take appropriate final action.</u> **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

McCaffree Comment and Protest – May 9, 2018 Page | 8 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. <u>All parties are advised that the issues addressed herein</u> <u>regarding the export of natural gas will be reexamined at the time of DOE/FE's review</u> <u>of the FERC environmental analysis</u>. 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 <u>but is unsuccessful in securing that agency's</u> <u>consideration of its stated interests</u>, <u>DOE/FE reserves the right to address the stated</u> <u>interests within this proceeding</u>. 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)

# **3.** Increasing exports of hydro-fracked Canadian gas would not be in the public interest.

Jordan Cove's current February 6<sup>th</sup> Amendment Application page 4 and 5 states:

JCEP also hereby informs DOE/FE of a change in corporate ownership from what was described in the Applications. On October 2, 2017, Pembina Pipeline Corporation ("Pembina"), a Canadian corporation, acquired 100 percent of the outstanding shares of Veresen Inc., JCEP's parent entity. JCEP is now a wholly owned subsidiary of <u>Pembina</u>. (Emphasis added)

For some time now Pembina has been trying to develop a West Coast export facility in order to export Canadian oil and gas products. Pembina's CEO Michael (Mick) Dilger has publicly stated that the purpose of their company is to get **Canadian hydrocarbons to the rest of the world**. <sup>20</sup> Dilger feels the shorter travel time to Asian markets versus the U.S. Gulf Coast would mean lower transportation costs for its LNG. (*See Exhibit 1*) He has become frustrated by Canada's infrastructure gridlock and sees the U.S. as a way to get Canadian gas and oil projects to Asia. His company would be in <u>direct competition with U.S. Gulf Coast LNG terminals that are already in operation</u>.

In December a joint venture of Pembina Pipeline Corp., Calgary, and Petrochemical Industries Co. KSC (PIC) of Kuwait was announced which involves a proposed 1.2 billion-lb/year grassroots, integrated propane dehydrogenation and polypropylene (PP) complex in Sturgeon County, Alberta, Canada.<sup>21</sup> In November Pembina announced construction of a \$260M propane

 <sup>&</sup>lt;sup>20</sup> Pembina Pipeline's new purpose: Get Canada's oil and gas to the rest of the world ;By Claudia Cattaneo;
February 16, 2018; <u>http://business.financialpost.com/commodities/energy/pembina-pipelines-new-purpose-get-canadas-oil-and-gas-to-the-rest-of-the-world</u>
<sup>21</sup> Canada Kuwait Petrochemical advances Alberta PP complex; By Robert Brelsford – Houston; Dec. 5, 2017;

<sup>&</sup>lt;sup>21</sup> Canada Kuwait Petrochemical advances Alberta PP complex; By Robert Brelsford – Houston; Dec. 5, 2017; https://www.ogj.com/articles/2017/12/canada-kuwait-petrochemical-advances-alberta-pp-complex.html

export facility on B.C.'s Watson Island.<sup>22</sup> The facility, which still requires regulatory and environmental approvals, would use rail cars, not pipelines, to transport propane to the facility from Alberta and B.C.. It is expected to be in service by mid-2020. Pembina dropped a proposal in February of 2016 to build a \$500 million propane oil terminal in Portland, Oregon, after the City of Portland determined Pembina had not made a strong enough case as it relates to meeting Portland's environmental standards.<sup>23</sup>

The same could be said for the proposed Jordan Cove project. In January 2018, a new report released by Oil Change International, which looked at a full accounting of greenhouse gas emissions, found that the Jordan Cove Project would result in over 36.8 million metric tons of carbon dioxide equivalent (CO2e) per year.<sup>24</sup> (*See Exhibit 2*) This is some 15.4 times the emissions from Oregon's last remaining coal-fired power plant, the Boardman Coal plant, which is set to be retired by 2020 due to climate and air pollution concerns. When only considering the in-state emissions alone, the Jordan Cove project would end up being the largest source of greenhouse gas emissions in the state by 2020. The project would make it impossible for Oregon to achieve Governor Kate Brown's goal to have Oregon's climate reductions line-up with the targets of the Paris Accords, as well as the emission reduction goals enshrined by the Oregon legislature in 2007. The Oil Change Briefing paper found no evidence to support an assumption that gas supplied by the LNG project would replace coal in global markets

The fact is renewable energy is challenging both coal and gas-fired power generation on a costof-energy-produced basis. A peer-reviewed study published in the international journal Energy<sup>25</sup> found that LNG exports from the U.S. could raise emissions in destination markets by triggering additional energy demand rather than displacing coal, and by diverting capital from renewable energy development. According to the U.S. Department of Energy, **exporting natural gas from the U.S. to Asia could end up being worse from a greenhouse gas perspective than if China simply built a new power plant and burned its own coal supplies.<sup>26</sup> In addition, Oil Change International found that due to wind and solar now being cheaper than coal and gas in many regions, <u>new gas capacity often displaces new wind and solar rather than old coal</u>.<sup>27</sup> (***See Exhibit 3***) This would not be in the public interest!** 

<sup>&</sup>lt;sup>22</sup> Pembina Pipeline approves construction of \$260M propane export facility on B.C. island; The Canadian Press; November 30, 2017 ; <u>http://calgaryherald.com/business/energy/pembina-pipeline-approves-construction-of-260m-propane-export-facility-on-b-c-island</u>

<sup>&</sup>lt;sup>23</sup> *Pembina officially pulls away from \$500M Portland propane terminal* By Andy Giegerich - Portland Business Journal; Feb 29, 2016 <u>https://www.bizjournals.com/portland/blog/sbo/2016/02/pembina-officially-pulls-away-from-500m-portland.html</u>

<sup>&</sup>lt;sup>24</sup>Jordan Cove LNG and Pacific Connector Pipeline Greenhouse Gas Emissions Briefing; Oil Change International; January 2018 <u>http://priceofoil.org/content/uploads/2018/01/JCEP\_GHG\_Final-Screen.pdf</u>

<sup>&</sup>lt;sup>25</sup> US liquefied natural gas (LNG) exports: Boom or bust for the global climate?; Energy Volume 141, 15 December 2017, Pages 1671-1680; <u>https://www.sciencedirect.com/science/article/pii/S0360544217319564?via%3Dihub</u>

<sup>&</sup>lt;sup>26</sup> https://www.washingtonpost.com/news/wonk/wp/2014/06/09/exporting-u-s-natural-gas-isnt-as-clean-as-youthink/?utm\_term=.6abe89578728

<sup>&</sup>lt;sup>27</sup> BURNING THE GAS 'BRIDGE FUEL' MYTH; Oil Change International; November 2017; This analysis provides five clear reasons why fossil gas is not a "bridge fuel." It shows that even with zero methane leakage, gas is not a climate change solution.;

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## 4. Increased LNG Shipping Impacts would not be in the Public Interest.

Increased volumes of LNG being exported would mean increased volumes of actual shipments. DEQ representatives stated at a February 18, 2015 public meeting held in Coos Bay, Oregon, that the **LNG ships were not a part of their permit analysis**.<sup>28</sup> Despite this statement, Jordan Cove's LNG ships and all their necessary support vessels <u>would contribute to a significant</u> additional air pollution impact on local residents in the North Bend/Coos Bay area and would also contribute to an increase in the risk of LNG hazards to our area. Jordan Cove has totally downplayed these impacts and the information found in the Oil Change International report, despite the fact that particulate pollutants from the life cycle impact of the Jordan Cove LNG export project would increase respiratory and immune health problems in the local community. Children and elders are especially at risk.<sup>29</sup> Many people have moved here to get away from such impacts. A local (now retired) medical doctor who specialized in allergies has submitted several letters over the years expressing his concerns with Jordan Cove's air particulates and the affect it would have on the local population here. Those particulates would increase with increased export volumes.

# 5. Increased Impacts on Shellfish / Food Production / and Greenhouse Gasses would not be in the Public Interest

Increasing LNG export volumes would increase lifecycle greenhouse gas (GHG) emission volumes as a direct result of the LNG project. This would contribute to increased planet warming impacts, increased droughts and ocean acidification. Droughts have already negatively affected our U.S. west coast states and our food production.<sup>30</sup> Ocean Acidification has already cost the Oregon and Washington shellfish industries \$110 million, and endangered some 3,200 jobs.<sup>31</sup> (See Exhibits 4 and 5)

George Waldbusser, an Oregon State University marine ecologist and biogeochemist, said the spreading impact of ocean acidification is <u>due primarily to increases in greenhouse gases</u>. Waldbusser recently led a study that documented how larval oysters are sensitive to a change in the "saturation state" of ocean water - which ultimately is triggered by an increase in carbon dioxide. The inability of ecosystems to provide enough alkalinity to buffer the increase in  $CO_2$  is what kills young oysters in the environment.

Theo Colborn, Kim Schultz, Lucille Herrick, and Carol Kwiatkowski

 <sup>&</sup>lt;sup>28</sup> Oregon DEQ: Jordan Cove pollution estimates not accepted on blind faith - LNG opponents urge DEQ to consider impact of Jordan Cove's projected greenhouse gas emissions; Chelsea Davis ; The World ; Feb 18, 2015
<sup>29</sup> • Dr. Joseph T Morgan Oct 9, 2012, testimony concerning pollutants and the JCEP project: http://elibrary.FERC.gov/idmws/file\_list.asp?accession\_num=20121018-5150

<sup>• &</sup>quot;An Exploratory Study of Air Quality near Natural Gas Operations" - Peer-reviewed and accepted for publication by Human and Ecological Risk Assessment (November 9, 2012).

http://www.endocrinedisruption.com/files/HERA12-137NGAirQualityManuscriptforwebwithfigures.pdf <sup>30</sup> • "Drought prompts cuts to farm irrigation in California, Oregon" Portland, Ore. | By Courtney Sherwood http://www.reuters.com/article/2015/05/15/us-usa-drought-farming-idUSKBN0002BL20150515

<sup>•</sup> Oregon Governor Expands Drought Declaration - Reuters 04/06/2015 By Courtney Sherwood http://www.huffingtonpost.com/2015/04/06/oregon-drought\_n\_7014406.html

<sup>•</sup> *Kitzhaber declares drought emergency for four southern Oregon counties, opens up assistance* By Bruce Hammond; Feb 14, 2014;

http://www.oregonlive.com/environment/index.ssf/2014/02/kitzhaber declares drought eme.html <sup>31</sup> Study outlines threat of ocean acidification to coastal communities in the U.S.; Feb 23, 2015

http://today.oregonstate.edu/archives/2015/feb/study-outlines-threat-ocean-acidification-coastal-communities-us McCaffree Comment and Protest – May 9, 2018

"This clearly illustrates the vulnerability of communities dependent on shellfish to ocean acidification," said Waldbusser, a researcher in OSU's College of Earth, Ocean, and Atmospheric Sciences and co-author on the paper. "We are still finding ways to increase the adaptive capacity of these communities and industries to cope, and refining our understanding of various species' specific responses to acidification."

"Ultimately, however, <u>without curbing carbon emissions, we will eventually run out</u> of tools to address the short-term and we will be stuck with a much larger long-term problem," Waldbusser added. <sup>31</sup> (Emphasis added)

Researchers and fishermen worry ocean acidification *could* be impacting Dungeness crab life cycles already. Dungeness crab represents the most valuable fishery on the West Coast, generating \$167 million<sup>32</sup> in ex-vessel value in California in 2011. Like oysters, Dungeness crabs are a key driver of the fishing industry, so lucrative that many fishermen rely on them to guarantee an annual income. Fishermen have seen increased closures due to elevated levels of domoic acid, directly linked to lower ocean Ph levels as temperatures rise.<sup>33</sup> (*See Exhibit 6*) These closures have been devastating to the fishing industry. As reported on Feb 19, 2018,<sup>34</sup> the industry was already in a volatile state due to the latest start to a crab season most Oregon fishermen have ever remembered. These problems are likely to get worse in the coming decades.

# 6. 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) (<u>15 U.S.C. § 717b</u>) 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 (DOE) under the rules and procedures found in (<u>10 CFR Part 590</u>).

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>35</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

<sup>&</sup>lt;sup>32</sup> https://www.psmfc.org/crab/2014-2015 files/DUNGENESS\_CRAB\_REPORT\_2012.pdf

<sup>&</sup>lt;sup>33</sup> https://newfoodeconomy.org/ocean-acidification-oysters-dungeness-crabs/

<sup>&</sup>lt;sup>34</sup> <u>http://theworldlink.com/news/local/new-legislation-to-localize-domoic-acid-closures/article\_6933a960-59bd-5949-a9cc-c6191ae31de8.html</u>

<sup>&</sup>lt;sup>35</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

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 <u>not</u> <u>in the public interest</u>. 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 the 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. The 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.

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.

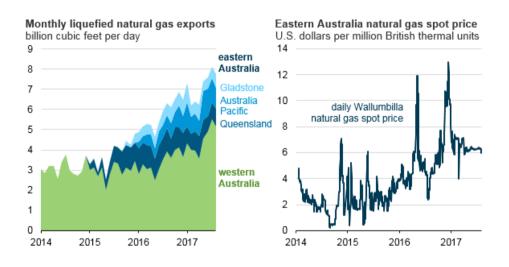
The Jordan Cove Energy Project L.P. (JCEP) has no experience in the export of LNG and both JCEP and PCGP's prior and current applications have failed to demonstrate that the proposed facilities will not involve any existing contract(s) between the applicant and a foreign government or person concerning 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

# 7. The International 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 Gas Union (IGU) *2017 World LNG Report* that clearly shows the LNG glut and why projects like Jordan

Cove are not viable.<sup>36</sup> (*See Exhibit 7*) IGU reported that 258 million tonnes (MT) of LNG was trade 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. Even with an increase of 5% a year in export trading capacity, which would mirror the increase that occurred from 2015 to 2016 (13.1 MT), it would take <u>15 years</u> (82MTPA + 114.6 MTPA = 196.6 MTPA excess LNG divided by 13.1MTPA yearly increase = 15yr) until the current excess of LNG volumes would likely be absorbed into the international LNG export markets. The current excess of LNG available for export would take until 2032 to be absorbed using these calculations (2017 + 15yr = 2032), and that is 'without' the addition of other projects that are also in the works. It should be very clear that liquefied natural gas export plans face years of oversupply.<sup>37</sup> In addition, the press reported in August of 2016 that Japan's JERA had plans to <u>cut long-term LNG contracts by</u> 42 percent by 2030.<sup>38</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>39</sup> (Emphasis added)

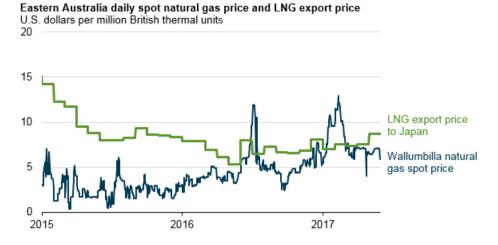


<sup>36</sup> <u>http://www.igu.org/sites/default/files/103419-World\_IGU\_Report\_no%20crops.pdf</u>

<sup>38</sup> Japan's Jera plans 42 percent cut in long-term LNG contracts by 2030 (August 10, 2016) https://wwwreuters.com/article/us-lng-jera/japans-jera-plans-42-percent-cut-in-long-term-lng-contracts-by-2030idUSKCN10L117

<sup>39</sup> EIA Australian domestic natural gas prices increase as LNG exports rise Oct 20, 2017 https://www.eia.gov/todayinenergy/detail.php?id=33412#

<sup>&</sup>lt;sup>37</sup> Liquefied Natural Gas Export Plans Face Years of Oversupply (July 18, 2017) https://www.bna.com/liquefied-natural-gas-n73014461925/



The EIA October 20, 2017 Report also states:

The U.S. experience with growing LNG exports is unlikely to be similar to Australia's. <u>More than half of Australia's total natural gas production was exported in 2016</u>. 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 March 16, 2018 the U.S. Dept of Energy (DOE) had accepted applications for LNG export volumes totaling 57.13 Bcf/d to Free Trade Agreement Nations and 54.46 Bcf/d to Non-Free Trade Agreement Nations.<sup>40</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>41</sup> that:

Natural gas production in the <u>United States increased from 55 billion cubic feet per day</u> (Bcf/d) in 2008 to 72.5 Bcf/d in 2016. Most of this natural gas—about 96% in 2016—<u>is</u> 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 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>42</sup>

https://www.eia.gov/todayinenergy/detail.php?id=32412

 <sup>&</sup>lt;sup>40</sup> https://www.energy.gov/sites/prod/files/2018/04/f50/Summary%20of%20LNG%20Export%20Applications\_0.pdf
<sup>41</sup> EIA United States expected to become a net exporter of natural gas this year - August 9, 2017

<sup>&</sup>lt;sup>42</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

<sup>•</sup> *IECA to Congress: Australians' Gas Bills Soar Amid LNG Export Boom* (view letter to U.S. House / Senate) October 3, 2014

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## 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>43</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.

"<u>The U.S. still has time to put common-sense consumer safeguards in place now</u>."<sup>44</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 8*) On August 22, 2017, the Industrial Energy Consumers requested that the DOE conduct a legal review of this matter. (*See Exhibit 9*) We continue to stand in solidarity with the Industrial

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

• 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 <sup>43</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

<sup>44</sup> IECA Press Release "WSJ Story Illustrates How Australian LNG Exports Resulted in a Domestic Shortage for Consumers" July 11, 2017 <u>http://www.ieca-us.com/wp-content/uploads/07.11.17 WSJ Australian-LNG-Story-Press-Release.pdf</u>

McCaffree Comment and Protest – May 9, 2018 Page | 16 Energy Consumers of America (IECA) and fully support their urgent request for a legal review.

### **III. CONCLUSION**

An increase in the volume of exports by the proposed Jordan Cove LNG export project would not be in the public interest and is not justified by the data. It would increase negative impacts on the environment and on other businesses and citizens who use natural gas. It would increase pollution and greenhouse gas impacts and displace new wind and solar renewable energy projects. Greenhouse gasses have already been causing havoc on our oceans and on our local estuarine ecosystems. The evidence does not support the LNG project, nor does it support the increase in export volumes the project is requesting. Jordan Cove's application should be denied with prejudice.

Dated this 9<sup>th</sup> day of May 2018:

Respectfully submitted,

Jody McCoffree

Jody McCaffree PO Box 1113 North Bend, OR 97459

## CERTIFICATE OF FILING

I hereby certify that in accordance with 10 C.F.R. § 590.107(c), I have this 9<sup>th</sup> day of May 2018 filed the foregoing *Comment and Protest* 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

### CERTIFICATE OF SERVICE

I hereby certify that in accordance with 10 C.F.R. § 590.107 (c), I have this 9<sup>th</sup> day of May 2018 caused a copy of the foregoing *Comment and Protest* to be sent 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:

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Dated this 9<sup>th</sup> day of May 2018

Jody Mc Caffrer

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