



Department of Energy
Washington, DC 20585

October 17, 2024

David L. Wochner
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RE: Notice of Change in Control and Amendment to Pending Application
Commonwealth LNG, LLC
Docket No. 19-134-LNG

Dear Mr. Wochner:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy and Carbon Management (FECM),¹ to the Notice of Change in Control and Amendment to Pending Application (Notice) filed by Commonwealth LNG, LLC (Commonwealth) on July 25, 2024,² clarified on August 7, 2024,³ and supplemented on October 1, 2024.⁴ In the Notice, as clarified and supplemented, Commonwealth describes a change in its corporate ownership in light of DOE's Change in Control Procedures.⁵

I. BACKGROUND

On October 16, 2019, Commonwealth filed an application (Application)⁶ under section 3 of the Natural Gas Act (NGA)⁷ seeking long-term authorization to export domestically produced

¹ FECM, formerly called the Office of Fossil Energy (FE), changed its name on July 4, 2021.

² Commonwealth LNG, LLC, Notice of Change in Control and Amendment to Pending Application, Docket No. 19-134-LNG (July 25, 2024) [hereinafter Notice].

³ Commonwealth LNG, LLC, Clarification of Kimmeridge Equity Ownership of Commonwealth, Docket No. 19-134-LNG (Aug. 7, 2024) [hereinafter Clarification].

⁴ Commonwealth LNG, LLC, Supplement to Notice of Change in Control and Amendment to Pending Application, Docket No. 19-134-LNG (Oct. 1, 2024) [hereinafter Supp.].

⁵ See U.S. Dep't of Energy, Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014) [hereinafter DOE Change in Control Procedures].

⁶ Commonwealth LNG, LLC, Application for Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations and Non-Free Trade Agreement Nations, Docket No. 19-134-LNG (Oct. 16, 2019), *as amended* Sept. 11, 2020 (requesting export term through 2050) [hereinafter App.].

⁷ 15 U.S.C. § 717b. The authority to regulate the imports and exports of natural gas, including liquefied natural gas, under section 3 of the NGA has been delegated to the Assistant Secretary for FECM in Redelegation Order No. S4-DEL-FE1-2023, issued on April 10, 2023.

liquefied natural gas (LNG) in a volume equivalent to 441.4 billion cubic feet per year (Bcf/yr) of natural gas. Commonwealth requested to export this LNG from the proposed Commonwealth LNG Facility to be located in Cameron Parish, Louisiana, to: (i) any country with which the United States has entered into a free trade agreement (FTA) requiring national treatment for trade in natural gas (FTA countries)⁸; and (ii) any other country with which trade is not prohibited by U.S. law or policy (non-FTA countries).⁹

On April 17, 2020, in DOE/FE Order No. 4521, DOE granted Commonwealth's request for authorization to export to FTA countries.¹⁰

On September 11, 2020, Commonwealth submitted an application to amend the non-FTA portion of the Application to request an export term through December 31, 2050.¹¹ The non-FTA portion of the Application, as amended, remains pending before DOE.

II. DESCRIPTION OF CHANGE IN CONTROL

Commonwealth is a Texas limited liability company with its principal place of business in Houston, Texas. In the Notice, Commonwealth states that there has been a change in its corporate ownership. Commonwealth states that, prior to an agreement that was executed and closed on June 25, 2024 (the Transaction), it was a wholly-owned subsidiary of Commonwealth Projects, LLC, which in turn was wholly-owned by a private individual, Paul Varello.¹² Pursuant to the Transaction, a wholly owned subsidiary of Kimmeridge Texas Gas, LLC, an affiliate of Kimmeridge Energy Management Company, LLC (Kimmeridge), purchased 100% of the equity in Commonwealth.¹³

According to Commonwealth, Kimmeridge is an experienced investor in and developer of energy infrastructure in the United States.¹⁴ Commonwealth states that Kimmeridge "has engaged in a number of notable efforts to reduce energy industry emissions,"¹⁵ and thus Kimmeridge's ownership "heightens Commonwealth's commercial viability to meet the world's need for cleaner-burning, U.S. supplied LNG."¹⁶ Commonwealth further asserts that "nothing in this change in control renders Commonwealth's pending non-FTA Application inconsistent with the public interest."¹⁷

⁸ 15 U.S.C. § 717b(c). The United States currently has FTAs requiring national treatment for trade in natural gas with Australia, Bahrain, Canada, Chile, Colombia, Dominican Republic, El Salvador, Guatemala, Honduras, Jordan, Mexico, Morocco, Nicaragua, Oman, Panama, Peru, Republic of Korea, and Singapore. FTAs with Israel and Costa Rica do not require national treatment for trade in natural gas.

⁹ *Id.* § 717b(a).

¹⁰ *Commonwealth LNG, LLC*, DOE/FE Order No. 4521, Docket No. 19-134-LNG, Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Free Trade Agreement Nations (Apr. 17, 2020).

¹¹ *See, e.g.*, *Commonwealth LNG, LLC*, Application to Amend Requested Export Term in Pending Long-Term Application Through December 31, 2050; Notice of Application, 85 Fed. Reg. 62,292 (Oct. 2, 2020).

¹² Notice at 1-2.

¹³ *Id.* at 1; *see also id.* at 3 and Clarification (stating that "the sale was for exactly 100% of the equity of Commonwealth").

¹⁴ Notice at 4.

¹⁵ Supp. at 2.

¹⁶ Notice at 4; *see also* Supp. at 1-3.

¹⁷ Notice at 4.

III. DISCUSSION AND CONCLUSIONS

A. FTA Export Authorization

DOE's Change in Control Procedures provide that, upon receipt of a statement of change in control relating to existing FTA export authorizations, DOE will give immediate effect to the change in control and will take no further action.¹⁸ Accordingly, the change in control described above has taken effect insofar as it relates to Commonwealth's FTA authorization, DOE/FE Order No. 4521.

B. Pending Non-FTA Export Application

Because DOE has not yet issued a final order on the non-FTA portion of Commonwealth's Application, the Application remains pending. The Change in Control Procedures state that, with respect to "pending non-FTA export applications, *i.e.*, proceedings in which DOE has not yet issued a final order," applicants may amend their applications to reflect a change in control by submitting notice of the amendment to DOE and serving that notice on other parties in the proceeding.¹⁹

Under the Change in Control Procedures, DOE will give immediate effect to the amendment, but it will accept and consider answers to the notice of amendment received within 15 days of service of the applicant's pleading.²⁰ DOE will address the issues raised in any answers to the amendment in its final order on the pending application.²¹

Commonwealth complied with the service requirements of the Change in Control Procedures when it served the Notice (and, most recently, the Supplement to the Notice). The change in control applicable to the pending non-FTA portion of the Application has thus taken effect. More than 15 days have passed since Commonwealth served these filings, and DOE has not received any answers. Accordingly, the change in control continues in effect for Commonwealth's Application. No further action is required.

Sincerely,

Amy R. Sweeney
Director, Office of Regulation, Analysis, and Engagement
Office of Resource Sustainability

¹⁸ See DOE Change in Control Procedures, 79 Fed. Reg. at 65,542.

¹⁹ *Id.*

²⁰ *Id.*

²¹ *Id.*