## UNITED STATES OF AMERICA BEFORE THE DEPARTMENT OF ENERGY

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## Commonwealth LNG, LLC

FECM Docket No. 19-134-LNG

## ANSWER OF COMMONWEALTH LNG, LLC IN OPPOSITION TO MOTION TO INTERVENE OUT-OF-TIME AND PROTEST OF SIERRA CLUB

#### I. <u>Introduction</u>.

Pursuant to Sections 590.303(e) and 590.304(f) of the Rules of Practice and Procedure ("Rules") of the Department of Energy ("DOE"),<sup>1</sup> Commonwealth LNG, LLC ("Commonwealth") respectfully offers this answer in opposition ("Answer") to Sierra Club's November 22, 2024 Motion to Intervene and Protest Out-of-Time ("Late Intervention" or as applicable, "Protest") in the above-captioned proceeding.<sup>2</sup> As explained below, Sierra Club has not shown, or even seriously attempt to show, good cause to intervene in this proceeding nearly *five years* after the deadline to timely do so. Granting or even entertaining Sierra Club's Late Intervention would not only make a mockery of DOE's Rules, but also unnecessarily burden the proceeding and severely prejudice Commonwealth.

As discussed in greater detail herein, Sierra Club's Late Intervention is an affront to DOE's Rules and is a blatant attempt to sidestep without explanation the fact that this highly experienced environmental litigant dropped the ball on intervening in Commonwealth's proceeding at DOE in the nearly **five years** since that have passed since the allotted timeframe. DOE should not permit such a gambit—it should summarily dismiss the Late Intervention and

<sup>&</sup>lt;sup>1</sup> 10 C.F.R. §§ 590.303(e) & 590.304(f) (2024).

<sup>&</sup>lt;sup>2</sup> *Commonwealth LNG, LLC*, DOE/FECM Docket No. 19-134-LNG, Motion to Intervene and Protest Out of Time of Sierra Club (Nov. 22, 2024) (Sierra Club "Late Intervention" or as applicable, "Protest").

Protest and expressly decline to consider Sierra Club's arguments included therein, and otherwise reject any attempt by Sierra Club to complicate and clutter the record at this late stage in the proceeding. For these reasons, the Late Intervention and Protest must be denied.

In support of this Answer, Commonwealth states the following:

## II. <u>Background</u>.

On October 16, 2019, Commonwealth filed an application ("Application") with the Department of Energy, Office of Fossil Energy<sup>3</sup> seeking long-term, multi-contract authorization to export up to 9.5 million metric tonnes per annum ("MTPA") of LNG to free trade agreement ("FTA") and non-FTA nations. On November 26, 2019, DOE issued public notice of Commonwealth's application, providing interested parties until <u>December 26, 2019</u>, to file comments, protests, or interventions.<sup>4</sup> Only one intervention and protest was filed, by the Industrial Energy Consumers of America. On April 17, 2020, DOE/FECM authorized Commonwealth to export 9.5 MTPA of LNG to FTA nations for a 25-year term.<sup>5</sup> In the FTA Authorization, DOE/FECM expressly noted that Commonwealth's request to export LNG to non-FTA nations would be addressed in a separate order.<sup>6</sup>

On November 17, 2022, the Federal Energy Regulatory Commission ("FERC") unanimously authorized the siting, construction, and operation of Commonwealth's facility.<sup>7</sup> On January 19, 2023, FERC denied requests for rehearing of the FERC Authorization.<sup>8</sup> On March 15, 2023, a coalition of organizations (including Sierra Club) petitioned the U.S. Court of

<sup>&</sup>lt;sup>3</sup> Now known as the DOE Office of Fossil Energy and Carbon ("DOE/FECM").

<sup>&</sup>lt;sup>4</sup> 84 Fed. Reg. 65,144 (Nov. 26, 2019).

<sup>&</sup>lt;sup>5</sup> Commonwealth LNG, LLC, DOE/FECM Docket No. 19-134-LNG, Order No. 4521 (Apr. 17, 2020) (Order No. 4521) ("FTA Authorization").

<sup>&</sup>lt;sup>6</sup> FTA Authorization at 3.

<sup>&</sup>lt;sup>7</sup> Commonwealth LNG, LLC, 181 FERC ¶ 61,143 (2022) ("FERC Authorization").

<sup>&</sup>lt;sup>8</sup> Commonwealth LNG, LLC, 182 FERC ¶ 62,033 (2023), appeal pending No. 23-1069 (D.C. Cir., argued Feb. 12, 2024).

Appeals for the D.C. Circuit ("D.C. Circuit") for review of Commonwealth's FERC Authorization. While the court rejected the vast majority of petitioners' arguments on appeal, it remanded without vacatur the FERC Authorization on two narrow, discrete issues: (1) FERC's explanation of its finding that it was unable to determine the significance of the facility's the greenhouse gas emissions, and (2) FERC's explanation of its finding that the facility would not have significant impacts on cumulative 1-hour nitrogen dioxide (NO<sub>2</sub>) emissions.<sup>9</sup> On November 27, 2024, FERC issued a Notice of Schedule for the Preparation of a Supplemental Environmental Impact Statement to address the NO<sub>2</sub> issue remanded to FERC by the court.<sup>10</sup> Under this schedule, FERC will issue a final supplemental environmental impact statement on May 16, 2025, and a final order in response to the remand no later than July 24, 2025.

On September 11, 2020, Commonwealth submitted an application to amend the non-FTA portion of its Application to request an export term through December 31, 2050, which remains pending before DOE.<sup>11</sup> On August 31, 2023, Commonwealth submitted a project development update demonstrating the significant, demonstrable progress Commonwealth had made in the technical, commercial, and regulatory development of its project.<sup>12</sup> On July 25, 2024,

Commonwealth filed a Notice of Change and Control and Amendment to reflect this change of

<sup>&</sup>lt;sup>9</sup> Healthy Gulf v. FERC, 107 F.4th 1033, 1047 (D.C. Cir. 2024).

<sup>&</sup>lt;sup>10</sup> Commonwealth LNG, LLC, Notice of Schedule for Preparation of a Supplemental Environmental Impact Statement for the Commonwealth Project, Docket Nos. CP19-502-000, -001 (Nov. 27, 2024).

<sup>&</sup>lt;sup>11</sup> 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).

<sup>&</sup>lt;sup>12</sup> Commonwealth LNG, LLC, Project Development Update, Docket No, 19-134-LNG (Aug. 31, 2024).

control, <sup>13</sup> as clarified on August 7, 2024, <sup>14</sup> and supplemented on October 1, 2024. <sup>15</sup> On October 17, 2024, DOE/FECM responded to this notice of change in control and amendment to the pending non-FTA Application, giving immediate effect to and taking no action on the change in control regarding the FTA authorization and giving immediate effect to the pending Application and explaining that because it gave 15 days to consider answers and received none, the change in control remains in effect for the pending application. <sup>16</sup> At no time prior to March 2024, did Sierra Club ever seek to intervene since the inception of the proceeding over five years ago.

### III. <u>Answer in Opposition to Late Intervention</u>

#### A. <u>Sierra Club's Late Intervention is a Clear Violation Of DOE's Rules</u>.

Throughout its Late Intervention, Sierra Club makes multiple erroneous and misleading claims regarding DOE's Rules regarding intervention and the precedent for accepting motions to intervene out of time. DOE's Rules clearly state that interventions may be filed "*no later than the date fixed for filing such motions or notices in the applicable FE notice or order*."<sup>17</sup> In this case, DOE set December 26, 2019 as the deadline for interventions.<sup>18</sup> Interventions past this date are only permitted by express approval "by the Assistant Secretary for good cause shown and after considering the impact of granting the late motion of the proceeding."<sup>19</sup>

<sup>&</sup>lt;sup>13</sup> Commonwealth LNG, LLC, Notice of Change in Control and Amendment to Pending Application, Docket No. 19-134-LNG (July 25, 2024).

<sup>&</sup>lt;sup>14</sup> Commonwealth LNG, LLC, Clarification of Kimmeridge Equity Ownership of Commonwealth, Docket No. 19- 134-LNG (Aug. 7, 2024),

<sup>&</sup>lt;sup>15</sup> Commonwealth LNG, LLC, Supplement to Notice of Change in Control and Amendment to Pending Application, Docket No. 19-134-LNG (Oct. 1, 2024).

<sup>&</sup>lt;sup>16</sup> Commonwealth LNG, LLC, Correspondence from Amy R. Sweeney, Director, Office of Regulation, Analysis, and Engagement, to David L. Wochner Regarding the Notice of Change in Control and Amendment to Pending Application, Docket No. 19- 134-LNG (Oct. 17, 2024).

<sup>&</sup>lt;sup>17</sup> 10 C.F.R. §§ 590.303(d) (emphasis added).

<sup>&</sup>lt;sup>18</sup> 84 Fed. Reg. 65,114 (Nov. 26, 2019).

<sup>&</sup>lt;sup>19</sup> Id.

In addition to the clear failure of Sierra Club to intervene by the December 26, 2019 deadline to do so, DOE has explicitly rejected in other proceedings<sup>20</sup> the arguments Sierra Club raises here—namely, that "DOE's rules do not articulate a standard for timely intervention" and should thus "be granted liberally."<sup>21</sup> As discussed in more detail below, Sierra Club makes no effort to distinguish the facts here from this unfavorable DOE precedent, and thus DOE must not diverge from its precedent and reject such ploys. Sierra Club has disregarded each aspect of DOE's regulations pertaining to timely intervention by 1) failing to make its filing within the time fixed in this proceeding, 2) failing to demonstrate requisite good cause to explain this failure, and 3) ignoring the substantial prejudice and harm facing Commonwealth by permitting Sierra Club to intervene so far out-of-time.

This is not the first time that Sierra Club has sought to improperly interject itself in this proceeding through the filing of a late intervention long past the deadline. Recently, on March 12, 2024, Sierra Club jointly filed with Center for Biological Diversity, Natural Resources Defense Council, and Public Citizen, a "Motion for Leave to Intervene Out of Time, Motion for Leave to Answer, and Answer to Request for Rehearing."<sup>22</sup> DOE ultimately dismissed the underlying rehearing request at issue, and summarily dismissed Sierra Club's motion and

<sup>&</sup>lt;sup>20</sup> Alaska LNG Project LLC, DOE/FECM Order No. 3643-C, Dkt. No. 14-96-LNG, at 17 (Apr. 13, 2023) (citing to *Energía Costa Azul, S. de R.L. de C.V.*, DOE/FECM Order No. 4365-B, Docket No. 18-145-LNG, Order Amending Long-Term Authorization to Re-Export U.S-Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Countries (ECA Large-Scale Project), at 50-53 (Dec. 20, 2022); *Vista Pacifico LNG, S.A.P.I. de C.V.*, DOE/FECM Order No. 4929, Docket No. 20-153-LNG, Order Granting Long-Term Authorization to Re-Export U.S.-Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Nations, at 50-53 (Dec. 20, 2022)).

<sup>&</sup>lt;sup>21</sup> Late Intervention at 9.

<sup>&</sup>lt;sup>22</sup> Commonwealth LNG, LLC, DOE/FECM Docket No. 19-134-LNG, Motion for Leave to Intervene Out of Time, Motion for Leave to Answer, and Answer to Request for Rehearing of Sierra Club, et al., Docket No. 19-134-LNG (Mar. 12, 2024).

Commonwealth's subsequent answer without reaching the filings.<sup>23</sup> Had DOE felt that Sierra

Club's previous late intervention demonstrated good cause to intervene in this proceeding after

failing to timely intervene over five years ago, DOE certainly would have granted intervention

when presented with the issue. DOE did not.

Sierra Club is an experienced practitioner in DOE proceedings, with Sierra Club having

intervened in dozens of DOE dockets prior to and after Commonwealth's filing of the

application.<sup>24</sup> Therefore, Sierra Club should be well aware that attempting to intervene five

years after the initial application is a violation of these rules.

<sup>&</sup>lt;sup>23</sup> Commonwealth LNG, LLC, DOE/FECM Docket No. 19-134-LNG, Notice Dismissing Request for Rehearing (Mar. 27, 2024).

<sup>&</sup>lt;sup>24</sup> Cameron LNG, LLC, Sierra Club's Motion to Intervene, Protest and Comment, DOE/FE Docket No. 11-162-LNG (Apr. 23, 2012); CE FLNG, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 12-123-LNG (Feb. 4, 2013); Dominion Cove Point LNG, LP, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 11-128-LNG (Feb. 6, 2012); Delfin LNG, LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 13-147 (May 27, 2014); Golden Pass Products LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 12-156-LNG (Feb. 4, 2013); Lake Charles LNG Export Company, LLC, Sierra Club et al's Motion to Intervene and Protest, DOE/FE Docket Nos. 13-04-LNG, 16-109-LNG, 11-59-LNG, and 16-110-LNG (Aug. 11, 2022); Magnolia LNG, LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 13-132-LNG (May 23, 2014); Magnolia LNG, LLC, Sierra Club et al's Motion to Intervene and Protest, DOE/FE Docket No. 13-132 (May 15, 2023); NFE Altamira GLNG, S. de R.L. de C.V., Sierra Club's Motion to Intervene and Protest of NFE Altamira's FLNG's Request for Export and Re-Export Authorization, DOE/FE Docket No. 22-110-LNG (Dec. 5, 2022); Sabine Pass LNG, LLC, Sierra Club's Motion to Intervene Out of Time, Protest, and Comments, DOE/FE Docket No. 10-111-LNG (Apr. 18, 2012); Sabine Pass Liquefaction, LLC, Sierra Club's Motion to Intervene, Protest and Comments, DOE/FE Docket Nos. 13-30-LNG and 13-42-LNG (Sep. 23, 2013); Sabine Pass Liquefaction, LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 13-121-LNG (Apr. 14, 2014); Sabine Pass Liquefaction, LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 15-63-LNG (Oct. 26, 2015); Southern LNG Company, LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 12-100-LNG (Dec. 17, 2012); Venture Global LNG, LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 13-69-LNG (Jun. 26, 2014); Venture Calcasieu Pass, LLC, Sierra Club's Motion to Intervene, Protest, and Comments, DOE/FE Docket No. 14-88-LNG (Jan. 9, 2015); Venture Global Plaquemines LNG, LLC, Sierra Club et al's Motion to Intervene and Protest, DOE/FE Docket No. 16-28-LNG (Jul. 11, 2022); Venture Global CP2 LNG, LLC, Sierra Club's Motion to Intervene and Protest of Natural Resources Defense Council, DOE/FE Docket No. 21-131-LNG (Mar. 11, 2022); Sabine Pass Liquefaction LLC, Sierra Club et. al. Motion to Intervene and Protest, DOE/FE Docket No. 24-27-LNG (Jun. 18, 2024); Magnolia LNG, LLC, Sierra Club et al Motion to Intervene and Protest, DOE/FE Docket No. 23-137-LNG (Feb. 20, 2024); Lake Charles Exports, LLC, Sierra Club el. al. Motion to Intervene and Protest, DOE/FE Docket No. 23-87-LNG (Nov. 6, 2023); Corpus Christi

Accordingly, given that Sierra Club's Late Intervention is patently inconsistent with DOE's rules, and an egregious violation of DOE's requirement for timely intervention, DOE must reject the Late Intervention and dismiss this filing in its entirety, including the Protest. Commonwealth respectfully requests that DOE do so without delay to remove all uncertainty regarding Sierra Club's party status in this proceeding.

### B. <u>Sierra Club Has Not Demonstrated it Satisfies the Legal Requirements to Support</u> Late Intervention.

#### 1. Sierra Club Has Not Demonstrated that Good Cause Exists to Permit It to Intervene Over Five Years After the Deadline Passed.

Sierra Club's Late Intervention provides no explanation as to why it was prevented from timely intervening in this proceeding. Instead, Sierra Club suggests that the basis of its late intervention and protest consists of facts arising after the December 26, 2019 deadline set out in DOE's notice regarding DOE's general analysis of LNG projects.<sup>25</sup> Sidestepping any specific reference to the Commonwealth LNG facility, Sierra Club merely states that, "Although Sierra Club has other interests in this proceeding as well, which were evident at the time DOE provided notice, Sierra Club did not foresee these changes in global energy markets and DOE's potential treatment thereof."<sup>26</sup> Sierra Club's own acknowledgement of its failure to intervene despite then-existing "interests" in the proceeding at the time Commonwealth filed its Application, and its abject failure to present any reasonable explanation for missing the original

*Liquefaction, LLC*, Sierra Club Motion to Intervene and Protest, DOE/FE Docket No. 23-46-LNG (Jul. 7, 2023); *Gulfstream LNG Development, LLC*, Sierra Club et al Motion to Intervene and Protest, DOE/FE Docket No. 20-34-LNG (Jun. 13, 2023); *Freeport LNG Expansion, L.P.,* Sierra Club et al Motion to Intervene, DOE/FE Docket No. 21-98-LNG; *Port Arthur LNG Phase II, LLC*, Sierra Club Motion to Intervene and Protest Out of Time, DOE/FE Docket No. 20-23-LNG (Nov. 26, 2024).

<sup>&</sup>lt;sup>25</sup> Late Intervention at 8 (emphasis added).

 $<sup>^{26}</sup>$  *Id* at 8.

deadline, mandate that its late filing be rejected by DOE as an abuse of the regulatory process and a blatant disregard for the agency's regulations and precedent.

Sierra Club first insists that since DOE regulations do not define "good cause" in the context of granting late intervention, "DOE should interpret the term with reference to FERC's interpretation of the rules it applies in administering the Natural Gas Act."<sup>27</sup> FERC's interpretation of what constitutes good cause for granting late intervention in NGA proceedings could not be more clear: FERC's formal policy is to be "less lenient in the grant of late interventions. Persons desiring to become a party to a certificate proceeding are to intervene in a timely manner."<sup>28</sup>

Where a movant seeks to intervene after the deadline in a FERC proceeding, the movant must "show good cause why the time limitation should be waived."<sup>29</sup> First among the factors FERC considers in reviewing a late intervention is whether "[t]he movant had good cause for failing to file the motion within the time prescribed."<sup>30</sup> FERC set forth this "less lenient"<sup>31</sup> late intervention policy in 2018—and as recently as November 27, 2024 affirmed that it "represents current Commission policy"<sup>32</sup>—in order to "express our concern with the increasing degree to which participants in natural gas proceedings have come to file late motions to intervene without adequately addressing the factors set forth in our regulations."<sup>33</sup>

Simply put, by Sierra Club's own request DOE should follow FERC's lead on how to interpret whether good cause exists to permit a late intervention, and FERC's policy on this

<sup>&</sup>lt;sup>27</sup> Late Intervention at 5.

<sup>&</sup>lt;sup>28</sup> Tenn. Gas Pipeline Co., LLC, 162 FERC ¶ 61,167 at P 50 (2018) ("Tennessee Gas").

<sup>&</sup>lt;sup>29</sup> *Id.* (citing 18 C.F.R. § 385.214(d)(1)(i)).

<sup>&</sup>lt;sup>30</sup> 18 C.F.R. § 385.214(d)(1)(i).

<sup>&</sup>lt;sup>31</sup> *Tennessee Gas*, 162 FERC ¶ 61,167 at P 50.

<sup>&</sup>lt;sup>32</sup> Venture Global CP2 LNG, LLC, 189 FERC ¶ 61,148 at P 14 (2024) ("CP2").

<sup>&</sup>lt;sup>33</sup> *Tennessee Gas* 162 FERC ¶ 61,167 at P 49.

issue, affirmed less than two weeks of the date of this filing, is to be "less lenient" in granting late intervention.<sup>34</sup> Put another way, if you want to intervene in an NGA Section 3 proceeding after the deadline to do so has passed, you need a good explanation for why you missed the deadline in the first place. If this central factor is not satisfied, FERC "need not consider these additional factors."<sup>35</sup>

This is entirely consistent with DOE's historical treatment of late interventions. As DOE itself has explained, DOE precedent requires that the movant seeking to intervene after the deadline to do so "demonstrate that they had 'good cause' for failing to file the motion and protest within the time prescribed."<sup>36</sup> DOE has rejected attempts by Sierra Club to intervene in NGA Section 3 proceedings several years after the deadline because Sierra Club did "not provide any facts to demonstrate" that good cause existed to miss the deadline.<sup>37</sup>

Therefore, Sierra Club must present DOE with a *very* compelling argument as to why good cause exists to permit it to intervene *nearly five years* since the deadline for intervention in this proceeding. Sierra Club's bar is only heightened when DOE considers the fact that Sierra Club itself acknowledged that its interests in the above-captioned proceeding "were evident at the time DOE provided notice."<sup>38</sup> As DOE noted in its *Energía* and *Vista Pacifico* orders denying Sierra Club's late intervention, Sierra Club is an experienced, active participant that

 <sup>&</sup>lt;sup>34</sup> CP2, 189 FERC ¶ 61,148 at P 12 (citing *Tennessee Gas* 162 FERC ¶ 61,167 at P 49).
 <sup>35</sup> Id.

<sup>&</sup>lt;sup>36</sup> See *Energía Costa Azul, S. de R.L. de C.V.*, DOE/FECM Order No. 4365-B, Docket No. 18-145-LNG, Order Amending Long-Term Authorization to Re-Export U.S-Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Countries (*Energia*), at 50-53 (Dec. 20, 2022); *Vista Pacifico LNG, S.A.P.I. de C.V.*, DOE/FECM Order No. 4929, Docket No. 20-153-LNG, Order Granting Long-Term Authorization to Re-Export U.S.-Sourced Natural Gas in the Form of Liquefied Natural Gas from Mexico to Non-Free Trade Agreement Nations, ("*Vista Pacifico*") at 50-53 (Dec. 20, 2022).

<sup>&</sup>lt;sup>37</sup> *Id*.

<sup>&</sup>lt;sup>38</sup> Late Intervention at 8.

knows DOE's Rules for intervention and has often timely intervened.<sup>39</sup> Similarly, here Sierra Club knew about Commonwealth's Application, had interests in this proceeding, yet *chose* not to timely intervene. Per DOE precedent, this is not good cause to waive the intervention deadline by 59 months.

Sierra Club insists, however, that good cause exists for it not having timely intervened in this proceeding on the basis of specific DOE issuances that occurred between January and August of 2024 that Sierra Club "could not have foreseen."<sup>40</sup> Regardless, however, Sierra Club's Late Intervention and Protest was filed *eighty-three* days after the order Sierra Club relies upon as a "fact arising" since Commonwealth filed its Application that demonstrates good cause for Sierra Club to file now.<sup>41</sup> Thus, Sierra Club's fastest attempt to intervene in this proceeding *still* would have failed to comply with the 30-day intervention deadline DOE set forth in its November 26, 2019 Notice.<sup>42</sup> A movant sitting on its rights to intervene in a proceeding until the time at which the movant deems it convenient is squarely inconsistent with FERC precedent, which very recently rejected an attempt from a newly formed organization to intervene in a proceeding many months after the intervention deadline, due to the organization siting on its rights and waiting to file until three months after an appropriate opportunity.<sup>43</sup>

Sierra Club insists that DOE's finding that movants demonstrated good cause to intervene after the deadline in the *Alaska LNG* proceeding provides support for its intervention in this proceeding.<sup>44</sup> By DOE's own admission, however, the facts that led to DOE finding good cause

<sup>&</sup>lt;sup>39</sup> Energía at 51-52; Vista Pacifico at 51-52.

<sup>&</sup>lt;sup>40</sup> Late Intervention at 8-9.

<sup>&</sup>lt;sup>41</sup> *Id.* at 8 (citing DOE/FECM Order No. 5156, *NFE Altamira FLNG, S. DE. R.L. DE C.V.,* Docket No. 22-110-LNG (2024)).

<sup>&</sup>lt;sup>42</sup> 84 Fed. Reg. 65,144 (Nov. 26, 2019).

<sup>&</sup>lt;sup>43</sup> *CP2*, 189 FERC ¶ 61,148 at P 13.

<sup>&</sup>lt;sup>44</sup> Late Intervention at 4 (citing to *Alaska LNG Project LLC*, DOE/FECM Order No. 3643-C, Dockt. No. 14-96-LNG, at 17 n.87 (Apr. 13, 2023) ("*Alaska LNG*").

for late intervention in *Alaska LNG* were "unique."<sup>45</sup> The facts in *this* proceeding are not analogous to *Alaska LNG*, and Sierra Club makes no efforts to demonstrate why the facts here might align with DOE's reasoning in that case. In *Alaska LNG*, movants failed to submit a motion to intervene for the initial application LNG export application, and ultimately moved to intervene in the proceeding on the last day of the comment period for a draft supplemental environmental impact statement (SEIS) prepared during an ongoing rehearing proceeding.<sup>46</sup> This draft SEIS, DOE explained, "presented new environmental analyses and findings including the first-ever life cycle GHG analysis prepared by DOE to assess the impacts of exporting Alaskan-sourced LNG by vessel to Asia and other markets."<sup>47</sup> Given this, DOE determined that it was "persuaded to apply the spirit" of a FERC regulation allowing intervention during the comment period for a draft environmental impact statement.<sup>48</sup> DOE even went as far as to agree with opponents of the late intervention that the movants could have intervened earlier in the proceeding, but ultimately permitted the late intervention *solely* due to DOE's preparation of a draft SEIS.<sup>49</sup>

Sierra Club does not attempt to explain why DOE's rationale in *Alaska LNG* should be applied here. Nor could Sierra Club, because the entire basis for DOE's finding of good cause in *Alaska LNG*—the preparation of a draft SEIS by DOE—is simply absent in this proceeding. Nor is there any new analysis for which Sierra Club has been otherwise unable to comment on in this proceeding. In short, *Alaska LNG* provides no support for Sierra Club's intervention.

<sup>&</sup>lt;sup>45</sup> Alaska LNG at 17.
<sup>46</sup> Id. at 18.

 $<sup>^{10}</sup>$  *Id.* at  $^{47}$  *Id.* 

 $<sup>^{48}</sup>$  *Id.* at 19.

 $<sup>^{49}</sup>$  Id.

As discussed herein and consistent with DOE and FERC regulations and precedent, Sierra Club has not demonstrated, nor even seriously attempted to demonstrate, good cause for failing to timely intervene by the December 26, 2019 deadline, or in the 59 months since that deadline passed. To permit Sierra Club to intervene without showing good cause why they could not timely intervene in the first place or in the years following would represent a seismic shift in DOE's precedent and would likewise encourage project opponents to justify late intervention in projects merely by claiming that they could not predict big picture policy changes. It would also establish damaging precedent of permitting an experienced litigant to ignore the intervention rules and participate in a proceeding without making the required effort to specifically explain why its late filing merits acceptance.

## 2. Granting Late Intervention Would Substantially Prejudice Commonwealth.

Because Sierra Club fails to demonstrate good cause for timely intervening in this proceeding, DOE can and should reject Sierra Club's intervention without reaching any other factors. If, however, DOE feels the need to consider other factors in reviewing Sierra Club's Intervention, Commonwealth notes that despite Sierra Club's arguments to the contrary, permitting Sierra Club to intervene in this proceeding so long after the deadline to do so has passed clearly prejudices both Commonwealth and DOE. DOE itself has acknowledged the obvious, central truth that "late filings are both unfairly prejudicial to the applicant (and any other parties) and disruptive to DOE's interests in administrative efficiency and fairness."<sup>50</sup>

FERC, in keeping with its current "less lenient" policy on late intervention,<sup>51</sup> has consistently held that as a proceeding nears its end, FERC will become "progressively more

<sup>&</sup>lt;sup>50</sup> Energía at 52; Vista Pacifico at 52.

<sup>&</sup>lt;sup>51</sup> *CP2*, 186 FERC ¶ 61,148 at P 12.

restrictive" in allowing late intervention.<sup>52</sup> As FERC explained in *California DWR*, which underpins FERC's current policy on late intervention in NGA proceedings,<sup>53</sup> when a party seeks to intervene "well past the initial stages" of a proceeding, the late party must provide a "more substantial justification" for good cause to intervene.<sup>54</sup> FERC has further explained that the later a party intervenes after the agency-established deadline, the likelier it is to prejudice all parties involved,<sup>55</sup> which is precisely what DOE stated in *Energía* and *Vista Pacifico*.<sup>56</sup>

It is an absurdity to suggest that Commonwealth will not be prejudiced by a five-year late intervention by an organization that does not seek to genuinely participate in this proceeding as much as it seeks the destruction of the entire U.S. LNG industry, regardless of its domestic and international economic, environmental, and security benefits.<sup>57</sup> The *central purpose* of Sierra Club's intervention is to prejudice and delay this proceeding, as evidenced by its filing of a nearly *identical* intervention and protest in Port Arthur LNG's Phase II non-FTA proceeding,<sup>58</sup> over *four and a half years* after the April 29, 2020 deadline.<sup>59</sup> In arguing that permitting it to intervene so far past the deadline would somehow not prejudice this proceeding, Sierra Club has

 $<sup>^{52}</sup>$  California Department of Water Resources and the City of Los Angeles, 120 FERC ¶ 61,057 (2007) ("California DWR").

<sup>&</sup>lt;sup>53</sup> In *CP2*, the Commission explained that its current less lenient intervention policy was established in *Tennessee Gas*. In the *Tennessee Gas* proceeding, FERC relied heavily on *California DWR* in establishing FERC's more strict intervention policy. *Tennessee Gas Pipeline Co., LLC*, 162 FERC ¶ 61,013 at P 10 (2018).

<sup>&</sup>lt;sup>54</sup> California DWR, 120 FERC ¶ 61057 at P 8 (2007).

<sup>&</sup>lt;sup>55</sup> *Id.* at P 14.

<sup>&</sup>lt;sup>56</sup> *Energía* at 52; *Vista Pacifico* at 52 ("late filings are both unfairly prejudicial to the applicant (and any other parties) and disruptive to DOE's interests in administrative efficiency and fairness").

<sup>&</sup>lt;sup>57</sup> Sierra Club and Greenpeace USA, *Permit to Kill: Potential Health and Economic Impacts from U.S. LNG Export Terminal Permitted Emissions* at 28 (Aug. 2024) (specifically recommending that "DOE, FERC, and other agencies should reject any approvals or permits for LNG export projects, as well as related pipelines and compressor stations"), *available at <u>https://www.greenpeace.org/static/planet4-usa-stateless/2024/11/47b90812-permit-to-kill.pdf</u>.* 

<sup>&</sup>lt;sup>58</sup> *Port Arthur Phase II LNG, LLC*, Motion to Intervene and Protest Out of Time of Sierra Club, DOE/FECM Docket No. 20-23-LNG (Nov. 26, 2024).

<sup>&</sup>lt;sup>59</sup> 85 Fed. Reg. 17,568 (Mar. 30, 2020).

not even indicated that it would accept the administrative record, thus leaving open the likely possibility that as a party to this proceeding Sierra Club will submit voluminous filings that Commonwealth and/or DOE must respond to, thereby delaying action in this proceeding.

Commonwealth would be further prejudiced by granting this late intervention and making Sierra Club a formal party to this proceeding, as doing so would confer the attendant rights of party status under the NGA. Namely, under the NGA, parties to a proceeding may seek rehearing of any order issued by DOE in that proceeding, and seek appeal of such order in federal appellate court.<sup>60</sup> Sierra Club is a seasoned litigant of DOE orders,<sup>61</sup> and Sierra Club's Late Intervention makes clear that it is opposed to Commonwealth's Project and LNG exports in general.<sup>62</sup> As DOE is aware, the NGA does not delineate the rights of intervenors in a DOE proceeding based on their purported "interest" in that proceeding—as an intervenor, Sierra Club would be fully within its rights under the NGA to seek rehearing of, and appeal, any future non-FTA authorization issued by DOE in this proceeding, despite having slept on their administrative rights and obligations. It strains credulity for Sierra Club to suggest that permitting such a flagrant disregard of administrative procedures would not prejudice Commonwealth or DOE.

Sierra Club cites to the 1977 Fifth Circuit case *Stallworth v. Monsanto Co.*<sup>63</sup> to argue that when considering prejudice from late intervention the primary inquiry is not delay associated from allowing the late intervention but instead "how much prejudice would result from the

<sup>&</sup>lt;sup>60</sup> 15 U.S.C. 717r(a)(b).

<sup>&</sup>lt;sup>61</sup> See, i.e. Freeport, 867 F.3d 189 (D.C. Cir. 2017); Sierra Club v. U.S. Dep't of Energy, DOE/FECM Docket No. 16-1426 (D.C. Cir. 2016) (appealing DOE non-FTA authorization for Sabine Pass LNG terminal); Sierra Club v. U.S. Dep't of Energy, DOE/FECM Docket No. 22-1217 (D.C. Cir. 2022) (appealing amendment to DOE non-FTA authorization for Magnolia LNG terminal to increase export volumes); Center for Biological Diversity v. U.S. Dep't of Energy, DOE/FECM Docket No. 23-1214 (D.C. Cir. 2023) (appealing DOE non-FTA authorization for Alaska LNG project).

<sup>&</sup>lt;sup>62</sup> Late Intervention at 5 ("Proposals, such as this one, that encourage long-term use of carbonintensive fossil fuels will increase and prolong greenhouse gas emissions, increasing the severity of climate change and thus of these harms.")

<sup>63 558</sup> F.2d 257 (5th Cir. 1977) ("Stallworth").

would-be intervenor's failure to request intervention as soon as he knew or should have known of his interest in the case."<sup>64</sup> *Stallworth*, however, has absolutely no relevance or impact on this issue or this proceeding. *Stallworth* dealt with late intervention in the context of a court proceeding under the Federal Rules of Civil Procedure.<sup>65</sup> DOE and FERC have their *own* procedural and evidentiary rules governing matters such as intervention. Subpart 590 of DOE's regulations, governing "Administrative Procedures with Respect to the Import and Export of Natural Gas" state clearly that "[t]he procedures of this subpart are applicable to proceedings conducted on all applications or other requested actions filed under this part."<sup>66</sup>

Thus, in this proceeding before DOE, DOE's own Rules and precedent guide, not the Federal Rules of Civil Procedure or any other precedent interpreting them. The inapplicability of *Stallworth* in NGA intervention proceedings under DOE and FERC is highlighted by the fact that FERC has never—<u>not once</u>—cited to *Stallworth* (or *AmerisourceBergen Corp. v. Dialysist West, Inc.*<sup>67</sup> which Sierra Club relies on for the same principle) in <u>any</u> issuance in the 47 years since *Stallworth* was issued. Nor has DOE cited to *Stallworth* or *Amerisource* in any of its recent orders dealing with late interventions under its Rules and precedent, including the *Alaska LNG* proceeding where DOE did in fact grant late intervention. Simply put, *Stallworth* has no bearing on this proceeding, because DOE (and to the extent applicable, FERC) has its own rules of procedure, and precedent implementing and interpreting these Rules, that guide DOE's handling of interventions.

Granting Sierra Club's Late Intervention at this late stage in the proceeding will be highly prejudicial to Commonwealth and disruptive to the proceedings. Entertaining Sierra Club's

<sup>&</sup>lt;sup>64</sup> Late Intervention at 5 (citing *Stallworth*, 558 F.2d at 267).

<sup>&</sup>lt;sup>65</sup> See generally Stallworth, 558 F.2d 260-263.

<sup>66 10</sup> C.F.R. § 590.301.

<sup>&</sup>lt;sup>67</sup> 465 F.3d 946, 953 (9th Cir. 2006) ("Amerisource").

arguments at this time threatens to delay or disrupt this proceeding and ultimately interferes with DOE's ability to develop a record upon which it can render a final decision, among other concerns.

#### IV. Answer to Protest

## A. <u>Sierra Club's Protest is Yet Another Flagrant Violation of DOE Regulations</u>.

In line with Sierra Club's Late Intervention, which we address above, Sierra Club likewise seeks to formally protest Commonwealth's Application nearly five years since the deadline to do so has passed, during a period of time in which Sierra Club expressed *no* interest in Commonwealth's Facility. Much like its Late Intervention, Sierra Club's Protest shows a concerning disrespect for DOE regulations, and administrative procedure generally.

DOE regulations state clearly that protests may be filed "no later than the date fixed for filing protests in the applicable FE notice or order, unless a later date is permitted by the Assistant Secretary for good cause shown."<sup>68</sup> As discussed above, the deadline for interventions *and protests* in this proceeding was December 26, <u>2019</u>. We lay out the absurdity of Sierra Club seeking to intervene after such a long period above and need not reiterate it here.<sup>69</sup>

Similar to its requirement for motions to intervene out-of-time, DOE mandates that good cause be shown for a filer seeking to protest an application after the deadline to do so.<sup>70</sup> Sierra Club, however, <u>never</u> seeks to establish good cause to protest Commonwealth's Application, unlike its failed attempts to do so for its late intervention. Nor can Sierra Club rely on its mere attempt to establish good cause for late intervention in support of its late protest, as these are fundamentally different filings.

<sup>&</sup>lt;sup>68</sup> 10 C.F.R. § 590.304 (e).

<sup>&</sup>lt;sup>69</sup> *See supra* pp 3-10.

<sup>&</sup>lt;sup>70</sup> 10 C.F.R. § 590.304 (e).

DOE must not permit such brazen disrespect for its procedural rules. Given that Sierra Club a) missed the deadline to protest Commonwealth's application by nearly five years; b) does not attempt to show good cause for its failure to timely protest Commonwealth's Application in direct contravention of DOE Procedures; and c) seeks to inject false and deliberately misleading information into this proceeding under the guise of its Protest, DOE must unequivocally reject and fully disregard Sierra Club's Protest in its entirety, including all arguments raised therein.

## B. <u>Sierra Club's Assertions in Protesting Commonwealth's Application</u> <u>Mischaracterize DOE's Duties Under the Natural Gas Act</u>.

As Commonwealth explains above, there is no justification for Sierra Club's Protest under DOE's Rules, and therefore DOE should reject Sierra Club's Protest and all arguments included, and not permit them to unduly muddle the administrative record in this proceeding. However, to the extent DOE takes interest in Sierra Club's arguments, Commonwealth notes that Sierra Club's Protest almost universally mischaracterizes DOE's obligations under the NGA. Sierra Club insists that DOE, in order to approve Commonwealth's Application, must make independent, case-specific determinations as to whether individual project's export of U.S. LNG are in the public interest, after weighing (in Sierra Club's view) an endless universe of data.<sup>71</sup>

Sierra Club demonstrates a fundamental misunderstanding of Section 3 of the NGA. The express language of Section 3 of the NGA and ample D.C. Circuit precedent confirm the essential fact that Congress has determined exports of LNG to non-FTA nations to be in the public interest, and that DOE "shall" approve an application for such exports, *unless it can be shown to DOE that such exports are inconsistent with the public interest*.<sup>72</sup> The U.S. Court of Appeals for the D.C. Circuit ("D.C. Circuit") has offered guidance on this construction, noting

<sup>&</sup>lt;sup>71</sup> Protest at 13-19.

<sup>&</sup>lt;sup>72</sup> Rehearing Request at 9.

that "section 3 sets out a general presumption favoring such authorization, by language which <u>requires approval</u> of an application <u>unless there is an express finding that the proposed activity would</u> <u>not be consistent with the public interest</u>."<sup>73</sup>

DOE's charge under the NGA is not to make case-specific determinations as to whether an individual project's exports of LNG to non-FTA nations are in the public interest, rather the NGA instructs DOE to determine whether record evidence is sufficient to overcome this statutory presumption. DOE has consistently acknowledged Section 3's statutory presumption, explaining that it "must grant" a non-FTA export application unless *opponents* of the exports can overcome the statutory presumption set forth by Congress.<sup>74</sup> Given that only one protest of Commonwealth's application was timely filed in this proceeding, certainly there is insufficient evidence in this proceeding to overcome Congress' finding that exports of LNG to non-FTA nations are in the public interest.

## C. <u>Commonwealth and Sierra Club Agree - DOE Can Act on Commonwealth's</u> Pending non-FTA Application Now.

As Sierra Club points out, DOE's historical practice had been to act on non-FTA export applications prior to FERC finalizing its FEIS, issuing "conditional" authorizations that addressed "all factors relating to the public interest other than environmental issues."<sup>75</sup> Indeed, DOE's regulations expressly contemplate the issuance of conditional orders.<sup>76</sup>

<sup>&</sup>lt;sup>73</sup> W. Va. Pub. Servs. Comm'n v. U.S. Dep't of Energy, 681 F.2d 847,856 (D.C. Cir. 1982) ("West Virginia") (emphasis added); see also Freeport, 867 F.3d at 203; Center for Biological Diversity v. FERC, 67 F.4<sup>th</sup> 1176, 1188 (D.C. Cir. 2023); Earth Reports v. FERC, 828 F.3d 949, 953 (D.C. Cir. 2016).

<sup>&</sup>lt;sup>74</sup> Cameron LNG, LLC, DOE/FE Order No. 3391 at 6 (Feb. 11, 2014); Cheniere Marketing, LLC, Order DOE/FE Order No. 3638 at 12 (May 12, 2015); Delfin LNG, LLC, DOE/FE Order No. 4028 at 11 (June 1, 2017); Sabine Pass Liquefaction, LLC, DOE/FE Order No. 4150 at 7 (Jan. 30, 2018).

<sup>&</sup>lt;sup>75</sup> Late Intervention at 2, citing *Procedures for Liquefied Natural Gas Export Decisions*, 79 Fed. Reg. 48123, 48,133 (Aug. 15, 2014) ("*Procedures*").

<sup>&</sup>lt;sup>76</sup> 10 C.F.R. § 590.402 (2024).

Although DOE has shifted its practice and has in recent years waited to act on non-FTA applications until after FERC concluded its NEPA process, DOE expressly reserved the authority to issues condition non-FTA authorizations in the future.<sup>77</sup> DOE is, then, well within its authority to approve Commonwealth's application while FERC supplements its NEPA review of Commonwealth's facility.<sup>78</sup>

Conditionally approving Commonwealth's Application would be more than appropriate, as Commonwealth's Application has been pending with DOE for over two years since FERC approved the construction and operation of the facility. Save a single comment, there is no valid record evidence opposing Commonwealth's Application, and Commonwealth has filed substantial evidence demonstrating the need for U.S. LNG exports including Commonwealth's. DOE needs nothing else to conditionally approve Commonwealth's non-FTA Application while FERC supplements its NEPA review.

### D. <u>Sierra Club's Arguments are Otherwise Without Merit.</u>

To the extent that DOE takes Sierra Club's arguments in its Protest under consideration, Commonwealth respectfully requests DOE consider Commonwealth's answer to Sierra Club's arguments below.

#### 1. LNG Exports do not Substantially Increase Domestic Gas Prices

Sierra Club insists that exports of LNG from Commonwealth's facility would raise domestic energy prices, thus negatively impacting domestic energy consumers.<sup>79</sup> Aside from the absurdity of Sierra Club suggesting that it can link exports from a single terminal to nationwide energy prices, Sierra Club presents no compelling information linking LNG exports overall to

<sup>&</sup>lt;sup>77</sup> See Procedures, 79 Fed. Reg. 48,123, 48,133 (explaining that DOE retains discretion to issue conditional non-FTA authorizations in the future.)

<sup>&</sup>lt;sup>78</sup> *See supra* pp 2-3.

<sup>&</sup>lt;sup>79</sup> Protest at 14-17.

substantial price increases. Sierra Club cites to FERC's 2021-2022 Winter Energy Market and Reliability Assessment<sup>80</sup> and claims that there FERC stated that LNG exports were the "main source of additional demand driving gas price increases."<sup>81</sup> This is simply not the case. FERC's 2022 Winter Assessment found that natural gas prices vary across the country, with costs per million British Thermal Units (MMBtu) at the Henry Hub in Louisiana at \$5.63 per MMBtu, and up to \$18.18 per MMBtu at the Algonquin Citygate hub outside Boston.<sup>82</sup> The 2022 Winter Assessment specifically noted that any price increases were driven by a "variety of factors" including LNG exports as well as pipeline capacity.<sup>83</sup> Indeed, FERC's 2024 Winter Assessment found that prices at the Henry Hub were averaging \$2.95 per MMBtu, a 47% decrease in price, all while U.S. LNG exports have increased.<sup>84</sup>

Attached to this filing as Exhibit A, Commonwealth provides DOE with a series of data points and graphics utilizing publicly available information from, among other sources, the Energy Information administration and International Energy Agency, which refute Sierra Club's baseless assertions regarding the negative impacts of domestic LNG exports. As indicated in Exhibit A, prices at the Henry Hub have decreased by 42% since 2010, whereas during that time period LNG exports have increased by **569%**.<sup>85</sup> The data does not support Sierra Club's

<sup>&</sup>lt;sup>80</sup> FERC, Winter Energy Market and Reliability Assessment at 2 (Oct. 21, 2021), *available at* <u>https://ferc.gov/sites/default/files/2021-10/Winter%20Assessment%202021-2022%20-%20Report.pdf</u> (2022 Winter Assessment).

<sup>&</sup>lt;sup>81</sup> *Id*. at 14-15.

<sup>&</sup>lt;sup>82</sup> 2022 Winter Assessment at 2.

<sup>&</sup>lt;sup>83</sup> Id.

<sup>&</sup>lt;sup>84</sup> Protest at 14-17.

<sup>&</sup>lt;sup>84</sup> FERC, Winter Energy Market and Reliability Assessment at 2 (Nov. 21, 2024), available at <u>https://www.ferc.gov/sites/default/files/2024-11/Winter%20Assessment%202024-</u>2025%20Long%20Version.pdf.

<sup>&</sup>lt;sup>85</sup> Exhibit A at 11.

contention that exports from Commonwealth's facility or U.S. LNG exports overall have any outsized impacts on domestic energy prices.

## 2. There is a Clear, Growing Demand for U.S. LNG Exports to European Allies

Sierra Club next insists that "America's allies no longer need additional gas."<sup>86</sup> This argument, like so many of Sierra Club's claims, is invalidated when one actually looks at the data. Exhibit A shows that exports of U.S. LNG to Europe have increased every single year since 2019, both in terms of number of shipments and volume of gas delivered.<sup>87</sup> European customers have also been a primary focus of new LNG offtake contracts in recent years, and Europe continues to increase its regasification capacity,<sup>88</sup> directly contradicting Sierra Club's insistence that our European allies do not, and will not, want U.S. LNG.

Finally, Commonwealth notes that to the extent Sierra Club argues that DOE should encourage the transition to renewable energy by rejecting non-FTA export applications,<sup>89</sup> such a course of action would be in direct violation of DOE's charge under the NGA. As we note above, DOE is directed to approve applications to export LNG to non-FTA nations unless that presumption is overcome.<sup>90</sup> The statute does not authorize DOE to wield this authority in the manner suggested by Sierra Club.

<sup>&</sup>lt;sup>86</sup> Protest at 17.

<sup>&</sup>lt;sup>87</sup> Exhibit A at 3-4.

<sup>&</sup>lt;sup>88</sup> *Id.* at 5-6.

<sup>&</sup>lt;sup>89</sup> Protest at 18.

<sup>&</sup>lt;sup>90</sup> See supra at pp 15-17.

#### 3. There Is No Need For Further Environmental Analysis.

### a. Sierra Club's Attacks On DOE's 2020 Categorical Exclusion Are Stale.

Sierra Club, seeking to bog down this proceeding with meritless objections, contends that DOE's decision (made over four years ago) to categorically exclude from NEPA review authorizations to export LNG to non-FTA nations under Section 3 of the NGA is invalid.<sup>91</sup> Specifically, Sierra Club alleges that the categorical exclusion is invalid because it misapplies D.C. Circuit precedent in *Sierra Club v. FERC*,<sup>92</sup> and erroneously finds that upstream impacts from induced production and transportation of natural gas, and downstream impacts from consumption of LNG are not reasonably foreseeable for NEPA purposes.<sup>93</sup>

Critically, Commonwealth notes that Sierra Club (along with a coalition of other groups) *already raised* these concerns to DOE, to which DOE responded. Prior to issuing the CatEx Final Rule, DOE issued a Notice of Proposed Rulemaking setting forth DOE's intent to promulgate the categorical exclusion for LNG export authorizations.<sup>94</sup> The CatEx NOPR set force DOE's rationale for the categorical exclusion, including its reliance on *Public Citizen*, and set a 30-day comment period. Sierra Club filed comments on June 1, 2020, raising the *same exact* arguments it makes in its protest.<sup>95</sup> In the CatEx Final Rule, DOE responded to Sierra Club's comment in detail, including Sierra Club's assertion that DOE is misapplying *Public* 

<sup>&</sup>lt;sup>91</sup> See U.S. Dep't of Energy, National Environmental Policy Act Implementing Procedures, Final Rule, 85 Fed. Reg. 78,197 (Dec. 4, 2020) ("*CatEx Final Rule*").

<sup>&</sup>lt;sup>92</sup> 827 F.3d 36 (D.C. Cir. 2016) ("Freeport").

<sup>&</sup>lt;sup>93</sup> Protest at 21-24.

<sup>&</sup>lt;sup>94</sup> See U.S. Dep't of Energy, National Environmental Policy Act Implementing Procedures, Notice of Proposed Rulemaking and Request for Comment, 85 Fed. Reg. 25,340 (May 1, 2020) ("*CatEx* NOPR").

<sup>&</sup>lt;sup>95</sup> See Comments of Sierra Club, et al., Opposing the Proposed Categorical Exemption, Comment ID DOE-HQ-2020-0017-0016 (June 1, 2020) available at <u>https://www.regulations.gov/comment/DOE-HQ-2020-0017-0016</u>.

*Citizen* and DOE's obligation to consider upstream and downstream impacts.<sup>96</sup> The Administrative Procedure Act requires nothing more.<sup>97</sup> Sierra Club, apparently aware of this fact, failed to appeal the CatEx Final Rule itself, or raise it in its appeal of DOE non-FTA authorizations incorporating the categorical exclusion. It is barred from doing so now.

## b. DOE's Existing LNG GHG Lifecycle Studies Are Neither Stale nor Incomplete.

Sierra Club next contends that DOE's existing "analyses of greenhouse gas lifecycle emissions are stale, and were incomplete to begin with."<sup>98</sup> Sierra Club contends that DOE's June 2014 Life Cycle Analysis<sup>99</sup> and 2019 update to the 2014 LCA<sup>100</sup> were flawed because they did not incorporate "global efforts to transition away from fossil fuels."<sup>101</sup> In so doing Sierra Club does nothing more than continue its practice of repeating arguments that have been heard and dismissed or that Sierra Club has otherwise failed to raise. As DOE itself stated in a March 2023 order approving the export of LNG to non-FTA nations "we affirm that the 2018 LNG Export Study is fundamentally sound."<sup>102</sup> In the same order, DOE unequivocally upheld the analyses and findings of its 2014 LCA and 2019 Update.<sup>103</sup> The D.C. Circuit also expressly upheld the 2014 LCA's analysis of the indirect and cumulative effects of LNG exports.<sup>104</sup> Sierra

<sup>&</sup>lt;sup>96</sup> CatEx Final Rule 85 Fed. Reg. 78,201.

<sup>&</sup>lt;sup>97</sup> 5 U.S.C. § 553.

<sup>&</sup>lt;sup>98</sup> Protest at 26.

<sup>&</sup>lt;sup>99</sup> U.S. Dep't of Energy, Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States, 79 Fed. Reg. 32,260 (June 4, 2014) ("2014 LCA").

<sup>&</sup>lt;sup>100</sup> Nat'l Energy Tech. Lab., *Life Cycle Greenhouse Gas Perspective on Exporting Liquefied Natural Gas from the United States: 2019 Update* (DOE/NETL-2019/2041) (Sept. 12, 2019), <u>https://www.energy.gov/sites/prod/files/2019/09/f66/2019%20NETL%20LCA-GHG%20Report.pdf</u> ("2019 Update").

<sup>&</sup>lt;sup>101</sup> Protest at 26-27.

<sup>&</sup>lt;sup>102</sup> Freeport LNG Expansion, L.P., Order Granting Long-Term Authorization to Export Liquefied Natural Gas to Non-Free Trade Agreement Nations, DOE/FECM Docket No. 21-98-LNG, DOE/FECM Order No. 4961 at p.57 (Mar. 3, 2023) ("Freeport").

<sup>&</sup>lt;sup>103</sup> *Freeport* at 68-70.

<sup>&</sup>lt;sup>104</sup> Sierra Club v. Dep't of Energy, 867 F.3d 189, 201-202 (D.C. Cir. 2017).

Club then opted against challenging the 2019 Update in its multiple appeals of DOE non-FTA authorizations issued since DOE set forth the 2019 Update. In short, Sierra Club offers no valid criticism of either the 2014 LCA or 2019 Update, and DOE should disregard Sierra Club's comments on these studies summarily and continue to rely on them in granting non-FTA applications such as Commonwealth's.

# 4. DOE Cannot Consider the Impacts of the Commonwealth LNG Terminal.

Finally, through a circuitous and bizarre rationale, Sierra Club Crib avers that DOE can and should review the environmental impacts of the construction and operation of Commonwealth's facility.<sup>105</sup> Sierra Club is requesting DOE usurp FERC's authority over the construction and operation of LNG terminals, and exercise it itself. Commonwealth is aware that DOE would never employ such a gambit, which would otherwise never survive legal scrutiny. DOE must reject Sierra Club's assertion in the strongest possible manner, to send a clear signal to Sierra Club and the LNG industry at large of its respect for the rule of law and the administrative process.

<sup>&</sup>lt;sup>105</sup> Protest at 28-29.

## V. Conclusion

WHEREFORE, for the foregoing reasons, DOE should deny Sierra Club's Late Intervention and Protest and all arguments contained therein, and otherwise reject Sierra Club's arguments raised in opposition to Commonwealth's Application.

Respectfully submitted,

/s/ David L. Wochner

David L. Wochner Timothy J. Furdyna Stuart B. Robbins K&L Gates LLP 1601 K Street, N.W. Washington, DC 20006 (202) 778-9000 david.wochner@klgates.com tim.furdyna@klgates.com stuart.robbins@klgates.com

Counsel for Commonwealth LNG, LLC

Dated: December 9, 2024

## **CERTIFICATE OF SERVICE**

I certify that I have this 9th day of December, 2024, serviced copies of the foregoing document filed with DOE/FECM on the designated representatives of all of the parties to this proceeding, in accordance with 10 C.F.R. § 590.107(a).

<u>/s/ Timothy J. Furdyna</u> Timothy J. Furdyna *Counsel for Commonwealth LNG, LLC* 

## UNITED STATES OF AMERICA BEFORE THE DEPARTMENT OF ENERGY OFFICE OF FOSSIL ENERGY AND CARBON MANAGEMENT

In the Matter of	)
	)
Commonwealth LNG, LLC	)

FECM Docket No. 19-134-LNG

#### VERIFICATION

I, Farhad Arabi, declare that I am President and CEO for Commonwealth LNG, LLC, and am duly authorized to make this Verification; that I have read the foregoing instrument and that the facts therein stated are true and correct to the best of my knowledge, information, and belief.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed in Houston, Texas on December 9, 2024.

<u>/s/</u> Farhad Arabi President and CEO Commonwealth LNG, LLC