



Department of Energy
Washington, DC 20585

May 29, 2018

BY EMAIL

Brett A. Snyder
Cadwalader, Wickersham & Taft, LLP
700 Sixth Street, N.W.
Washington, DC 20001

RE: Proposed Change in Control for Non-Free Trade Agreement Authorizations
Cameron LNG, LLC
FE Docket No. 11-145-LNG
FE Docket No. 15-67-LNG
FE Docket No. 15-90-LNG

Dear Mr. Snyder:

This correspondence constitutes the response of the Department of Energy (DOE), Office of Fossil Energy (FE), to the change in corporate control described in your letter filed on March 23, 2018, on behalf of Cameron LNG, LLC (Cameron LNG) in the above-referenced non-free trade agreement (non-FTA) dockets.¹ In the letter, you provide information regarding a proposed change in control involving Cameron LNG, in light of DOE/FE's Change in Control Procedures.²

I. BACKGROUND

In relevant part, Cameron LNG currently holds three long-term authorizations to export liquefied natural gas (LNG) to countries with which the United States does not have a FTA requiring national treatment for trade in natural gas (non-FTA countries). DOE/FE issued these non-FTA authorizations in DOE/FE Order Nos. 3391-A (FE Docket No. 11-162-LNG), 3797 (FE Docket No. 15-67-LNG), and 3846 (FE Docket No. 15-90-LNG).³

¹ Cameron LNG, LLC, FE Docket Nos. 11-145-LNG, *et al.*, Statement of Proposed Change in Control (March 23, 2018) [hereinafter Cameron LNG Ltr.].

² 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/FE Change in Control or "CIC" Procedures].

³ See Cameron LNG Ltr. at 8. Cameron LNG also holds several authorizations to export LNG to FTA countries. See *id.* at 6 (identifying FTA authorizations). Cameron LNG's FTA authorizations are not subject to this letter. DOE/FE addressed Cameron LNG's request relating to its FTA authorizations in a letter order issued by DOE/FE on April 20, 2018. See *Cameron LNG, LLC*, FE Docket Nos. 11-145-LNG, *et al.*, Proposed Change in Control for Free

II. DESCRIPTION OF CHANGE IN CORPORATE OWNERSHIP

According to your letter, Cameron LNG is a direct, wholly-owned subsidiary of Cameron LNG Holdings, LLC (Cameron Holdings). The following entities currently hold direct membership interests in Cameron Holdings:

- Sempra LNG Holdings II, LLC, 50.2% interest;
- ENGIE Cameron LNG Corporation, 16.6% interest;
- Mitsui & Co. Cameron LNG Investment LLC, 16.6% interest; and
- Japan LNG Investment, LLC, 16.6% interest.⁴

You state that each of the four members holds a voting interest commensurate with its membership interest.

Your letter further describes a proposed transaction involving ENGIE Cameron LNG Corporation (ENGIE Member). The ENGIE member is a Delaware corporation and an indirect, wholly owned subsidiary of ENGIE, S.A (ENGIE).⁵

You state that another entity, Total S.A., is planning to acquire a portion of ENGIE's global LNG business (Proposed Transaction). The U.S. component of this Proposed Transaction would confer to Total S.A. a 100% indirect ownership interest in the ENGIE Member. Total S.A. and ENGIE contemplate that this Proposed Transaction will close by the end of June 2018.⁶ In light of this expected closing date, you request that DOE/FE issue an order authorizing the proposed change in control by June 1, 2018.⁷

III. DISCUSSION AND CONCLUSIONS

DOE/FE construes a change in control to mean a change, directly or indirectly, of the power to direct the management or policies of an entity whether such power is exercised through one or more intermediary companies or pursuant to an agreement, written or oral, and whether such power is established through ownership or voting of securities, or common directors, officers, or stockholders, or voting trusts, holding trusts, or debt holdings, or contract, or any other direct or indirect means.⁸ A rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10% or more of the voting securities of such entity.⁹

As stated above (*supra* at 1 n.3), this letter applies only to Cameron LNG's existing non-FTA authorizations. DOE/FE's CIC Procedures state that, with respect to existing non-FTA

Trade Agreement Authorizations (Apr. 20, 2018) (letter order from Amy Sweeney of FE). Additionally, this letter does not apply to Cameron LNG's short-term non-FTA authorization in DOE/FE Order No. 3904 (FE Docket No. 16-34-LNG), because it is not subject to DOE/FE's Change in Control Procedures. *See* DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

⁴ *See* Cameron LNG Ltr. at 2.

⁵ *See id.* at 2 n.6.

⁶ *See id.* at 3-6.

⁷ *See id.* at 1.

⁸ *See* DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

⁹ *See id.*

authorizations, DOE/FE will give effect to the change in control and will publish a notice of the change in the *Federal Register*.¹⁰ If no interested person protests the change in control and DOE takes no action on its own motion, the amendment to the non-FTA authorizations will be deemed granted 30 days after publication in the *Federal Register*.¹¹

Consistent with these procedures, DOE published a notice of Cameron LNG's proposed change in control in the *Federal Register* on May 9, 2018 (Notice).¹² DOE/FE invited protests, motions to intervene, and written comments to be filed no later than May 24, 2018.¹³ DOE/FE received no filings in response to the Notice.

Cameron LNG states that the Proposed Transaction would result in Total S.A.'s acquisition of a portion of ENGIE's global LNG business.¹⁴ Specifically, "the U.S. component of the Proposed Transaction would confer to Total a 100% indirect interest in the ENGIE member"¹⁵ Cameron LNG further states that the ENGIE Member was incorporated for the sole purpose of holding a 16.6% investment in and overseeing the development and operations of Cameron Holdings.¹⁶ Cameron LNG thus appears to recognize that the Proposed Transaction would trigger the 10% rebuttable presumption of a change in control for the ENGIE Member.

Cameron LNG notes, however, that it will remain the holder of its existing non-FTA authorizations, and that the Proposed Transaction will have no substantive effect on the terms and conditions of those authorizations.¹⁷ Cameron LNG further states that, as the owner and operator of the Cameron LNG terminal, it will retain control over the terminal's operation and maintenance.¹⁸

Upon review of the record, DOE/FE determines that the proposed change in control is consistent with the public interest under section 3(a) of the Natural Gas Act, 15 U.S.C. § 717b(a). Additionally, Cameron LNG asks DOE/FE to issue an order authorizing the proposed change in control by June 1, 2018, in light of the anticipated closing date of the Proposed Transaction. Observing no opposition to this request, DOE/FE finds good cause to grant the proposed change in control, effective immediately.

No further action is required.

Sincerely,

Amy R.
Sweeney

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R. Sweeney
Date: 2018.05.29
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Amy R. Sweeney
Director, Division of Natural Gas Regulation

¹⁰ See DOE/FE Change in Control Procedures, 79 Fed. Reg. at 65,542.

¹¹ See *id.*

¹² U.S. Dep't of Energy, Change in Control: Cameron LNG, LLC, 83 Fed. Reg. 21,282 (May 9, 2018).

¹³ See *id.*

¹⁴ See Cameron Ltr. at 3.

¹⁵ *Id.* at 3.

¹⁶ See *id.* at 3-4.

¹⁷ See *id.* at 10.

¹⁸ See *id.*