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April 12, 2019

Ms. Amy Sweeney  
Office of Fuels Programs, Fossil Energy  
U.S. Department of Energy  
Docket Room 3F-056, FE-50  
Forrestal Building  
1000 Independence Avenue, SW.  
Washington, D.C. 20585

**Re: Texas LNG Brownsville LLC, FE Docket No. 15-62-LNG  
Statement and Notice of Change in Control**

Dear Ms. Sweeney:

Texas LNG Brownsville LLC ("TXBRO") hereby files this notice of change in control ("Notice") in the above-referenced docket. This Notice is provided pursuant to the U.S. Department of Energy ("DOE"), Office of Fossil Energy ("DOE/FE") Notice of Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas ("CIC Procedures").<sup>1</sup>

### **Background**

TXBRO is a limited liability company organized under the laws of the State of Delaware. On April 15, 2015, as amended in FE Docket No. 15-62-LNG, TXBRO filed an Application<sup>2</sup> for long-term, multi-contract authorization to export liquefied natural gas ("LNG") from the proposed TXBRO LNG terminal at the Port of Brownsville, Texas, to free trade agreement ("FTA") and non-free trade agreement ("Non-FTA") nations. On September 24, 2015, DOE/FE granted TXBRO authorization to export LNG to FTA nations in Order No. 3716 ("FTA Authorization").<sup>3</sup>

<sup>1</sup> U.S. Dep't of Energy, Procedures for Change in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541, 65,542 (Nov. 5, 2014) (CIC Procedures).

<sup>2</sup> Application of Texas LNG Brownsville LLC for Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas to Free Trade Agreement and Non-Free Trade Agreement Nations, FE Docket No. 15-62-LNG (April 15, 2015).

<sup>3</sup> Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed LNG Terminal at the Port of Brownsville in Brownsville, Texas, to Free Trade Agreement Nations, FE Docket No. 15-62-LNG, Order No. 3716 (September 24, 2015).

**Greenberg Traurig, LLP | Attorneys at Law**

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Operates as: <sup>1</sup>Greenberg Traurig Germany, LLP; <sup>2</sup>A separate UK registered legal entity; <sup>3</sup>Greenberg Traurig, S.C.; <sup>4</sup>Greenberg Traurig LLP Foreign Legal Consultant Office; <sup>5</sup>A branch of Greenberg Traurig, P.A., Florida, USA; <sup>6</sup>GT Tokyo Horitsu Jimusho; <sup>7</sup>Greenberg Traurig Grzesiak sp.k.

The portion of the Application requesting authorization to export to Non-FTA nations is currently pending before DOE/FE.

DOE regulations state that “[a]uthorizations by the Assistant Secretary to import or export natural gas shall not be transferable or assignable, unless specifically authorized by the Assistant Secretary for Fossil Energy.”<sup>4</sup> In applying this provision, DOE/FE has construed 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, holdings trusts, or debt holdings, or contract, or any other direct or indirect means.”<sup>5</sup> Furthermore, DOE/FE has explained that it “construes a change in control to mean a change directly or indirectly, of the power to direct the management or policies of an entity”, and that “a rebuttable presumption that control exists will arise from the ownership or the power to vote, directly or indirectly, 10 percent or more of the voting securities of an entity.”<sup>6</sup> Under the CIC Procedures, entities may file notice of change in control to DOE/FE no later than 30 days after the change in control has been effectuated.<sup>7</sup> Upon receipt of the notice, for FTA authorizations, DOE/FE will give immediate effect to the change in control and take no further action; and, for Non-FTA applications pending authorization, DOE/FE will give immediate effect to the change in control, and assuming no contrary determination, take no further action.<sup>8</sup>

### **Description of the Relevant Transaction**

When the Application was filed, and as described therein, the ownership of TXBRO was composed of Third Point LNG Aggregator LLC, Third Point Partners Qualified L.P., and Third Point Partners L.P., all subsidiaries of Third Point LLC, a Delaware limited liability company headquartered in New York, New York (collectively, the “Third Point Entities”), and Texas LNG LLC, a Delaware limited liability company headquartered in Houston, Texas (“TXLNG”). On March 13, 2019, the Third Point Entities contracted with Brownsville LNG Holdings, LLC, a Delaware limited liability company (“Brownsville LNG”), where the Third Point Entities transferred, for valuable consideration, to Brownsville LNG one hundred percent (100%) of their membership interest in TXBRO (the “Transaction”). Therefore, effective as of the closing of the Transaction, TXLNG continues to be a member of TXBRO, the Third Point Entities withdraw as members of TXBRO, and Brownsville LNG is the managing member of TXBRO. Brownsville LNG is wholly-owned by Alder Midstream, LLC, which is controlled by a board appointed by other entities.

### **Statement and Notice of Change in Control**

Pursuant to the DOE regulations discussed herein and considering that Brownsville LNG has acquired a ten percent (10%) or greater membership interest in TXBRO and is to act as the

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<sup>4</sup> 10 C.F.R. § 590.405.

<sup>5</sup> CIC Procedures, *supra* note 1.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> *Id.*

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managing member for TXBRO, the Transaction does amount to a change in control requiring compliance with the CIC Procedures.

Through this Notice, TXBRO is requesting (i) an amendment to the FTA Authorization to acknowledge new ownership, and (ii) approval of an amendment to the pending portion of the Application for Non-FTA authorization. TXBRO will remain the holder of the FTA Authorization and the applicant in the pending portion of the Non-FTA proceeding.

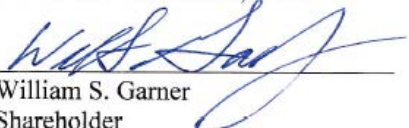
Consistent with the CIC Procedures, TXBRO respectfully asks that DOE/FE give immediate effect to this Notice and amend the FTA export authorization issued in Order No. 3716, with no need for further action. With respect to the Non-FTA portion of the Application pending authorization under FE Docket No. 15-62-LNG, DOE/FE should give immediate effect to this Notice, publish notice of the change in control in the Federal Register and, assuming no contrary determination, take no further action with respect to it either.

Please contact the undersigned if you have any questions regarding this Notice.

Very truly yours,

GREENBERG TRAURIG, L.L.P.

By:

  
William S. Garner  
Shareholder


WSG/lpd

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**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Houston, Texas this 12th day of April, 2019.

  
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William S. Garner