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November 18, 2019

**VIA ELECTRONIC FILING  
(FERGAS@HQ.DOE.GOV)**

Ms. Amy R. Sweeney  
Director, Division of Natural Gas Regulation  
Office of Regulation and International Engagement  
Office of Fossil Energy  
U.S. Department of Energy  
P.O. Box 44375  
Washington DC 20026-4375

**Re: CIC – Mexico Pacific Limited LLC, FE Docket No. 18-70-LNG  
Notification Regarding Change in Control**

Dear Ms. Sweeney:

I write on behalf of Mexico Pacific Limited LLC (“MPL”) to notify the Department of Energy, Office of Fossil Energy (“DOE/FE”), of a recent transaction through which a change in control of MPL has been effected. This notice is submitted in accordance with the authorizations to export natural gas which DOE/FE granted to MPL in the captioned proceeding<sup>1</sup> and the “Procedures for Changes in Control Affecting Applications and Authorizations To Import or Export Natural Gas” which DOE/FE adopted in November 2014.<sup>2</sup>

By order dated September 19, 2018 (DOE/FE Order No. 4248), DOE granted MPL authorization to export U.S.-sourced natural gas by pipeline from the United States to Mexico for end use in Mexico and/or, after liquefaction in Mexico, by vessel from the proposed MPL Facility to be constructed in in the State of Sonora to countries with which the United States has entered into a free trade agreement (“FTA”) requiring national treatment for trade in natural gas,

<sup>1</sup> *Mexico Pacific Limited LLC*, DOE/FE Order No. 4248 (Sept. 19, 2018); *Mexico Pacific Limited LLC*, DOE/FE Order No. 4312 (Dec. 14, 2018).

<sup>2</sup> 79 Fed. Reg. 65,541 (Nov. 5, 2014) (the “CIC Procedures”).

and with which trade is not prohibited by U.S. law or policy (“FTA countries”) for end use in FTA countries. The volume authorized in that Order was up to the equivalent of 621 Bcf/yr of natural gas for a 20-year term.<sup>3</sup> In a subsequent order dated December 14, 2018, DOE/FE granted MPL authorization to export U.S.-sourced natural gas by pipeline from the United States for liquefaction in the MPL Facility and to re-export the natural gas from the MPL Facility in the form of LNG in a volume up to the equivalent of 621 Bcf/yr of natural gas to both FTA countries and countries with which the U.S. does not have a FTA requiring national treatment for trade in natural gas, for a term of 20 years.<sup>4</sup> Both orders obligate MPL to report any change in control of MPL in accordance with the CIC Procedures.<sup>5</sup>

At the time it filed its application in the captioned proceeding and through October 21, 2019, MPL’s membership interests were held by two entities, DKRW Energy Sonora Holding LLC and ACAP Sonora Energy LLC. By means of a transaction that closed effective as of October 22, 2019, MPL’s ownership has changed, with several new entities becoming holders of MPL membership interests, and two such holders (AVAIO MPL SPV, LP and DKRW Energy Partners LLC) increasing their ownership percentages by more than 10%.<sup>6</sup> The purpose of this transaction was to secure sources of new capital to fund the continued development of the MPL project.

The chart attached as **Exhibit A** describes the ownership of MPL membership interests both before and after the referenced transaction, and provides details as to the nature of the interests held by each equity holder as well as the percentage by which each such holder’s ownership interests have changed. MPL is now controlled by a consortium led by AVAIO Management LP (“AVAIO Capital”)<sup>7</sup> which also includes funds managed by Tortoise Capital

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<sup>3</sup> Order No. 4248, Ordering Paragraph A.

<sup>4</sup> Order No. 4312, Ordering Paragraph A.

<sup>5</sup> Order No. 4248, Ordering Paragraph O; Order No. 4312, Ordering Paragraph O.

<sup>6</sup> The high-level mechanics of the transaction may be summarized as follows:

1. DKRW Energy Sonora Holding LLC liquidated and distributed 250,000 Series A Units
  - a. 50,000 Series A Units were distributed to DKRW Energy Partners LLC
  - b. 200,000 Series A Units were distributed to Sculptor (formerly Och-Ziff) and subsequently sold to a consortium including AVAIO MPL SPV, LP, Management and an individual investor
2. DKRW Energy Partners LLC, AVAIO MPL SPV, LP, Management and an individual investor made additional contributions to Mexico Pacific Limited LLC, resulting in the issuance of 100,278 new Series A Units
3. Mexico Pacific Limited LLC redeemed 15,000 Series B Units from ACAP Sonora Energy LLC.

<sup>7</sup> AVAIO Capital is a build-to-core infrastructure investment firm led by professionals from investment, development, engineering, construction, and operating backgrounds. In aggregate, the team has completed more than \$4 billion of equity transactions and over \$50 billion of infrastructure development and construction projects across the water, transportation, digital and energy sectors. AVAIO makes equity investments in the creation and redevelopment of infrastructure assets throughout North America and Europe. More information can be found at <http://www.avaiocapital.com>.

Advisors LLC.<sup>8</sup> As shown in Exhibit A, the three largest equity owners of MPL in terms of total ownership are AVAIO MPL SPV, LP (51.72%), ACAP Sonora Energy LLC (19.53%) and DKRW Energy Partners LLC (16.09%).

Effective as of October 22, 2019, the members of MPL have entered into an amended and restated limited liability company agreement (the “New MPL Agreement”) reflecting the new MPL ownership structure. The New MPL Agreement provides that the management and control of MPL’s business and affairs remain vested in Managers, and establishes the number of Managers initially at eight. Of these, ACAP Sonora Energy LLC may appoint two, AVAIO MPL SPV, LP may appoint four, DKRW Energy Partners LLC may appoint one, and one Manager (the Chairman) is appointed by the Board of Managers. AVAIO MPL SPV, LP holds majority voting control of MPL. MPL’s existence was continued under the New MPL Agreement, and MPL remains the holder of the natural gas export authorizations granted in the captioned proceeding.

The change in control resulting from the described transaction will not in any way affect the parameters of the LNG export project MPL described in its application and supplements filed in this proceeding. This change in control, therefore, presents no basis on which DOE/FE should modify the public interest determination it reached in granting the natural gas export authorizations MPL now holds. DOE/FE has routinely given effect to changes in control of export authorization holders in comparable circumstances.<sup>9</sup> MPL asks that it do likewise in this proceeding.

In accordance with the CIC Procedures and consistent with its established practice, DOE/FE should give immediate effect to this notification. This action should be deemed final and no further action should be needed with respect to the FTA export authorization issued to MPL in Order No. 4248. With respect to the non-FTA authorization issued in Order No. 4312, DOE/FE should publish notice of this submission in the *Federal Register*, provide in that notice fifteen days for interventions, comments or answers, and state that, if no protests are filed and DOE/FE takes no action of its own on this submission, authorization for the change in control of MPL will be deemed granted thirty days after publication of the notice in the *Federal Register*. If any protest is submitted, DOE/FE should find that the proposed change in control has not been shown to render the authorizations previously granted to MPL inconsistent with the public

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<sup>8</sup> Tortoise invests in essential assets – those assets and services that are indispensable to the economy and society. With a steady wins approach and a long-term perspective, Tortoise strives to make a positive impact on clients and communities. As of Sept. 30, 2019, Tortoise had \$22.2 billion in assets under management. More information is available at <http://www.tortoiseadvisors.com>.

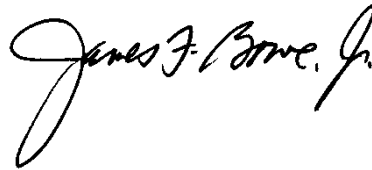
<sup>9</sup> See, e.g., Letter from Amy R. Sweeney, Director, Division of Natural Gas Regulation, DOE/FE to William H. Daughdrill, Director, Health, Safety, and Environment, Fairwood Peninsula Energy Corporation re Notice of Change in Control Through Indirect Equity Ownership Changes, *Delfin LNG, LLC*, FE Docket No. 13-147-LNG (March 11, 2019); see also, e.g., *Freeport LNG Expansion, L.P., et al.*, Order Approving Change in Control in Export Authorization, DOE/FE Order No. 3495 (Sept. 23, 2014); *Cameron LNG, LLC*, Order Approving Change in Control in Export Authorization, DOE/FE Order No. 3452 (June 27, 2014).

Ms. Amy Sweeney  
Office of Fossil Energy  
November 18, 2019  
Page 4

interest, and should reaffirm its conclusion that the natural gas exports it has authorized MPL to undertake remain not inconsistent with the public interest.

If you have any questions regarding this submission, please contact me at (202) 626-9601. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink that reads "James F. Bowe, Jr." The signature is written in a cursive style with a large, looping initial 'J'.

James F. Bowe, Jr.  
*Counsel for Mexico Pacific Limited LLC*

Attachment

cc: Josh Loftus, MPL  
Jake Lewis, MPL

**Exhibit A**

**Ownership of Mexico Pacific Limited LLC**

## Exhibit A

### Ownership of Mexico Pacific Limited LLC as of October 21, 2019

<b>Owner</b>	<b>Series A Ownership %</b>	<b>Series B Ownership %</b>	<b>Total Ownership %</b>
DKRW Energy Sonora Holding LLC	100.00%	0.00%	71.43%
ACAP Sonora Energy LLC	0.00%	100.00%	28.57%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Ownership of Mexico Pacific Limited LLC as of October 22, 2019

<b>Owner</b>	<b>Series A Ownership %</b>	<b>Series B Ownership %</b>	<b>Total Ownership %</b>
ACAP Sonora Energy LLC	0.00%	100.00%	19.53%
DKRW Energy Partners LLC	20.00%	0.00%	16.09%
AVAIO MPL SPV, LP	64.27%	0.00%	51.72%
LLC 1	6.34%	0.00%	5.11%
LLC 2	2.66%	0.00%	2.14%
LLC 3	1.59%	0.00%	1.28%
LLC 4	0.38%	0.00%	0.31%
Individual Investor	4.76%	0.00%	3.83%
<b>Total</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

### Ownership Change

<b>Owner</b>	<b>Change in Series A Ownership %</b>	<b>Change in Series B Ownership %</b>	<b>Change in Total Ownership %</b>
DKRW Energy Sonora Holding LLC	-100.00%	0.00%	-71.43%
ACAP Sonora Energy LLC	0.00%	0.00%	-9.04%
DKRW Energy Partners LLC	20.00%	0.00%	16.09%
AVAIO MPL SPV, LP	64.27%	0.00%	51.72%
LLC 1	6.34%	0.00%	5.11%
LLC 2	2.66%	0.00%	2.14%
LLC 3	1.59%	0.00%	1.28%
LLC 4	0.38%	0.00%	0.31%
Individual Investor	4.76%	0.00%	3.83%
<b>Total</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>