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UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

BP Gas Marketing Limited Complainant

v.

Venture Global Calcasieu Pass, LLC, Respondent

Docket No. RP24-239-000

ANSWER OF VENTURE GLOBAL CALCASIEU PASS, LLC TO COMPLAINT FILED BY BP GAS MARKETING LIMITED

Pursuant to Rules 206 and 213 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"),¹ Venture Global Calcasieu Pass, LLC ("Calcasieu Pass") hereby submits this Answer to the complaint filed in this proceeding by BP Gas Marketing Limited ("BP") on December 11, 2023 ("Complaint").²

In its Complaint, BP alleges that Calcasieu Pass is not honoring its contractual commitments to BP, that the Calcasieu Pass liquefied natural gas (LNG) export project in Cameron Parish, Louisiana (the "Project") has actually been "in-service" since 2022 and is operating commercially, and that Calcasieu Pass is not being honest with the Commission and has failed to follow Commission regulations with respect to protected treatment of confidential information. All of these claims are baseless and demonstratively false, and seem calculated to try to discredit Calcasieu Pass and its parent Venture Global LNG, Inc. – repeatedly referred to in the Complaint to as a "new

¹ 18 C.F.R. §§ 385.206 and 385.213 (2023).

² Accession No. 20231211-5150 (the "Complaint").

entrant," which this European energy supermajor appears to view as a pejorative – in the eyes of the Commission and the LNG industry.

Based on its wild and false allegations, BP requests two forms of relief. First, it proposes that this complaint proceeding be consolidated with Docket No. CP15-550, in which the Commission authorized the siting, construction, and operation of the Project and where implementation procedures remain on-going. This request is in effect a very untimely motion for late intervention in that docket – not only for BP but also for anyone else who may now be interested in intervening. It should be rejected as plainly contrary to Commission practice, just as was the recent, substantively identical, late intervention request by Repsol LNG Holding, S.A. ("Repsol"). Second, BP requests copies of confidential information that Calcasieu Pass has filed over the years, in full compliance with Commission requirements, in the CP15-550 proceeding. BP has no legitimate need for that information, but rather seeks it in this proceeding so that it can access and use information free from the restrictions and procedures to which it agreed in the arbitration proceedings it commenced.³ Furthermore, the information at issue is properly treated as confidential, just as the Commission determined when it rejected BP's previous request for such information under the Freedom of Information Act ("FOIA").

The present Complaint is just the latest in a series of steps taken by BP to try to force Calcasieu Pass to accede to its extra-contractual demands. BP watched the global market price for LNG increase substantially at the same time that all of its existing U.S.

³ BP noted in the Complaint at p. 14, P 35, that it has initiated arbitration proceedings against Calcasieu Pass concerning the commercial contract between the parties.

Gulf Coast LNG supply was shut in for months due to an explosion at another terminal. Agitated by that development, and eager for profits beyond the record LNG profits it was already making, BP demanded that Calcasieu Pass, an innovative new entrant in the LNG market, immediately commence deliveries under the offtake contract between the two companies even though the Project was not complete, Calcasieu Pass could not assume the stringent contractual obligations for performance, and there was no obligation for Calcasieu Pass to do so. After Calcasieu Pass did not bow to its commercial pressure, BP acted as one might worry a European energy supermajor would. It publicly disparaged the new entrant in its earnings calls, and mounted a coordinated campaign with other customers (including another European energy supermajor) to request intervention by the U.S.-EU Task Force on Energy Security in the new entrant's business. Now, remarkably, it is misusing the Commission's procedures to advance unsubstantiated claims in a high visibility, publicly filed Complaint that maligns Calcasieu Pass and implicitly accuses Commission Staff of failing to competently oversee the commissioning of the Project.

Consider the consequences if the relief sought by the Complaint were granted. Commission complaints would be tools for commercial gamesmanship by any counterparty that disagrees with Commission Staff's exercise of its responsibilities; Commission proceedings could be swamped by third-party malcontents years after timely intervention should have occurred; and routine, confidential filings with the Commission would be picked apart years later by commercial competitors.

Like Repsol's previous request for intervention, the Complaint should be viewed in light of its actual purpose – to further broadcast to the public market BP's

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opinion and belief that Calcasieu Pass has "gamed the commissioning process" beneath a "veil of secrecy," and in doing so is "ignoring its commitments to its offtake customers" – in an effort to interfere with or damage Calcasieu Pass' commercial relationships with other counterparties.⁴ For these reasons, and as explained in detail below, BP's Complaint should be dismissed by the Commission with the relief request denied and no need for any further action or proceedings.

I. The Construction and Commissioning of the Calcasieu Pass Project

The Commission authorized the siting, construction, and operation of Calcasieu Pass's Project on February 21, 2019 in Docket No. CP15-550.⁵ Since that time, Calcasieu Pass has undertaken the construction and commissioning of the Project under the close, on-going supervision of the Staff of the Commission's Office of Energy Projects ("OEP"). Calcasieu Pass has now completed nearly all of the construction of the Project, but additional corrective and rectification work is necessary to complete the Project and the commissioning phase continues. Throughout this implementation process, Calcasieu Pass has been and remains in full compliance with the terms and conditions of the Authorization Order and has been fully transparent and truthful in all its representations to the Commission and its Staff.

As the Commission well-knows, the construction and commissioning of a new LNG terminal, in accordance with all the conditions of an authorization order, is a long and intensive process involving tremendous time commitments and expert efforts from

⁴ To amplify the public attention its Complaint might receive, BP issued a well-timed (insofar as it could distract observers from its own bad news regarding its disgraced former chief executive officer) press statement to elaborate on the concerns expressed in the Complaint.

⁵ *Venture Global Calcasieu Pass, LLC*, 166 FERC ¶ 61,144 (2019) ("Authorization Order"), *amended*, 184 FERC ¶ 61,185 (2023)(increasing the authorized export capacity).

not only the authorization holder but also the Commission Staff. To begin with, the Authorization Order provides (among its 111 conditions) that Calcasieu Pass must receive written authorization from the Director of OEP before commencing construction of any Project facilities.⁶ In accordance with Ordering Paragraph 9 of its Authorization Order, Calcasieu Pass files detailed *and entirely public* monthly construction status reports: the most recent version of which was filed on December 13, 2023.⁷ Appendix A of each of those monthly reports identifies the date and subject of each of Calcasieu Pass' construction implementation plan submissions – which totaled 128 – along with the date on which Commission Staff approved each one (often only after seeking and obtaining supplemental information from Calcasieu Pass).

The Authorization Order also includes detailed requirements with respect to the

commissioning of the Project, including the following:

Prior to commissioning, Calcasieu Pass shall file a detailed schedule for commissioning through equipment startup. The schedule shall include milestones for all procedures and tests to be completed: prior to introduction of hazardous fluids, and during commissioning and startup. Calcasieu Pass shall file documentation certifying that each of these milestones has been completed before authorization to commence the next phase of commissioning and startup will be issued.⁸

and

Calcasieu Pass shall file a request for written authorization from the Director of OEP... prior to loading the first LNG export commissioning cargo. *After first production of LNG, Calcasieu Pass shall file weekly reports on the commissioning of the proposed systems that detail the progress toward demonstrating the facilities can safely and reliably operate at or near the design production rate.* The reports shall include a summary of activities, problems encountered, and remedial actions taken.

⁶ *Id.*, Ordering Paragraph 10.

⁸ Authorization Order, Ordering Paragraph 93.

⁷ Monthly Construction Status Report No. 057, Accession No. 20231213-5144 ("Monthly Report No. 57").

The weekly reports shall also include the latest commissioning schedule, including projected and actual LNG production by each liquefaction block, LNG storage inventories in each storage tank, and the number of anticipated and actual LNG commissioning cargoes, along with the associated volumes loaded or unloaded. Further, the weekly reports shall include a status and list of all planned and completed safety and reliability tests, work authorizations, and punch list items. Problems of significant magnitude shall be reported to the FERC within 24 hours.⁹

Since its first production of LNG on January 19, 2022, Calcasieu Pass has not only submitted the required weekly written reports detailing the ongoing commissioning of the Project but also engaged in weekly teleconferences with Commission Staff. The weekly commissioning reports, filed for the use of Commission Staff, are submitted on a confidential basis: as further explained later in this Answer, this approach is fully consistent with the Commission's regulations and the practice of other U.S. LNG terminals, and was upheld when the Commission through its Office of External Affairs rejected BP's FOIA request for them (as detailed in Section IV of this Answer). The public monthly reports, however, also include a listing of the date and subject of each of Calcasieu Pass's commissioning implementation filings and when Commission Staff approved them: previously cited Monthly Report #57 lists 90 commissioning filings filed between January 2021 and December 2023. In addition to the weekly teleconferences and written reports by Calcasieu Pass, Commission Staff also conducts periodic inspections of the Project site.¹⁰

⁹ *Id.*, Ordering Paragraph 102 (emphasis modified).

¹⁰ See, e.g., Commission Staff, Inspection Report, dated Sept. 19 and 20, 2023 at p. 3 (Accession No. 20231012-3019); Commission Staff, Inspection Report, dated Jan. 12, 2023 at p. 3 (Accession No. 20230221-3017); Commission Field Inspection Report, dated Aug. 2 & 3, 2022, at pp. 3-4 (Accession No. 20220826-3009).

As a first-of-its-kind facility – with its modular, midscale design involving 18 relatively small liquefaction units (in nine blocks) and significant on-site power generation – the Project's commissioning process is different than any other Commission-regulated facility. Given its unique design, Calcasieu Pass always planned to start up the facility incrementally and to produce LNG for export during construction and commissioning, far in advance of even mechanical completion of the entire facility. BP has been aware of this approach from the very beginning of its contractual relationship with Calcasieu Pass. This approach also obviously has been well-known to the Commission Staff throughout the implementation process, and was reflected as long ago as in the October 2018 final Environmental Impact Statement for the Project, which recognized that:

The construction, commissioning, and operational start-up of the nine block liquefaction plant would be achieved in phases. *The Project's construction plan and its sequencing would be designed to ensure that LNG can be produced, stored, and loaded on to ships for export upon the commissioning of the first liquefaction block.* The phased start-up will be implemented pursuant to a simultaneous operations plan to be developed with the Project's engineering, procurement, and construction contractors.¹¹

Calcasieu Pass has successfully done just that, and it is proud to have been able to bring incremental LNG supplies to the market at a critical time, in particular for European consumers following Russia's invasion of Ukraine, in accordance with the U.S. policy to increase LNG exports.¹² Calcasieu Pass loaded its first export

¹¹ Commission Staff, Final Environmental Impact Statement, at pp. 2-15 (issued Oct. 22, 2018) (Accession No. 20181022-3001)(emphasis added).

¹² On March 25, 2022, the United States and the European Commission issued a joint statement on European energy security announcing a major initiative to increase deliveries of U.S. LNG to Europe, striving to ensure additional LNG volumes to the EU market of at least 15 billion cubic meters in 2022, with larger increases going forward. *See* Press Release, European Commission, *Joint Statement between*

commissioning cargo in March 2022, which was relatively early in the Project's construction and commissioning process.¹³ Indeed, Calcasieu Pass submitted 35 commissioning implementation filings *after* the date of its first commissioning cargo export, as reflected in Appendix A of Monthly Report #57. Moreover, the success of Calcasieu Pass' early commissioning cargoes would not have been possible absent Commission Staff's approval of Calcasieu Pass' request to install and construct a temporary power system, as multiple commissioning packages for the permanent power island had not yet even been submitted when the commissioning exports began.¹⁴

To respond to the increased European demand for LNG for energy security, Calcasieu Pass took extraordinary measures, including adding the temporary power banks, reaching first LNG production well ahead of industry norms, and innovatively exporting early cargoes during construction and commissioning. By early August 2022, Calcasieu Pass had exported, to the benefit of Europe and world markets, over 126 billion cubic feet of natural gas,¹⁵ even as the Commission Staff's report of its onsite inspection explained the status of the Project as follows:

the European Commission and the United States on European Energy Security, Mar. 25, 2022, available at: <u>https://ec.europa.eu/commission/presscorner/detail/en/statement_22_2041</u>.

¹³ Of course, like every other significant step in the Project, the first commissioning cargo required the approval of Commission Staff, pursuant to previously quoted Ordering Paragraph 102.

¹⁴ With regard to the temporary power system, see *Venture Global Calcasieu Pass, LLC*, Approval to Construct and Partially Commission the Temporary Power System," Letter Order (issued Apr. 29, 2022) (Accession No. 20220429-3055) and Calcasieu Pass's request submitted on April 21, 2022, with the bulk of the relevant information submitted publicly (Accession No. 20220421-5286), as well as supplemental information submitted publicly on April 29, 2022 (Accession No. 20220429-5183). With regard to the timing of the commissioning packages for the permanent power generation facilities that were still-to-come at that time, see the list including in Appendix A of Monthly Report # 57 or a Monthly Report from that time-frame.

¹⁵ LNG export levels are reported monthly by the Department of Energy ("DOE") and exports from Calcasieu Pass through July 30, 2022, are reflected in DOE's LNG Monthly published in Sept. 2022, at p. 31, which is available here: <u>https://www.energy.gov/sites/default/files/2022-10/LNG%20Monthly%20July%202022.pdf</u>.

Construction activities at the Export Terminal site included construction of both LNG storage tanks, construction of the Liquefaction blocks, construction of the pretreatment units. *Commissioning activities are ongoing* and hazardous fluids have been introduced to several systems....

All five of the natural gas turbines were in operation during the time of the inspection. *Turbine 1 was operating in combined cycle but was not making full power, turbines 2 and 3 were operating in simple cycle mode, turbines 4 and 5 were operating in combined cycle making steam, and steam turbine 1 was in operation.* Turbine 1 [Heat Recovery Steam Generator ("HRSG")] HRSG was finishing its commissioning activities. A visual review of HRSG 1 was completed on Day 2....

The Calcasieu Pass LNG facility has completed constructing the majority of facilities and is largely in the commissioning phase. *In addition to process walk-downs and hazard mitigation checks, other reviews included the status and updates to commissioning procedures, mechanical and process issues that have come up during commissioning and are being resolved, security components/systems, and status and implementation of the facilities Management of Change program.* At the time of the inspection, Pretreatment C and the HRSG 1 units were in commissioning.¹⁶

While its Project's unique design enabled Calcasieu Pass to commence LNG

production and export quickly, it also entails a significantly longer commissioning

process than for other LNG export projects. Calcasieu Pass was proceeding with

commissioning of all its facilities toward a launch of commercial operations in 2023,

but then experienced reliability issues with certain of its equipment. As Calcasieu Pass

explained in a *publicly filed* letter to the OEP Director on March 28, 2023:

as you are aware through our ongoing reporting, and as FERC staff have themselves observed firsthand during their routine site inspections, *there is daily corrective, testing and rectification work ongoing at Calcasieu Pass.* While Calcasieu Pass is indeed able to produce LNG, *it remains in the commissioning phase because it continues to face periodic reliability challenges impacting the facility.*

This issue was demonstrated and reported through the failure of the reliability test of the power island reported to FERC last Fall. *More recently, we have experienced failures in the 5 horizontal heat recovery*

¹⁶ Commission Field Inspection Report, dated Aug. 2 and 3, 2022, at pp. 3-4 (Accession No. 20220826-3009)(emphasis added).

steam generator (HRSGs) units that facilitate combined-cycle power generation by converting waste heat in the power island to steam, which drives the facility's 2 steam turbine generators. In November 2022, during normal commissioning activities, Venture Global employees observed water loss from HRSG units 2 and 3. We later determined that the water loss resulted from leaks in the welds between the upper carbon steel header and finned tubes of the HRSG units. Initially, we sought to contain the weld leaks by accessible weld repair or tube plugging, while asking the supplier, General Electric (GE), to investigate the cause of the leaks.

Although these circumstances do not raise any safety concerns, the units will require extensive repairs and replacements before the power island can function reliably and as designed.

This week, Venture Global has notified our long-term customers that, due to the estimated time it will take for GE to resolve the HRSG issues, commercial operations will be delayed. As GE conducts the necessary repairs, we will continue to safely commission the facility and, subject to these activities, continue to produce commissioning cargoes of LNG for export.¹⁷

Of course, Commission Staff was already aware by this time of the reliability

challenges facing the Project, as reflected for instance in its January 2023 inspection

report, which included the following:

Venture Global provided a detailed update on several recent commissioning test and pending equipment adjustments.

Performance and Reliability

FERC staff reviewed the results of the recent performance and reliability tests of the liquefaction units and power island. The tests were performed, and results calculated, in accordance with the relevant plans, procedures, and industry code standards.

Commissioning Reviews

During the previous months of commissioning and startup, Venture Global continues to address any issues that arise during the commissioning process, and make adjustments to mechanical and instrumentation systems as necessary. Venture Global provided FERC staff a technical update on the design changes, and schedule to implement respective changes. *FERC staff found Venture Global's approach to analyze the equipment operation and develop and implement equipment modifications as*

¹⁷ Letter to OEP Director Terry Turpin from Fory Musser for Calcasieu Pass, dated March 28, 2023 (Accession No. 20230328-5239)(emphasis added).

technically sound and in accordance with engineering principles and best practices in order to demonstrate the facilities can be expected to operate safety as designed.¹⁸

Commission Staff's public report of its construction and commissioning

inspection of the Project in September 2023 returned to the issue of the HRSGs,

explaining as follows:

While construction has largely concluded, *Venture Global will be undergoing a remediation project to correct Heat Recovery Steam Generator (HRSG) issues in the power island.* FERC staff reviewed the schedule and plans of this effort with company staff and reviewed the readiness to commence the project at the site (Photo 1). FERC staff will review the progress of the HRSG remediation project through regular construction inspections and review necessary information for compliance with Conditions of the Order.¹⁹

Calcasieu Pass then submitted its detailed plans for its HRSG remediation plan

on October 10, 2023, and Commission Staff promptly issued its notice to proceed with

that work on October 12, 2023.²⁰ Until that work is completed, the Project's power

generation facilities will remain in commissioning and cannot be placed in-service,

with the result being that the Project's full commercial operations now are not expected

to begin until the fourth quarter of 2024.

Of course, placing any of the Project facilities into service also requires written authorization from OEP Staff, based on its determination that the facilities have been constructed in accordance with the Commission's approval, can be expected to operate safely as designed, and that restoration of the disturbed areas are proceeding

¹⁸ Commission Staff, Inspection Report, dated Jan. 12, 2023 at p. 3 (Accession No. 20230221-3017)(emphasis added).

¹⁹ Commission Staff Inspection Report, dated Sept. 19 and 20, 2023 at p. 3 (Accession No. 20231012-3019)(emphasis added).

²⁰ *Venture Global Calcasieu Pass, LLC,* Notice to Proceed with Heat Recovery Steam Generator Modifications, Letter Order (issued Oct. 12, 2023) (Accession No. 20231012-3072).

satisfactorily.²¹ All of the Project's liquefaction facilities have been placed in-service with the requisite Commission Staff authorization, but other facilities have not yet reached that stage. When Commission Staff authorized Calcasieu Pass on October 26, 2023 to place its Liquefaction Blocks 7-9 in-service, it also addressed the Project's inservice schedule going forward as follows:

we also authorize the modified commissioning plan to place Phase 3 facilities in-service by individual systems or equipment. FERC staff has historically relied upon the authorized commissioning and in-service plan, commissioning demonstration tests, and commissioning operations to demonstrate whether facilities can be operated safely and reliably. The previously authorized commissioning and in-service plan included three phases: Phase 1 included liquefaction blocks 1-4, Phase 2 included liquefaction blocks 5-6, and Phase 3 included the remainder of the facilities (i.e., liquefaction blocks 7-9, both LNG storage tanks, both marine transfer systems, all pretreatment systems, power generation, etc.). However, commissioning demonstration tests and commissioning operations over the last several months have demonstrated that the liquefaction facilities can operate above the authorized nameplate capacity and near the authorized maximum capacity, despite reliability issues associated with the heat recovery steam generator tube leaks and with other individual units or pieces of equipment that may not be meeting commissioning demonstration tests or have failed to operate reliably after commissioning demonstration tests. Therefore, we agree with the modified commissioning plan that no longer bundles the Phase 3 facilities when individual systems or equipment can be demonstrated to operate safely and reliably.²²

In other words, some of the Project facilities cannot yet be shown to be operating

reliably and, therefore, remain in the commissioning process and may not yet be placed

in-service in accordance with the Authorization Order.

²¹ Authorization Order, Ordering Paragraph 12.

Venture Global Calcasieu Pass, LLC, Authorization to Commence Service of Liquefaction Blocks 7-9 and Modified Commissioning and In-Service Schedule, Letter Order (issued Oct. 26, 2023) (Accession No. 20231026-3024)(emphasis added). BP actually includes this same quotation in its Complaint at p. 18, P 50.

Despite its reliability challenges with some equipment, in particular the HRSGs, Calcasieu Pass will still commence full commercial operations relatively quickly compared to other U.S. LNG export projects – many of which had the advantage of existing import terminal infrastructure. For purposes of comparison, the underconstruction Golden Pass LNG project received its Commission authorization in late 2016 – more than two years before the Commission issued the Authorization Order for Calcasieu Pass – and public reports indicate that it now expects to just start producing LNG in the first half of 2025.²³ The two LNG export projects to reach a Financial Investment Decision ("FID") most recently during 2023 – Port Arthur LNG and Rio Grande LNG – received Commission authorizations in 2019 like Calcasieu Pass (albeit some months later) and currently project commercial operations to begin in 2027-2028.²⁴

BP nevertheless attempts to make much of the slippage in Calcasieu Pass' projected date of commercial operation, even attaching to the Complaint a series of

²³ See Golden Pass Products LLC and Golden Pass Pipeline LLC, 157 FERC ¶ 61,222 (2016); ExxonMobil pushes back timeline for startup of Golden Pass LNG, S&P Global, Dec. 6, 2023, available at: https://www.spglobal.com/commodityinsights/en/market-insights/latest-news/natural-gas/120623exxonmobil-pushes-back-timeline-for-startup-of-golden-pass-Ing ("ExxonMobil expects the Golden Pass LNG terminal under construction in Texas to start producing LNG in the first half of 2025, executives said Dec. 6, representing a delay from the previous timeline for bringing the facility online in late 2024.").

²⁴ Regarding Port Arthur, see Port Arthur LNG, LLC, et al., 167 FERC ¶ 61,052 (2019); Sempra Press Release, Sempra Launches Port Arthur LNG Project, March 20, 2023, available at: <u>https://www.sempra.com/sempra-launches-port-arthur-lng-project#:~:text=SAN%20DIEGO%2C%20March%2020%2C%202023,LNG%20Phase%201%20project%</u> <u>20in</u> (FID announcement and projected timeline);

Regarding Rio Grande, *see Rio Grande LNG, LLC and Rio Bravo Pipeline Company, LLC*, 169 FERC ¶ 61,131 (2019); NextDecade Press Release, *NextDecade Announces Positive Final Investment Decision on Rio Grande LNG Phase 1*, July 12, 2023, available at: <u>https://investors.next-decade.com/newsreleases/news-release-details/nextdecade-announces-positive-final-investment-decision-rio</u> (FID announcement); and NextDecade Corporate Presentation (Sept. 2023) at p. 13, available here: <u>https://nextdecade.gcs-web.com/static-files/03effa09-1b7f-4245-95a9-cc88d74f75e4</u>). (expected completion timeline). Calcasieu Pass's semi-annual reports filed with DOE to document the changing dates.²⁵ Pointing to, in the first instance, Calcasieu Pass's October 2021 DOE report which projected commercial operations in "mid-2022" and subsequent reports moving that projected date back; BP dramatically charges that Calcasieu Pass "has blown past every single [commercial operations date] it has announced to its regulators."²⁶

This charge misunderstands (or perhaps misrepresents) the generally aspirational aspect of projected dates in those DOE reports, which typically assume the most favorable subsequent progress. For some illustrative comparisons, Texas LNG in its October 2021 semi-annual report to DOE estimated an operations date in 2026,²⁷ while two years before that Lake Charles LNG told DOE that its "1st Train is anticipated to be operational in 2024, and Trains 2 and 3 are scheduled for completion in 6 month increments after the 1st Train."²⁸ Of course, neither of those projects has reached FID or commenced construction, and any potential commercial operations by them obviously have been delayed well past the earlier optimistic projections. The fact is that Calcasieu Pass has progressed more quickly than any other greenfield LNG export project in recent years, as implicitly recognized by DOE in a recent policy statement.²⁹ And its progress towards completion compares favorably to BP-led LNG

²⁵ BP Complaint at p. 6, P 11 and Exh. 1.

²⁶ *Id.*

²⁷ Texas LNG, Oct. 1, 2021, semi-annual report to DOE at p. 6, available at: https://www.energy.gov/sites/default/files/2021-10/Texas%20LNG%20Brownsville%20LLC%20SAR%20Oct.%202021.pdf.

²⁸ Lake Charles LNG, Oct. 1, 2019, semi-annual report to DOE at p. 2, available at: <u>https://www.energy.gov/sites/default/files/2019/10/f67/Lake%20Charles%20LNG%20Export%20Company%2C%20LLC.pdf</u>.

²⁹ See DOE, Policy Statement on Export Commencement Deadlines in Natural Gas Export Authorizations, Dec. 11, 2023, available at: <u>https://www.energy.gov/sites/default/files/2023-</u>

projects outside of the United States – namely the single train brownfield expansion of the Tangguh LNG terminal in Indonesia and the Greater Tortue Ahmeyim terminal in West Africa.³⁰

II. BP's Baseless Claims About The Project Status and its Contract

BP is one of six long-term "foundation" LNG off-takers for the nameplate capacity of the Calcasieu Pass Project, having entered into an LNG Sales and Purchase Agreement ("SPA") with Calcasieu Pass dated as of May 17, 2018. Yet, BP never sought to intervene in the Calcasieu Pass authorization proceeding in Docket No. CP15-550, nor for that matter in Calcasieu Pass' more recent amendment proceeding in Docket No. CP22-25.

In its Complaint, BP charges Calcasieu Pass (which it calls "VGCP") with lack of "adherence to the requirement that places the initial burden of a facility operator to self-certify that it is operating commercially before the Commission begins the process of verifying the facility's readiness to sell at nameplate capacity."³¹ BP alleges that "VGCP has seemingly manufactured various 'reliability challenges' in order to avoid complying with the regulations that apply to similarly situated facilities in

^{04/}Commencement%20Ext.%20Policy%20Statement%20-%20FINAL%2004-21-

^{23%20}signed%20with%20blurb.pdf. DOE recognized there that "Calcasieu Pass constructed and began operating its LNG export facility in Cameron Parish, Louisiana, within three years from the date it received its non-FTA authorization from DOE, demonstrating that it is possible for major LNG projects to be placed in-service well within the seven-year commencement period, even during the COVID-19 pandemic." *Id.* at p. 14. While, in contrast, "by the end of 2026, the export commencement deadline in 14 long-term non-FTA authorizations will expire." *Id.* at p. 15 & n. 55. For purposes of clarity, note that DOE's seven-year export commencement deadline condition applies to the first export of LNG, without regard to any standard of "commercial operations."

³⁰ See LNGPrime, BP Expects to Launch Third Tangguh Train Next Year (Aug. 17, 2022); David Blackmon, Crucial West African LNG Project Struggles to Achieve First Gas (Jul. 1, 2023); Reuters, Kosmos Says Tortue LNG Project Start-Up Could Slip Into Q2 24 (Nov. 6, 2023).

³¹ BP Complaint at p. 1, P 2.

commercially operations."³² BP further claims that "VGCP has opted itself out of the regulatory framework for facilities in commercial operations simply by refusing to self-certify that is, in fact, operating commercially."³³ Furthermore, BP asserts with confidence: "Make no mistake: VGCP has been in service since 2022."³⁴

The patent disconnect between BP's claims and reality of the Commission's regulatory process and the Project's implementation process as described above would be laughable, were the misleading claims not advanced by a European energy supermajor through reputable and experienced outside counsel. BP's questioning of the very existence of the Project's reliability challenges like those presented by the HRSG issues is frankly insulting. It belittles the Commission Staff who have closely overseen every step of the Project commissioning process; and it demeans Calcasieu Pass's integrity. More fundamentally, there simply is no regulatory avenue for an authorization holder to "self-certify" its ability to operate, commercially or otherwise. Facilities may be placed in-service only with the written authorization of the Commission Staff, once it is demonstrated that they can be operated safely and reliably. And BP's fanciful notion that Calcasieu Pass has been "in service" since 2022 is manifestly disproved by the record in Docket No. CP15-550 as discussed above.

Furthermore, the concept of "commercial operations" plays no role in the Commission's regulation of LNG Terminals and there is not some different "regulatory framework" that applies to "facilities in commercial operations." The Commission explicitly acknowledged that Calcasieu Pass proposed to operate its Project under

³⁴ *Id.*

³² *Id.* at p. 6, P 11.

³³ *Id.* at p. 3, P 4.

commercial terms and conditions mutually agreed to with its customers³⁵ and, in such circumstances, the Commission has not extended its jurisdiction to LNG offtake commercial contracting issues.³⁶ The scope of Commission jurisdiction, of course, is very different for interstate natural gas pipelines – which renders BP's fanciful "what if" scenario near the outset of its Complaint about a new market entrant in the domestic pipeline industry³⁷ legally inapposite, even putting aside the still more important problem that the hypothetical scenario in no way corresponds with the actual status of BP's contractual relationship with Calcasieu Pass.

BP, of course, knows full well the limits of the Commission's jurisdiction over the commercial offtake contracts of LNG Terminals: that is why it does not suggest in any way actual Commission intervention in its contract dispute with Calcasieu Pass. Nevertheless – to disparage Calcasieu Pass and seek to spur the Commission to grant its requested relief – BP alleges that Calcasieu Pass "has avoided providing service to its offtake customers" and "is ignoring its commitments to its offtake customers,"³⁸ that it has "*failed* to deliver" under the SPA (implying that delivery is contractually

³⁵ Order at P 17 (holding that Natural Gas Act ("NGA") Section 3(e)(4), which relates to the LNG Terminal's providing open access service, does not apply here).

³⁶ The Commission generally regulates LNG Terminals with its the "less intrusive" regulatory regime, which does not require open access or delve into a project's arrangements with their customers, under the policy originally announced in *Hackberry LNG Terminal*, *LLC*, 101 FERC ¶ 61,294, at PP 22-24 (2002), *reh'g*, *Cameron LNG*, *LLC*, 104 FERC ¶ 61,269 (2003). That policy was later codified in the Energy Policy Act of 2005 and NGA Section 3 as amended accordingly.

³⁷ See BP Complaint at pp. 3-5, P 6-8.

³⁸ *Id.* at p. 5, P 10.

required),³⁹ has "sidestep[ed]s its commitments to its customers"⁴⁰ and (while hiding behind a press report) has "ignore[d] their contractual obligations."⁴¹

Contrary to BP's claims, Venture Global is honoring its contractual obligations to BP and its other long-term customers in strict conformity with the clear, unambiguous, and unequivocal contractual terms. Pursuant to the SPA between Calcasieu Pass and BP, the parties' respective obligations to sell and deliver and purchase and pay for LNG commence on the "Commercial Operation Date" (hence BP's focus on that concept).⁴²

Section 4.3 of the SPA defines that term as follows:

Subject in all respects to Section 4.4, the Day notified by Seller to Buyer in accordance with this Section 4.3 on which the Calcasieu Pass Facility is first commercially operable shall be the "Commercial Operation Date". For all purposes of this Agreement, the Commercial Operation Date shall not occur, and the Calcasieu Pass Facility shall not be considered "commercially operable", unless and until (i) all of the facilities comprising the Calcasieu Pass Facility have been completed and commissioned (including any ramp up period), (ii) the Calcasieu Pass Facility is capable of delivering LNG in quantities sufficient and quality necessary to permit Seller to perform all of its obligations hereunder and (iii) Seller shall have notified Buyer pursuant to and in accordance with this Section 4.3.

None of these three requirements has been satisfied. Most notably, and as detailed

previously, not all of the Project's facilities have been completed and commissioned as a

result of the continuing need for further commissioning, repair, rectification, and

completion of certain facilities.

³⁹ *Id.* at p. 11, P 28

⁴⁰ *Id.* at p. 16, P 41.

⁴¹ *Id.* at p. 15, P 40.

⁴² The SPA includes strict confidentiality provisions and, accordingly, Calcasieu Pass has not previously publicly disclosed the contractual terms provided here – even though BP has improperly asserted the existence of a confidential arbitration and made allegations of willful default in public statements. Disclosure of these terms, however, is necessary for Calcasieu Pass to respond to the Complaint in accordance with Commission requirements. Calcasieu Pass provided BP with notice that it would disclose these terms in correspondence dated December 15, 2023.

Additionally, the fact that the Commercial Operation Date has not been declared, either in 2022 or by any date certain, does not constitute a failure or breach by Calcasieu Pass under the SPA. Section 4.4 of the SPA, which is referenced in Section 4.3 quoted above, provides as follows:

Notwithstanding anything contained in this Agreement to the contrary, Seller [i.e., Calcasieu Pass] shall not be deemed to be in breach of this Agreement, and shall not be liable in any manner to Buyer [i.e., BP], as a result of the Commercial Operation Date not having occurred by any date certain.

BP may regret the contractual language it signed up to, but that does not provide it with license to claim, publicly and more importantly to this Commission, that Calcasieu Pass is violating its obligations under the SPA when it actually is in strict compliance with the clear contractual language.

Not content to falsely disparage Calcasieu Pass for purportedly ignoring its contractual obligations, with great irony BP – by some reports the sixth most polluting company on Planet Earth⁴³ – resorts to throwing environmental compliance allegations into its Complaint, perhaps to encourage added opposition to Calcasieu Pass here from environmentalist organizations. Two of its charges of alleged permit violations by Calcasieu Pass cite solely to an article in a small, Louisiana non-profit publication reprinting an advocacy piece by "DeSmog,"⁴⁴ which characterizes itself as "work[ing] to expose corporate misinformation from major fossil fuel interests, including the likes

⁴⁴ See BP Complaint at p. 7, P 12 & n. 15 and p. 15, P 40 & note 49 (both citing an article published in the Louisiana Illuminator). Regarding the nature of that publication, see <u>https://lailluminator.com/about/</u>. The end of the article cited twice by BP states: "This article was first published by DeSmog, founded in January 2006 to clear the PR pollution that is clouding the science and solutions to climate change with accurate, fact-based information regarding global warming misinformation campaigns."

⁴³ The Guardian, *Revealed: The 20 Firms Behind a Third of All Carbon Emissions* (Oct. 9, 2019).

of ExxonMobil, Koch Industries, and others with a documented history of undermining climate science and action."⁴⁵ More factually, BP points out that Calcasieu Pass notified the Commission in May 2023 of certain hazardous waste issues identified during an inspection by the Louisiana Department of Environmental Quality ("LDEQ"):⁴⁶ that LDEQ's Notice of Corrected Deficiency identified very minor issues (principally with regard to labeling containers) and recognized that they were timely rectified. Other environmental matters pointed to in the Complaint by are being handled by LDEQ in the normal course and pursuant to its jurisdiction. Such matters before that State agency do not raise any potential issues for this Commission and, perforce, provide absolutely no support for BP's claims here.

Having responded to BP's general allegations, Calcasieu Pass will now turn to the relief actually sought in the Complaint, specifically the requests that the Commission

- make a finding affirming that interested persons may intervene in this proceeding and in Docket No. CP15-550, with the consolidation of this proceeding with Docket No. CP15-550-000⁴⁷ and
- (2) issue an order (a) finding that Calcasieu Pass has failed to justify its request to withhold as privileged the information set forth in Section IV of the

⁴⁵ See <u>https://www.desmog.com/about/</u>. Among the recent DeSmog pieces mentioning BP that it might have considered when evaluating the sources it chooses to cite to the Commission are: "Major Polluters In 'Ludicrous' Push For Carbon Capture at Party Conferences" (Sept. 29, 2023); "Revealed: Fossil Fuel Giants Are Using British Influencers to go Viral" (July 27, 2023); and "Europe's Gas Lobby Exploits Energy Security Fears in Year Since Ukraine War," (Feb. 24, 2023).

⁴⁶ BP Complaint at p. 15, P 37 & n. 44. The referenced notification by Calcasieu Pass, which includes LDEQ's Notice of Corrected Deficiency, is Accession No. 20230515-5152.

⁴⁷ BP Complaint at p. 31, P 84.

Complaint and (b) placing such information in the public record of the proceeding in Docket No. CP15-550, or alternatively, directing Calcasieu Pass to file public versions of the filings with only privileged information redacted.⁴⁸

III. <u>BP's Request for Late Intervention in CP15-550 Should Be Rejected.</u>

BP's request that this complaint proceeding be consolidated with Docket No. CP15-550 and that all "interested participants" be allowed to intervene in that proceeding – over eight years after the original deadline for interventions in it⁴⁹ and nearly five years after the Commission issued the Authorization Order – is simply an incredibly broad request for a very late intervention, just dressed up as a complaint. Other than being broader (in that it applies not only to the movant but also anyone else asserting an interest), BP's request is no different from Repsol's recent motion to intervene in Docket No. CP15-550 that was summarily rejected by the Commission.⁵⁰ The Commission's rejection of Repsol's late intervention was deservedly terse in simply observing that the time to seek rehearing or appeal of the Authorization Order passed long ago and that intervention would gain Repsol nothing.⁵¹ But the reasons to reject Repsol's effort to intervene, and even more so to deny BP's broader request, are much more extensive than what the Commission explained in rejecting a motion to

⁴⁸ *Id.* at p. 31, P 83.

⁴⁹ See Notice of Application in this proceeding establishing an initial deadline of October 9, 2015 for timely interventions in Docket No. CP15-550. Accession No. 20230414-5189.

⁵⁰ See Notice Denying Late Intervention issued on May 3, 2023 (Accession No. 20230503-3094) ("Repsol Notice"), *reh'g denied by operation of law*, 184 FERC ¶ 62,003 (2023).

⁵¹ Repsol Notice at 1.

intervene that so patently failed to comport with well-established Commission

procedures and precedent.

Pursuant to the Commission's regulations, a movant seeking to intervene after the applicable deadline "must show good cause why the time limitation should be waived."⁵² In considering motions for late intervention, the Commission may consider whether

- (i) The movant had good cause for failing to file the motion within the time prescribed;
- (ii) Any disruption of the proceeding might result from permitting intervention;
- (iii) The movant's interest is not adequately represented by other parties in the proceeding; and
- (iv) Any prejudice to, or additional burdens upon, the existing parties might result from permitting the intervention.⁵³

In 2018 (while Calcasieu Pass's application was still pending), the Commission held that "going forward we will 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."⁵⁴ The Commission further explained that it will "look to our orders issued in hydroelectric proceedings for guidance when evaluating whether good cause exists for late intervention," citing a case in which it explained: "The Commission expects entities to intervene in a timely manner based on reasonably foreseeable issues arising from the applicant's filings" and that "[i]nterested parties are not entitled to hold

⁵² 18 C.F.R. § 385.214(b)(3).

⁵³ *Id.* at § 385.214(d).

⁵⁴ *Tennessee Gas Pipeline Co., L.L.C.,* 162 FERC ¶ 61,167 at P 50 (2018).

back awaiting the outcome of the proceeding, or to intervene only when events take a turn not to their liking."⁵⁵

Furthermore, this Commission discussion about late interventions focused on the typical situation of motions submitted after the deadline for interventions *but before* the Commission's order on the merits.⁵⁶ The Commission has frequently explained that when "late intervention is sought after the issuance of a dispositive order, the prejudice to other parties and burden upon the Commission of granting the late intervention may be substantial. Thus, movants bear a higher burden to demonstrate good cause for granting such late intervention."⁵⁷ Indeed, in the hydroelectric context (which, again, the Commission has expressly embraced in its natural gas context as well), the Commission has long held that "When late intervention is sought after issuance of an order disposing of an application . . . the prejudice to other parties and burden upon the Commission of granting late intervention *are substantial*. In such a situation . . . *extraordinary grounds* must be presented to warrant favorable action on a request for late intervention."⁵⁸ The Commission has summarized its well-established policy in this area as follows:

⁵⁵ *Id.* at P 51 & n.119 (citing *Alcoa Power Generating, Inc.,* 144 FERC ¶ 61,218 at P 13 (2013) (where the quotations in the text above appear)).

⁵⁶ See id. at PP 47-51.

⁵⁷ E.g., PJM Interconnection, L.L.C., 167 FERC ¶ 61,209 at P 24, repeated on rehearing at 168 FERC ¶ 61,104 at P 8 (2019); New York Independent System Operator, Inc., 160 FERC ¶ 62,016 at n.4 (2017) (citing nine other electric cases issued between 2001 and 2010 to support this statement); Nat'l Fuel Gas Supply Corp., 139 FERC ¶ 61,037 at P 18 (2012); Florida Gas Transmission Co., 133 FERC ¶ 61,156 (2010); Entegra Gas Pipeline Inc., 113 FERC ¶ 61,327 (2005).

⁵⁸ Weber Basin Water Conservancy Dist., 50 FERC ¶ 61,409, at 62,262 (1990) (emphasis added and footnotes omitted); accord City of Seattle, Washington, 72 FERC ¶ 61,023 (1995) (similar), aff'd on reh'g, 75 FERC ¶ 61,319 (1996); Albert Rim Hydroelectric Assocs., 65 FERC ¶ 61,187 (1993) (similar); Central Vermont Pub. Serv. Corp., 53 FERC ¶ 61,204 (1990) (similar); Adirondack Hydro Dev. Corp., 46 FERC ¶ 61,312 (1989) (similar); Hy–Tech Co., 29 FERC ¶ 61,130 (1984) (similar). See also City of Orrville, OH

Courts have recognized that "the Commission has steadfastly and consistently held that a person who has actual or constructive notice that his interests might be adversely affected by a proceeding, but who fails to intervene in a timely manner, lacks good cause under Rule 214." Entities interested in becoming a party to Commission proceedings may not "sleep on their rights" and wait to see how issues might evolve before deciding whether to intervene to protect their interests. As the Commission has explained, "[w]hen late intervention is sought after the issuance of a dispositive order, the prejudice to other parties and burden upon the Commission of granting the late intervention may be substantial." In such circumstances, movants bear a higher burden to demonstrate good cause for granting the late intervention, and generally it is Commission policy to deny late intervention at the rehearing stage.⁵⁹

Logically, these policies denying intervention at the rehearing stage (*i.e.*,

immediately after issuance of an order so as to seek rehearing of it) apply with still greater force in the truly extraordinary posture of the late intervention after the time for rehearing and any potential appeal has *long ago* passed. Yet, by failing to present its "request for relief" in the Complaint as the motion for late intervention it really is, BP attempts to circumvent these applicable policies entirely with respect to its own intervention and the request that all other interested parties be allowed to intervene now.

BP argues that the Commission "has a continuing obligation to ensure enforcement of the authorization conditions" and "has a continuing obligation to ensure that VGCP is complying with the conditions of the Authorization."⁶⁰ That is true, and

v. FERC, 147 F.3d 979 (D.C. Cir. 1998) (upholding application of this "extraordinary grounds" requirement to deny late intervention after issuance of the Commission's order on the merits).

⁵⁹ Broadview Solar, LLC, 174 FERC ¶ 61,199 at P 14 (emphasis added and internal footnotes with supporting citations omitted), *reh'g*, 175 FERC ¶ 61,228 at P 10 (2021) (with similar language to the text above), *aff'd sub nom. Solar Energy Industries Ass'n v. FERC*, 59 F.4th 1287 (D.C. Cir. 2023).

⁶⁰ BP Complaint at p. 23, P 62 and p. 25, P 67.

the Commission and its Staff are actively doing just that; but that does not warrant any role for BP, or others that may seek to become involved at this very late date. BP tries to create a rationale for its participation with its claims that Calcasieu Pass is failing to abide by "its commitments and representations" and has "ongoing issues and violations;"⁶¹ but, as previously detailed, BP's claims in that regard are baseless. Therefore, the natural gas pipeline cases cited by BP where the Commission allowed for late interventions after it identified public safety or landowner compliance concerns are entirely unlike the instant situation substantively, as well as procedurally.⁶²

BP claims that "changes in circumstances since the original authorization was issued" warrant the extraordinary step of reopening the Calcasieu Pass authorization docket to all interested participants at this last date.⁶³ But BP has shown no particularly unusual changed circumstances. Certainly, reliability challenges resulting in some delay in the commencement of commercial operations of a new LNG terminal (if Calcasieu Pass' still speedy progress is viewed that way) hardly constitutes the sort of unforeseeable, "extraordinary grounds" that could justify intervention years after the Commission issued its order on the merits and the time for seeking rehearing and potential judicial review have long since passed. And the fact that Calcasieu Pass has very successfully exported LNG cargoes while its commissioning continues (a

⁶¹ *Id.* at p. 26, PP 68 and 69.

⁶² *Id.* at pp. 24-25, PP 64 and 65. In the first pipeline case referenced by BP, the Commission acted on a rehearing request raising public safety concerns to reopen its record and accepted certain late interventions in the subsequent proceeding. *See Algonquin Gas Transmission, LLC*, 174 FERC ¶ 61,126 and 175 FERC ¶ 61,150 (2021). In the second referenced pipeline case, the Commission allowed certain late interventions after it issued an order directing the pipeline to address environmental compliance issues affecting landowners that had been identified by the Commission Staff. *See Midship Pipeline Company, LLC*, 174 FERC ¶ 61,220 and 175 FERC ¶ 61,145 (2021).

⁶³ BP Complaint at p. 24, P 64.

commercial issue outside the scope of Commission jurisdiction, and that was contemplated from the start) does not warrant reopening the proceeding for late intervenors. Even if these developments were somehow viewed as changed circumstances, the approach of intervening only when they happen is just the sort of instance of "waiting to see how events develop" that the Commission has explained is *not* an acceptable reason to delay intervention.⁶⁴

Furthermore, another key issue relevant to the Commission's consideration of requests for late intervention is the burden on existing parties. There can be no doubt that participation by BP – with its manifest focus on attacking Calcasieu Pass and challenging its actions – at this late stage in the CP15-550 proceeding would result in a burden on Calcasieu Pass and could substantially prejudice it – just as the Commission has often recognized (in the cases cited above) is typically the case with efforts to intervene after the Commission has already reached its merits decision. In addition, BP's participation in that docket were its intervention now allowed very likely would impose an additional burden on the Commission or at least its Staff as well. This burden factor militating against intervention was true of Repsol's attempt as well, though BP's relief if granted would result in significantly greater burdens because BP

⁶⁴ See, e.g., Tennessee Gas Pipeline Co., L.L.C., 162 FERC ¶ 61,167 at P 51 (discussed above); Broadview Solar, LLC, 174 FERC ¶ 61,199 at P 14 (discussed above); Alcoa Power Generating, Inc., 144 FERC ¶ 61,218 at P 13 (2013) (discussed above); Bradwood Landing, LLC, 126 FERC ¶ 61,035 at PP 11, 16 (2009) (denying late intervention to movant who claimed that scientific studies made it more aware of its interests in the proceeding); Cent. Neb. Pub. Power & Irrigation Dist., 125 FERC ¶ 61,192 at P 12 (2008) ("The Commission expects parties to intervene in a timely manner based on the reasonably foreseeable issues arising from the applicant's filings and the Commission's notice of proceedings."); Broadwater Energy, LLC, 124 FERC ¶ 61,225 at P 13 (2008) ("Those entities with interests they intend to protect are not entitled to wait until the outcome of a proceeding and then file a motion to intervene once they discover the outcome conflicts with their interests.").

seeks not only its own intervention but further that the Commission now open the proceeding to all comers.

BP does recognize that the Commission recently denied Repsol's similar effort to intervene in Docket No. CP15-550, while bravely asserting that its own request "is not foreclosed by" that denial.⁶⁵ However, BP's efforts to distinguish its plea for intervention from Repsol's utterly fail. BP says that "Repsol did not allege any violation by VGCP of any Commission rule, regulation, or order."⁶⁶ Yet, very much like BP, Repsol claimed its interest was in issues "related to whether Venture Global is complying now with the requirements of the 2019 authorization order and making accurate representations to the Commission and its staff regarding the status of the Project^{"67} and argued that the circumstances are "sufficient to justify inquiring whether Venture Global is, in fact, complying with the requirements of the 2019 authorization order and making accurate representations to the Commission and its staff regarding the status of the Project."⁶⁸ BP also claims that "Repsol pointed out that much of the information VGCP filed was not publicly available, but did not directly seek to enforce the Commission's regulations."69 Yet, just like BP, Repsol sought to intervene explicitly so that it could obtain "access to the many reports, including the weekly

⁶⁵ BP Complaint at p. 27, P 70 and pp. 29-30, PP 78-82.

⁶⁶ *Id.* at p. 29, P 78.

⁶⁷ Motion to Intervene Out of Time of Repsol LNG Holding, S.A., filed on Apr. 14, 2023 in Docket No. CP15-550 at p. 4 (Accession No. 20230414-5189) ("Repsol Motion").

⁶⁸ Request for Rehearing of Repsol LNG Holding, S.A. ("Repsol") filed on June 2, 2023, in Docket No. CP15-550 at p. 4 (Accession No. 20230602-5247) ("Repsol Request").

⁶⁹ BP Complaint at p. 29, P 78.

commissioning reports and December 2022 data request responses, that Venture Global has filed as privileged with the Commission."⁷⁰

In short, BP's request for intervention by means of consolidation of dockets is based on the very same arguments advanced by Repsol in its more straight-forward motion for late intervention. Thus, while the Commission's summary rejection of the Repsol Motion may not legally or literally "foreclose" BP's request for relief, it most definitely supports the same result of rejecting the request.

BP also briefly acknowledges, in a footnote, that DOE similarly rejected a late motion to intervene by Repsol in Calcasieu Pass' export authorization proceedings advancing much the same theories.⁷¹ BP claims that DOE's rejection of Repsol's intervention attempt "has no bearing on BP's request" because DOE reasoned that the Commission, not DOE, exercises jurisdiction over the construction and operation of the Project, including determining when commissioning is complete and when Calcasieu Pass may place the Project in-service.⁷² That was, indeed, one of the reasons why DOE rejected Repsol's intervention attempt; but DOE quite unsurprisingly also based its decision on the extreme lateness of the intervention, the absence of any good cause for the delayed attempt to intervene, and the lack of any concrete purpose to be served by intervention⁷³ – all factors equally true of BP. More interestingly, DOE further justified its rejection of Repsol's late intervention with the following explanation:

⁷⁰ Repsol Request at p. 3.

⁷¹ BP Complaint at p. 27, n. 84, discussing *Venture Global Calcasieu Pass, LLC*, DOE Docket Nos. 13-69-LNG et al., Order Denying Late-Filed Motion for Leave to Intervene Out of Time (Nov. 14, 2023)("DOE's Repsol Order"), which is available here: <u>https://www.energy.gov/sites/default/files/2023-</u>11/_VG%20Calcasiu%20Pass%20-%20Order%20Denying%20Repsol%20Motion%20to%20Intervene.pdf.

⁷² See BP Complaint at p. 27, n. 84 and DOE's Repsol Order at p. 11.

⁷³ DOE's Repsol Order at pp. 8-11.

we note that Repsol's claims supporting its Motion concern its commercial relationship with Calcasieu Pass and, specifically, Calcasieu Pass's obligations under the 2018 LNG sales and purchase agreement. **DOE** has long taken the position that commercial arrangements—including disagreements with contract terms and performance—are a matter for the commercial parties to resolve....

[W]e find that DOE's longstanding policy and precedent do not support Repsol's basis for intervention out of time, as it arises directly from Repsol's disagreement with Calcasieu Pass's performance under their 2018 LNG sales and purchase agreement. *DOE has no role in commercial disputes—even ones involving exports of LNG—and DOE proceedings cannot be utilized as a means of applying commercial pressure.*⁷⁴

This reasoning should be equally applicable to this Commission, which similarly plays no role in commercial disputes regarding LNG sales contracts. That is an additional reason for the Commission to reject BP's request for relief, not only with regard to its requested late intervention in Docket No. CP15-550 but also its related request for access to Calcasieu Pass' confidential information filed in that proceeding.

IV. BP's Request for Access to Confidential Information Should Be Rejected.

In addition to a late intervention in Docket No. CP15-550, BP requests that certain information filed by Calcasieu Pass as confidential in that proceeding be made public or, alternatively, that Calcasieu Pass be ordered to file public, partially redacted versions of the filings.⁷⁵ BP identifies this information in Section IV of the Complaint (more precisely, in Paragraphs 43-52). Elsewhere in the Complaint, BP phrases this request perhaps more broadly as: "BP requests that the Commission include all information that VGCP has improperly designated as privileged as part of the public

⁷⁴ DOE Repsol Order at pp. 13-14 (emphasis added and internal footnotes omitted).

⁷⁵ BP Complaint at p. 31, P 83.

record or, alternatively, direct VGCP to refile the information as public with only specific, limited and justified confidential information redacted." Phrased that way, the answer is simple: Calcasieu Pass not has not *improperly* designated *any* information as privileged or confidential.

Before getting to that issue, however, Calcasieu Pass would emphasize that BP has no legitimate purpose in obtaining the requested information. For all the reasons explained in the prior section of this Answer, BP's request for late intervention in Docket No. CP15-550 should be denied. And the Complaint does not envision or request any separate proceedings beyond that. Thus, there will be no Commission proceeding in which BP could even utilize the requested confidential information. On the other hand, BP is a major player in world LNG markets and a significant producer of LNG (and therefore a competitor of Venture Global): thus, it quite possibly wants confidential information about the upstart "new entrant" Calcasieu Pass for competitive reasons. Moreover, BP's arbitration with Calcasieu Pass requires strict confidentiality and allows limited discovery opportunities: limitations that BP would seek to evade by receiving documents as a result of its Complaint. Neither of these improper uses of confidential information should be countenanced by the Commission.

Furthermore, this is not the first time that BP has sought this confidential Calcasieu Pass information from the Commission. BP discloses, briefly and cryptically, that it submitted a FOIA request for "some but not all" of the information that it now seeks access to in its Complaint.⁷⁶ Indeed, on November 11, 2022, another outside counsel for BP (albeit without disclosing that it represented BP) filed what the

⁷⁶ Ia

Id. at p. 23, n. 74 and p. 30, n. 79.

Commission designated as FOIA-2023-19, requesting copies of all Calcasieu Pass' weekly commissioning status reports, both those filed up to that time and those to be filed going forward. BP now requests those same weekly commissioning status reports in paragraph 43 of its Complaint. Calcasieu Pass has now filed 101 weekly commissioning reports. In addition to those weekly commissioning reports, Section IV of BP's Complaint specifically requests access to a dozen other Calcasieu Pass filings that included confidential information; in sum, BP's previously denied FOIA request covered almost 90% of the materials it now seeks.

In accordance with the Commission's procedures for processing FOIA requests,⁷⁷ Calcasieu Pass was given the opportunity to comment on whether release of the weekly commissioning reports was warranted under FOIA. Attached as Exhibit 1 is the letter to Calcasieu Pass from the Commission's Office of External Affairs, dated November 28, 2022, providing that opportunity, as well as Calcasieu Pass' response dated December 5, 2022. Calcasieu Pass incorporates that FOIA response in its entirety in this Answer as equally applicable to BP's renewed request for the weekly commissioning reports, but also will repeat below the key parts of the response:

Calcasieu Pass is the only company that has constructed its facility using a proven liquefaction system in a unique midscale, modular configuration that has enabled it to achieve first LNG production faster than any other large scale facility in the world. *This innovative approach is unique to Calcasieu Pass, and the facility's design, construction, and implementation are both proprietary and commercially sensitive to Calcasieu Pass.* Calcasieu Pass spent significant resources over a number of years to develop this proprietary facility design and the related construction, commissioning, and operational methods and processes. The disclosure of any of Calcasieu Pass's

⁷⁷ 18 C.F.R. § 388.112(d).

proprietary business methods would subject Calcasieu Pass to the risk of irreparable competitive injury....

Because the weekly commissioning status reports disclose the specific schedule and activities that are prudent and necessary to implement Calcasieu Pass's proprietary design, collectively they provide a roadmap of Calcasieu Pass's commissioning process for its liquefaction facility. All such information is exempt from public disclosure.

FOIA Exemption 4 shields from public disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential." Exemption 4 therefore protects two general categories of information: (i) trade secrets, and (ii) commercial or financial information. The information sought is exempt from disclosure under both categories.

The "trade secrets" protected by Exemption 4 include "a secret, commercially valuable plan, formula, process, or device that is used for the making, preparing, compounding, or processing of trade commodities and that can be said to be the end product of either innovation or substantial effort." The weekly commissioning status reports detailing Calcasieu Pass's process for commissioning its facility, problems encountered, remedial actions taken, and performance tests contain a "commercially valuable plan" or "process" for making trade commodities. As explained above, Calcasieu Pass's modular, midscale liquefaction platform is innovative and the product of substantial effort. Therefore, the reports sought by FY23-19 contain trade secrets properly withheld from disclosure under FOIA Exemption 4.

The requested information also qualifies for withholding as confidential "commercial information." To qualify for protection under this part of Exemption 4, information must be: (i) maintained as confidential, (ii) commercial in nature, and (iii) obtained from a person. The requested information meets all these requirements.

First, the requested information qualifies as "commercial information." Commercial information is any information that relates to a business or trade in which submitter has a commercial interest. The weekly commissioning status reports contain commercial information detailing Calcasieu Pass's operations, work plans, remedial actions taken to address complications, and performance tests. Calcasieu Pass has a commercial interest in protecting this information, as explained above. Therefore, the requested information qualifies as "commercial" for the purposes of FOIA.

Second, the requested information was obtained from a "person" as that term encompasses both individuals and companies.

Finally, Calcasieu Pass maintains all of the information in the weekly commissioning status reports as strictly confidential. To be considered "confidential" within the meaning of Exemption 4, information must be "customarily and actually treated as private by its owner." Calcasieu Pass is proactive in protecting its confidential information.

Moreover, Calcasieu Pass provided this confidential information to the Commission pursuant to an express assurance of confidentiality in the Commission's regulations and under applicable law. The Commission's regulations allow any person filing materials with the Commission to claim protection under FOIA's exemptions. These protections are further reinforced by the Trade Secrets Act's criminal liability for the unlawful disclosure of Exemption 4 information. Calcasieu Pass availed itself of these protections in filing its weekly commissioning status reports. If the Commission were to publicly release Calcasieu Pass's confidential information now, it would subject Calcasieu Pass to significant competitive harm and impede the Commission's ability to obtain similar information in the future from regulated entities. Disclosure would also run counter to the Commission's practice of protecting this information for similar projects. The information subject to FY23-19 therefore meets all the requirements for protection under Exemption 4.78

The Commission through its Office of External Affairs denied BP's prior

request, submitted as a FOIA request through outside counsel, for Calcasieu Pass' weekly commissioning reports,⁷⁹ and it certainly should do the same again here when

⁷⁸ Calcasieu Pass Response to Submitter's Rights Letter, FOIA FY23-19 (including in Exh. 1)(with emphasis added and internal footnotes omitted in the above quotation).

⁷⁹ Calcasieu Pass did not receive the Commission's actual denial of the BP's FOIA request; but it requested notice from the Commission if the information were to be released (as provided for in Section

sought by means of a Complaint. Furthermore, the above explanation of the reasons for confidentiality, exemption from FOIA, and harm that disclosure would cause to Calcasieu Pass is equally applicable to the additional commissioning-related materials identified in Section IV of the Complaint to the extent they were filed confidentially (as further addressed in Part V of the Answer below).

Calcasieu Pass emphasizes that in each and every instance in which it has requested confidential treatment of a filing, it explained the basis for such treatment in its transmittal letter and clearly marked the protected documents in accordance with Section 388.112 of the Commission's regulations. Calcasieu Pass typically notes, in a short form version of the FOIA response quoted above, essentially that the filed information contains proprietary information used by Calcasieu Pass, trade secrets and/or commercial information that is exempt from public disclosure under FOIA Exemption 4, which shields from public disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential," that Calcasieu Pass maintains all of the information as strictly confidential, and that disclosure of this confidential and proprietary commercial information would adversely affect Calcasieu Pass and its customers. Where applicable, Calcasieu Pass also notes that the filing contains detailed design information that should be treated as Critical Energy Infrastructure Information ("CEII") protected from disclosure by Commission regulation and policy.⁸⁰

^{388.112(}e)) and never received any such notice. And BP acknowledges in its Complaint (at p. 23, n. 74) that the FOIA request was denied.

⁸⁰ See 18 C.F.R. § 388.113.

Under the Commission's regulations, material designated in this way is maintained as non-public unless and until the Commission determines that it is not entitled to that treatment, either on its own initiative, in response to a FOIA request, or when challenged by a party in a proceeding.⁸¹ The Commission itself and its Staff have not questioned any of Calcasieu Pass's confidentiality designations. The Commission already rejected BP's FOIA request, and no *party* in Docket No. CP15-550 has sought the information that BP again seeks.

Thus, BP's repeated claims that Calcasieu Pass is violating the Commission's regulations in how it designates confidential information ⁸² are baseless and irresponsible. BP finds fault with the "generalized, non-specified claims" of confidentiality included in Calcasieu Pass's filing and with the non-submission of a redacted public version of the confidential filings (which Section 388.112 calls for "to the extent practical").⁸³ On the subject of practicality, Calcasieu Pass submitted 148 filings in Docket No. CP15-550 in 2022, and another 88 filings in 2023. Given the nature of the implementation process, most of these filings contain confidential information, which is designed for use by the Commission Staff. It is simply not practical to submit either a specifically tailored explanation of the confidential nature of each filing nor redacted public versions of every filing.

⁸¹ See id. § 388.112(c).

⁸² BP Complaint at p. 3, P 5 ("failing to follow the Commission's requirements regarding seeking protected treatment for allegedly confidential information"); BP Complaint at p. 19, P 54 ("VGCP has violated FERC's regulations at 18 C.F.R. 388.112 regarding the designation and withholding of privileged material); BP Complaint p. 22, P 60 ("VGCP patently has failed to comply with the Commission's requirements for designating privileged information").

⁸³ *Id.* at pp. 18-19, P 53 and P 55 (quoting the regulation).

The level of specificity in confidentiality submissions that BP advocates is neither required by Commission regulation nor followed in practice. Attached Exhibit 2 summarizes a review of filings like those for which BP challenges Calcasieu Pass's practice of confidentiality designations. The Exhibit focused on filings by four specific LNG projects: Freeport LNG (because BP is a major off-taker there), Cameron LNG and Port Arthur LNG (which BP's outside counsel here at least sometimes represents),⁸⁴ and Golden Pass (as the only major non-Venture Global project in advanced construction). All of those LNG terminals have followed a practice of confidentiality designations essentially the same as that of Calcasieu Pass, and their explanations of the basis for confidentiality designations in their submissions are no more specific than those of Calcasieu Pass. While Calcasieu Pass has not extended this review exercise to other LNG terminals, the same or very similar practices are highly likely applied there as well.

BP goes to some length to demonstrate that the Commission (1) may require information filed as confidential to be disclosed when necessary to carry out its jurisdictional responsibilities, and (2) must balance the need for public disclosure against the harm caused by disclosure.⁸⁵ Calcasieu Pass does not question either legal proposition, but neither supports the "relief" that BP requests. The Commission has not viewed public disclosure of the information filed as confidential and sought by BP to be necessary to carrying out its jurisdiction through nearly five years of the Calcasieu Pass

⁸⁴ See, e.g., Port Arthur LNG Phase II, LLC, Application under Section 3 of the Natural Gas Act, Docket No. CP20-55 (filed Feb. 26, 2020); Cameron LNG, LLC, Abbreviated Application of Cameron LNG, LLC to Amend Authorization under Section 3 of the Natural Gas Act, Docket No. CP22-41 (filed Jan. 18, 2022).

⁸⁵ BP Complaint at pp. 20-23, PP 57-61 (and supporting footnotes).
implementation proceeding, nor in similar proceedings for other LNG terminals. None of the mud thrown at Calcasieu Pass by BP in its Complaint alters that conclusion. And none of the many cases cited by BP in which the Commission considered the disclosure of confidential information (either because a protesting *party* sought it or where the Commission itself viewed public disclosure as needed in the performance of its jurisdictional duties) involved the sort of confidential Calcasieu Pass information that BP wants, nor the extraordinarily unusual context of a non-party seeking to join a proceeding and obtain the information filed as confidential years after a Commission decision.⁸⁶

The balance here between the harm that would be caused by disclosure and the "public" need for disclosure also clearly supports continued confidential treatment of the information BP seeks. On one side, there would be significant harm to Calcasieu Pass from public disclosure of proprietary and commercially sensitive information regarding its unique approach to LNG project development, construction, and

⁸⁶ The information at issue in the cases cited by BP in support of PP 57-61 was the following:

ownership/affiliate information of market-based rates sellers under the Federal Power Act (see Energy Center Dover, LLC, 170 FERC ¶ 61,174 (2020); Mankato Energy Center, LLC, 183 FERC ¶ 61,095 (2023); Paper Birch Energy, LLC, 172 FERC ¶ 61,035 (2020));

precedent agreements supporting an NGA Section 7 application (*see Algonquin Gas Transmission*, *LLC*, 130 FERC ¶ 61,011 (2010) and storage and transportation service agreements in a proceeding overseeing the service rates of such agreements (*see Bay Gas Storage Company, Ltd.*, 109 FERC ¶ 61,348 (2004));

support for a cost of service or negotiated rate (see K N Interstate Gas Transmission Co., 82 FERC ¶ 61,186 (1998); Crosstex LIG, LLC, 129 FERC ¶ 61,284 (2009); DTE Midstream Appalachia, LLC, 165 FERC ¶ 61,180 (2018); El Paso Nat. Gas Co., 49 FERC ¶ 61,297 (1989)); and

certain miscellaneous documentation, such as the fire protection evaluation (see Freeport LNG Development, 167 FERC ¶ 61,155 at P 14 (2019)), cost information in a generator interconnection agreement (see Midcontinent Indep. System Operator, 149 FERC ¶ 61,129 at P 8 (2014)), and material in connection with a non-public investigation (see Public Citizen v. Midcontinent Independent System Operator, 179 FERC ¶ 61,185 at P 21-22 (2022)).

commissioning – information that is both customarily and actually treated as confidential by Calcasieu Pass and that was filed under the expectation that it would be kept private based on well-established prior Commission practice with respect to both Calcasieu Pass and other similarly situated LNG terminals. On the other side of the balance, there is only BP, a customer of the Project that would really like to see that information, presumably for competitive or public-relations purposes that are unavailable to it for documents produced in an arbitration.

For all of these reasons, the Commission should rule that Calcasieu Pass's confidentiality designations in Docket No. CP15-550 are consistent with its regulations and reject BP's request for access to that confidential information.

V. Admissions and Denials of Material Allegations

In accordance with Rule 213(c)(2), Calcasieu Pass will now "[a]dmit or deny, specifically and in detail, each material allegation" of the Complaint. BP references this requirement with respect to Section VI of the Complaint, entitled "Background of the Dispute and Statement of Facts."⁸⁷ BP, however, includes significant other allegations elsewhere in its Complaint. Separating out the germs of alleged fact from BP's false and misleading legal claims in the Executive Summary is particularly difficult; but lest there be any doubt, Calcasieu Pass will nevertheless start there in responding to BP's allegations in the following enumerated paragraphs of the Complaint:

 Regarding Paragraph 2, Calcasieu Pass denies that it has "pursued a clear change in the self-reporting function" envisioned by BP and BP's related allegations.

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BP Complaint at p. 9, heading IV and n. 19.

- Regarding Paragraph 3, Calcasieu Pass denies BP's characterization of its approach to DOE filings, while admitting that BP included the actual filings in its Exhibit 1, which filings speak for themselves.
- 3. Regarding Paragraph 4, Calcasieu Pass admits that it has discharged Kiewit as its primary construction contractor but denies BP's other related allegations.
- Paragraphs 6-8 do not include factual allegations and Calcasieu Pass explained previously in this Answer that the hypothetical presented there is irrelevant here.
- 5. Calcasieu Pass generally admits the factual allegations in Paragraph 9.
- 6. Calcasieu Pass denies the allegations and related claims set forth in Paragraph 10, especially BP's allegations that Calcasieu Pass is "avoiding providing service to its offtake customers... merely by refusing to declare that the facility is operating commercially" and is "ignoring its commitments to its offtake customers."
- Calcasieu Pass denies the allegations and related claims set forth in Paragraphs 11-15.
- Calcasieu Pass admits the descriptions of the Parties set forth in Section III of the Complaint.
- 9. Calcasieu Pass admits the factual allegations set forth in Paragraphs 23-26.
- 10. Calcasieu Pass admits the allegations in Paragraph 27 except that it denies the allegation that it has "*failed*" to deliver LNG under its long-term SPAs (implying that such delivery is contractually required). Calcasieu Pass also

notes that BP contracted for eight commissioning cargoes from Calcasieu Pass, though that was not under the long-term SPA.

- 11. Calcasieu Pass denies the allegations in Paragraph 28.
- Calcasieu Pass denies BP's characterization of the filings addressed in Paragraph 29, while admitting that the filings – which speak for themselves – exist as cited.
- 13. Calcasieu Pass denies the allegations in Paragraphs 30 and 31.
- 14. Calcasieu Pass denies BP's characterization of the March 2023 Commission Update filed with the Commission addressed in Paragraph 32, while admitting that the filing – which speaks for itself – exists as cited.
- 15. Regarding Paragraphs 33 and 34, Calcasieu Pass lacks information to substantiate BP's comparison of Calcasieu Pass's commissioning cargoes compared to amounts exported for other terminals, but admits the details regarding its own commissioning cargoes as reflected in the referenced DOE reports.
- 16. Regarding Paragraph 35, Calcasieu Pass admits that BP has initiated arbitration related to its SPA, but it is not at liberty to confirm whether other customers have initiated arbitration; Calcasieu Pass denies the implied allegation of a "failure to supply cargoes under the SPAs."
- 17. Regarding Paragraph 36, Calcasieu Pass admits that it has been subject to certain critical media attention (without conceding that the attention is either "unsurprising" or "earned") and that the article quoted by BP could be so characterized. Calcasieu Pass, however, denies the allegations embraced by

BP through its adoption of the quotation, especially that Calcasieu Pass has "ignored" its contractual obligations.

- Regarding Paragraphs 37-39, Calcasieu Pass refers to its discussion of the LDEQ issues in the body of this Answer above.
- 19. Regarding Paragraph 40, Calcasieu Pass admits that it has been subject to certain negative press attention related to alleged environmental violations (which however Calcasieu Pass does not admit have occurred) and that the article by DeSmog quoted by BP could be so characterized.
- 20. Calcasieu Pass denies the allegations in Paragraph 41, especially the allegation that it "is deferring meeting its environmental obligations at the same time it sidesteps its commitments to its customers."
- 21. Calcasieu Pass denies BP's characterization of its actions in Paragraph 42 while admitting that it is has filed significant amounts of confidential materials in Docket No. CP15-550.
- 22. Regarding Paragraph 43, Calcasieu Pass admits that it has filed its weekly commissioning reports as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).
- 23. Regarding Paragraph 44, Calcasieu Pass admits that it filed its first semiannual report as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).
- 24. Regarding Paragraph 45, Calcasieu Pass admits that it filed the referenced data requested by Commission Staff as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).

- 25. Regarding Paragraph 46, Calcasieu Pass admits that it filed the referenced filing as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).
- 26. Regarding Paragraph 47, Calcasieu Pass admits that it filed the referenced filing as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).
- 27. Regarding Paragraph 48, Calcasieu Pass admits that it filed the referenced filing as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).
- 28. Regarding Paragraph 49, Calcasieu Pass admits that it filed the referenced filing as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).
- 29. Regarding Paragraph 50, Calcasieu Pass denies BP's description of the referenced filing because the filing was submitted as public except for a limited portion that was filed as CEII, and Calcasieu Pass further denies the allegation that the filing was improper as submitted. Calcasieu Pass admits that the request was approved by Commission Staff in the referenced order.
- 30. Regarding Paragraph 51, Calcasieu Pass admits the allegations, while clarifying that the referenced filing was submitted as public but referenced certain previously filed confidential information.
- 31. Regarding Paragraph 52, Calcasieu Pass admits that it filed the referenced filing as non-public, but denies that doing so is improper (as further addressed the body of this Answer above).

32. Regarding Paragraph 53, Calcasieu Pass denies BP's allegations and refers to the body of its Answer above addressing how it has properly designated confidential materials in its filings.

Section V of BP's Complaint also includes certain factual allegations but largely consists of legal arguments. Accordingly, Calcasieu Pass will not respond specifically to those allegations and points to the body of this Answer generally for its response to them.

VI. Proposed Process To Resolve Complaint

Calcasieu Pass urges the Commission to summarily dismiss the Complaint, for the reasons explained above. The Commission should deny all the relief requested by BP with no need for any further administrative proceedings.

Calcasieu Pass agrees with BP that any "Alternative Dispute Resolution" would be futile.

BP requests Fast Track processing of its Complaint.⁸⁸ There is no particular reason for BP's timing of the submission of its Complaint, other than to require Calcasieu Pass to answer it on January 2, 2024. And BP has not presented any real basis for expedited Commission action on it. Yet, the dispute is straight-forward and should not require any administrative procedures to resolve. Furthermore, Calcasieu Pass would appreciate the Commission's prompt rejection of BP's Complaint to eliminate any clouds that BP's baseless claims may create before their rejection. Accordingly, Calcasieu Pass endorses BP's request for prompt action on the Complaint, albeit for completely different reasons.

⁸⁸ BP Complaint at p. 31-32, P 88.

VII. <u>Conclusion</u>

Wherefore, for all the foregoing reasons, Calcasieu Pass respectfully requests that the Commission reject the claims advanced in BP's Complaint as baseless, deny all the relief requested by BP, and dismiss the Complaint with no need for any further proceedings.

Respectfully submitted,

Sandra Y. Snyder Associate General Counsel Venture Global LNG, Inc. 1001 19th Street North Suite 1500 Arlington, VA 22209 Telephone: (202) 920-0919 ssnyder@venturegloballng.com

Ammaar Joya Assistant General Counsel 1401 McKinney Street Suite 2600 Houston, TX 77010 Telephone: 832.924.9908 ajoya@venturegloballng.com /s/ J. Patrick Nevins

J. Patrick Nevins Carlos E. Clemente Latham & Watkins LLP 555 Eleventh Street, N.W. Suite 1000 Washington, D.C. 20004 Telephone: (202) 637-3363 (202) 637-2269

Patrick.Nevins@lw.com Carlos.Clemente@lw.com

Counsel to: Venture Global Calcasieu Pass, LLC

Dated: January 2, 2024

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 Washington, D.C., this 2nd day of January, 2024.

/s/ J. Patrick Nevins J. Patrick Nevins Latham & Watkins LLP 555 Eleventh Street, N.W. Suite 1000 Washington, D.C. 20004 Telephone: (202) 637-3363

EXHIBIT 1:

FOIA-2023-19: Opportunity to Comment and Calcasieu Pass Response

FEDERAL ENERGY REGULATORY COMMISSION WASHINGTON, D.C. 20426 November 28, 2022

Re: Submitter's Rights Letter, FOIA FY23-19

VIA ELECTRONIC MAIL ONLY

Mr. Fory Musser Senior Vice President, Development 1001 19th Street North Suite 1500 Arlington, VA 22209 fmusser@venturegloballng.com

Mr. J. Patrick Nevins Counsel to Venture Global Calcasieu Pass, LLC and TransCameron Pipeline, LLC Latham & Watkins, LLP 555 11th St NW Washington, DC 20004 patrick.nevins@lw.com

Dear Sirs:

Pursuant to the Freedom of Information Act (FOIA), and the Federal Energy Regulatory Commission's (Commission) regulations,¹ you are hereby notified that Mr. Gregory Gistenson has filed the enclosed request seeking copies of Weekly Commissioning Status Reports and any communications relating thereto concerning Venture Global Calcasieu Pass, LLC in Docket No. CP15-550.

Because your company has asserted a "privileged and/or confidential" interest in the information requested, we are soliciting your comments on whether release of the information is required under the FOIA. Your written comments are due within five (5) business days from the date of this letter and should clearly explain whether you oppose the release of this document, or portions thereof, and the rationale for your position. The Commission will not be persuaded by conclusory statements as to why the information

¹ 5 U.S.C. § 552 (2018); 18 C.F.R. § 388.112(d) (2022).

FOIA FY23-19

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deserves protection. The Commission may construe a non-response as evidence that you do not object to releasing the documents.

Please email any comments or questions to the Commission's Public Liaison team, FOIA/CEII Public Liaison, at foia-ceii@ferc.gov. The Public Liaison team may also be reached by telephone at (202) 502-6088.

Sincerely,

Sarah Venuto

Digitally signed by Sarah Venuto Date: 2022.11.28 15:38:24 -05'00'

Sarah Venuto Director Office of External Affairs

Enclosure

cc: Mr. Gregory Gistenson Barnes & Thornburg LLP One North Wacker Drive Suite 4400 Chicago, IL 60606 gregory.gistenson@btlaw.com



1001 19TH Street North Suite 1500 Arlington, Virginia 22209

O 202.759.6740 F 703.243.1813 www.ventureglobaling.com

December 5, 2022

VIA ELECTRONIC MAIL

Sarah Venuto, Director Office of External Affairs Federal Energy Regulatory Commission 888 First Street, N.E. Washington, D.C. 20426

Re: Venture Global Calcasieu Pass, LLC and TransCameron Pipeline, LLC Response to Submitter's Rights Letter, FOIA FY23-19

Dear Ms. Venuto:

Venture Global Calcasieu Pass, LLC ("Calcasieu Pass") and TransCameron Pipeline, LLC ("TransCameron") are in receipt to your letter dated November 28, 2022 regarding Freedom of Information Act ("FOIA") request FY23-19. Calcasieu Pass and TransCameron object to the release, in whole or in part, of the forty-one (41) enumerated weekly commissioning status reports, other weekly commissioning status reports, and related communications sought by FOIA FY23-19. All of the documents and information therein contain trade secrets and/or commercial information that is exempt from public disclosure under FOIA Exemption 4. The request should be denied in its entirety.

In 2019, Calcasieu Pass and TransCameron received Federal Energy Regulatory Commission ("Commission") authorization to construct and operate a new liquefied natural gas ("LNG") export terminal along the Calcasieu Ship Channel in Cameron Parish, Louisiana, along with the associated pipeline facilities.¹ Although Calcasieu Pass is one of over a dozen new LNG export facilities authorized by the Commission,² Calcasieu Pass is the only company that has constructed its facility using a proven liquefaction system in a unique midscale, modular configuration that has enabled it to achieve first LNG production faster than any other large scale facility in the world.³ This innovative approach is unique to

¹ Venture Global Calcasieu Pass, LLC, 166 FERC ¶ 61,144 (2019).

² See, e.g., Federal Energy Regulatory Commission, North American LNG Export Terminals, Approved, Not Yet Built (Nov. 29, 2022), <u>https://cms.ferc.gov/media/north-american-lng-export-terminals-existing-approved-not-yet-built-and-proposed-8</u>.

³ See Jacob Dick, Venture Global Awards Batch of Contracts for Plaquemines LNG Development, Natural Gas Intelligence (Mar. 13, 2022), <u>https://www.naturalgasintel.com/venture-global-awards-batch-of-contracts-for-</u>

Calcasieu Pass, and the facility's design, construction, and implementation are both proprietary and commercially sensitive to Calcasieu Pass. Calcasieu Pass spent significant resources over a number of years to develop this proprietary facility design and the related construction, commissioning, and operational methods and processes. The disclosure of any of Calcasieu Pass's proprietary business methods would subject Calcasieu Pass to the risk of irreparable competitive injury.

FOIA FY23-19 seeks forty-one (41) weekly commissioning status reports that Calcasieu Pass has provided to the Commission pursuant to Environmental Condition 102, which specifies that:

Calcasieu Pass shall file weekly reports on the commissioning of the proposed systems that detail the progress toward demonstrating the facilities can safely and reliably operate at or near the design production rate. The reports shall include a summary of weekly activities, problems encountered, and remedial actions taken. The weekly reports shall include the latest commissioning schedule, including projected and actual LNG production by each liquification block, LNG storage inventories in each storage tank, and the number of anticipated and actual LNG commissioning cargoes, along with the associated volumes loaded or unloaded. Further, the weekly reports shall include a status and list of all planned and completed safety and reliability tests, work authorizations, and punch list items.⁴

Because the weekly commissioning status reports disclose the specific schedule and activities that are prudent and necessary to implement Calcasieu Pass's proprietary design, collectively they provide a roadmap of Calcasieu Pass's commissioning process for its liquefaction facility. All such information is exempt from public disclosure.

FOIA Exemption 4 shields from public disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential."⁵ Exemption 4 therefore protects two general categories of information: (i) trade secrets, and (ii) commercial or financial information. The information sought is exempt from disclosure under both categories.

The "trade secrets" protected by Exemption 4 include "a secret, commercially valuable plan, formula, process, or device that is used for the making, preparing, compounding, or processing of trade commodities and that can be said to be the end product of either innovation or substantial effort."⁶ The weekly commissioning status reports detailing Calcasieu Pass's process for commissioning its facility, problems encountered, remedial actions taken, and performance tests contain a "commercially valuable plan" or "process" for making trade commodities.⁷ As explained above, Calcasieu Pass's modular,

<u>plaquemines-lng-development/</u> (noting that Calcasieu Pass shipped its first LNG cargos 29 months after final investment decision).

⁴ Venture Global Calcasieu Pass, LLC, 166 FERC ¶ 61,144, App. A Condition 102 (2019).

⁵ 5 U.S.C. § 552(b)(4).

⁶ Pub. Citizen Health Rsch. Grp. v. FDA, 704 F.2d 1280, 1288 (D.C. Cir. 1983).

⁷ See Heeney v. FDA, No. 97-5461, 1999 WL 35136489, at *7 n.13 (C.D. Cal. Mar. 16, 1999) ("compliance testing" and "specification of the materials used in constructing" electrode catheter), *aff'd*, 7 F. App'x 770 (9th Cir. 2001); *Citizens Comm'n on Hum. Rts v. FDA*, No. 92-5313, 1993 WL 1610471, at *7 (C.D. Cal. May 10, 1993)

^{(&}quot;information about how a pioneer drug product is formulated, chemically composed, manufactured, and quality controlled"), *aff'd in part & remanded in part on other grounds*, 45 F.3d 1325 (9th Cir. 1995); *Pac. Sky Supply, Inc.*

midscale liquefaction platform is innovative and the product of substantial effort. Therefore, the reports sought by FY23-19 contain trade secrets properly withheld from disclosure under FOIA Exemption 4.

The requested information also qualifies for withholding as confidential "commercial information." To qualify for protection under this part of Exemption 4, information must be: (i) maintained as confidential, (ii) commercial in nature, and (iii) obtained from a person.⁸ The requested information meets all these requirements.

First, the requested information qualifies as "commercial information." Commercial information is any information that relates to a business or trade in which submitter has a commercial interest.⁹ The weekly commissioning status reports contain commercial information detailing Calcasieu Pass's operations, work plans, remedial actions taken to address complications, and performance tests. Calcasieu Pass has a commercial interest in protecting this information, as explained above. Therefore, the requested information qualifies as "commercial" for the purposes of FOIA.

Second, the requested information was obtained from a "person" as that term encompasses both individuals and companies. 10

Finally, Calcasieu Pass maintains all of the information in the weekly commissioning status reports as strictly confidential. To be considered "confidential" within the meaning of Exemption 4, information must be "customarily and actually treated as private by its owner."¹¹ Calcasieu Pass is proactive in protecting its confidential information. For example, access to such information is controlled and shared internally on a "need-to-know" basis, and recipients are subject to non-disclosure and non-use obligations. The reports are not shared with contractors, consultants, or customers. Calcasieu Pass has consistently treated this information as confidential.¹²

v. Dep't of the Air Force, No. 86-2044, 1987 WL 25456, at *1 (D.D.C. Nov. 20, 1987) (design drawings of airplane fuel pumps developed by private company and used by Air Force).

⁸ See 5 U.S.C. § 552(b)(4).

⁹ 100Reps. LLC v. DOJ, 248 F. Supp. 3d 115, 136 (D.D.C. 2017) (finding that annual report information, including summarized presentations and materials describing "specific transactions, projects, bids, and business partners" as well as "work plans and related" material were commercial in nature because they involved business operations); *Pub. Citizen Health Rsch. Grp. v. HHS*, 975 F. Supp. 2d 81, 105 (D.D.C. 2013) (finding information related to business-related processes, decisions, and conduct to be "sufficiently commercial" to benefit from Exemption 4). ¹⁰ Allnet Commc'n Servs. v. FCC, 800 F. Supp. 984, 988 (D.D.C. 1992) (declaring that "person" under Exemption 4 "refers to a wide range of entities including corporations, associations and public or private organizations other than agencies"), *aff'd*, No. 92-5351 (D.C. Cir. May 27, 1994).

¹¹ See, e.g., Food Mktg. Inst. v. Argus Leader Media, 139 S.Ct. 2356, 2363 (2019).

¹² FOIA FY23-19 implies that Calcasieu Pass has publicly disclosed the information in the weekly reports in other contexts (*e.g.*, the export cargoes reported to the Department of Energy ("DOE")). *See* FY23-19 at 2. That is incorrect. The information disclosed to DOE is distinct from the information contained in the weekly reports. The DOE report specifies only the date of departure and the volume of natural gas in Mcf. *See, e.g.*, DOE, LNG Monthly at 36 (Nov. 2022), <u>https://www.energy.gov/sites/default/files/2022-</u>

<u>11/LNG%20Monthly%20September%202022_2.pdf</u>. The weekly commissioning status report provides detailed information regarding the facility's operations and accounts for volumes differently than the DOE report. The intimation that Calcasieu Pass fails to maintain the confidentiality due to the information disclosed in the monthly reports is similarly without merit. *See* FY23-19 at 2 n.2 (citing Accession No. 20221014-5042 (filed Oct. 14, 2022)). The weekly commissioning status reports include different information than the monthly construction reports, which focus on activities more readily observable to the general public (*e.g.*, restoration activities, staging

Document And September 2: 20240102-5202 Filed Date: 01/02/2024 Exhibit 1 Sarah Venuto, Director Response to Submitter's Rights Letter, FOIA FY23-19 December 5, 2022 Page 4

Moreover, Calcasieu Pass provided this confidential information to the Commission pursuant to an express assurance of confidentiality in the Commission's regulations and under applicable law. The Commission's regulations allow any person filing materials with the Commission to claim protection under FOIA's exemptions.¹³ These protections are further reinforced by the Trade Secrets Act's criminal liability for the unlawful disclosure of Exemption 4 information.¹⁴ Calcasieu Pass availed itself of these protections in filing its weekly commissioning status reports. If the Commission were to publicly release Calcasieu Pass's confidential information now, it would subject Calcasieu Pass to significant competitive harm and impede the Commission's ability to obtain similar information in the future from regulated entities.¹⁵ Disclosure would also run counter to the Commission's practice of protecting this information for similar projects.¹⁶ The information subject to FY23-19 therefore meets all the requirements for protection under Exemption 4.¹⁷ FOIA FY23-19 should be denied in its entirety.

Given the threat of irreparable competitive harm, Calcasieu Pass intends to pursue all legal remedies if the Commission grants request FY23-19 in whole or in part. To that end, Calcasieu Pass respectfully requests that the Commission provide <u>at least ten business days' notice</u> prior to the release of any information subject to FOIA FY23-19 in accordance with 18 C.F.R § 388.112(e).

Respectfully submitted,

/s/ Fory Musser

Fory Musser Senior Vice President, Development Phone: +1.202.759.6738 <u>fmusser@venturegloballng.com</u>

materials, grading, installing pilings, etc.). Calcasieu Pass maintains all of the information in the weekly reports as strictly confidential.

¹³ 18 C.F.R. § 388.112(a).

¹⁴ CNA Fin. Corp. v. Donovan, 830 F.2d 1132, 1140 (D.C. Cir. 1987) (reverse FOIA suit).

¹⁵ See Ctr. For Investigative Reporting v. U.S. Customs & Border Prot., 436 F. Supp. 3d 90, 113 (D.D.C. 2019) (requiring explanation of how disclosure of information withheld under Exemption 4 would harm an interest protected by the exemption, such as a harm to business interests or dissuading others from submitting similar information to the government).

¹⁶ See, e.g., Sabine Pass LNG, L.P Weekly Commissioning Report No. 10 for the Period November 2, 2022 through November 8, 2022, Docket No. CP19-11-000 (filed Nov. 15, 2022) (Accession No. 20221115-5051).

¹⁷ FOIA FY23-19 references the weekly reports being "mandated" pursuant to Condition 102 of the Commission's order. *See* FOIA FY23-19 at 2. To the extent this is an attempt to rely upon the "voluntary versus involuntary" standard articulated in *National Parks & Conservation Ass'n v. Morton*, 498 F.2d 765 (D.C. Cir 1974), the Supreme Court repudiated that decision in 2019. *See Food Mktg. Inst. v. Argus Leader Media*, 139 S.Ct. 2356, 2364 (2019). However, to the extent a showing of competitive harm is required as some courts have found (*see, e.g., Ctr. For Investigative Reporting*, 436 F. Supp. 3d at 113 ("The foreseeable-harm requirement, as applied to Exemption 4, enhances the useful "tool" of FOIA. To meet this requirement, the defendants must explain how disclosing, in whole or in part, the specific information withheld under Exemption 4 would harm an interest protected by this exemption, such as causing 'genuine harm to [the submitter's] economic interests."")), disclosure would subject Calcasieu Pass to a significant risk of competitive harm, as discussed above.

Document Annuaryz zigen #: 20240102-5202 Filed Date: 01/02/2024 Exhibit 1 Sarah Venuto, Director Response to Submitter's Rights Letter, FOIA FY23-19 December 5, 2022 Page 5

> cc: FERC, Office of External Affairs Matthew Christiansen, General Counsel, FERC David Morenoff, Deputy General Counsel, FERC Patrick Nevins, Latham & Watkins LLP

EXHIBIT 2:

Review of FERC filings of comparable LNG Terminals with Confidentiality Designations

Filed	Date:	01/02	2/2024
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LNG Terminals	Are weekly, bi-weekly, monthly, and/or semi-annual reports being filed confidential?	Are implementation plan filings involving commissioning being filed confidential?	Are responses to data requests and site inspection letters involving equipment and operations being filed confidential?	Are requests to place liquefaction facilities in service being filed confidential?
Freeport LNG (Trains 1-3) Docket Nos. CP12-509 & CP12-29	 Yes Daily Operational Report (20231122-5107) Weekly Inspection Report (20231120-5145) Monthly Report (20231108- 5029) Semi-Annual Report (20230814-5260) 	 Yes Supp Data re Commissioning Conditions (20191217-5167) Supp Data re Commissioning Conditions (20191121-5079) Supp Data re Commissioning Conditions (20190206-5152) Supp Data re Commissioning Conditions (20180809-5086) 	 Yes Supp Data re Annual Post-Authorization Review (20230728-5206) Response to Engineering Data Requests (20221215-5180) Response to Engineering Data Requests (20230807-5125) Supp Data re Phase II PSSR Checklist (20230828-5272) 	Yes Request to Place Train 3 In-Service (20200423-5169) Request to Place Train 2 In-Service (20200113-5194) Request to Place Train 1 In-Service (20191119-5144)
Cameron LNG (Trains 1-3) Docket No. CP13-25	 Yes Weekly Commissioning Report (20200729-5097) Monthly Report (20200211- 5085) (partially PRIV) Semi-Annual Report (20230811-5129) (Monthly Construction Reports are partially confidential at times) 	 Yes Request to Commission the Feed Gas (20200604-5139) Request to Commission the LNG & MR Liquid Hydraulic Turbines (20200528-5044) Request to Commission Defrost Gas Intro (20200501-5301) Request to Commission Hydraulic Turbines (20200429-5119) 	 Yes Response to Annual Post-Inspection Recommendation (20230901-5091) Response to Engineering Data Request (20220701-5145) Response to Documentation re Equipment (20220307-5018) Response to FERC Staff Data Request (20200617-5169) 	 Yes Request to Place Train 3 In-Service (20200715-5154) Request to Place Train 2 In-Service (20200210-5122) Request to Place Train 1 In-Service (20190722-5116)
Port Arthur LNG (Trains 1-2) Docket No. CP17-20	 Monthly reports are partially confidential at times. See below. Monthly Status Report (20231207-5206) Monthly Status Report (20231109-5215) No weekly or semi-annual reports filed yet. 	 Yes Implementation Plan No. 50 re Structure Steel (20231128-5052) Implementation Plan No. 44 re Pile Documents (20231113-5137) Implementation Plan No. 28 re List of Codes and Standards (20230818-5196) 	 Yes Response to FERC Data Request (20231206- 5177) Response for Additional Information of FERC Staff (20230829-5034) Response to FERC Engineering Data Request (20221118-5250) 	
Golden Pass LNG (Trains 1-3) Docket Nos. CP14-517 & CP20-459	 Yes (monthly reports are partially confidential at times; bi-weekly reports are confidential) Bi-Weekly Terminal Status Report (20231211-5074) Monthly Project Status Report (20220506-5035) No weekly or semi-annual reports filed yet. 	 Yes Implementation Plan No. 242 Commissioning and Startup of Nitrogen System (20230912-5038) Implementation Plan No. 244 re Inlet Facilities (20231127-5178) Implementation Plan No. 243 re Refrigeration System (20231005-5135) 	 Yes Response to FERC Data Request re IP Vol 242 (20231030-5230) Supp Response to FERC Data Request re Piping and Instrument Diagrams (20231025-5156) Response to several FERC data requests re construction of LNG plant (20230913-5099) 	

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