UNITED STATES OF AMERICA

BEFORE THE

FEDERAL ENERGY REGULATORY COMMISSION

CNG HOLDING 1 LLC Docket No. CP22-51

**Joint Protest of Public Citizen and Louisiana Bucket Brigade**

On February 11, 2022, CNG Holding 1 LLC paid $31,060 to file a Petition for Declaratory Order asking FERC to determine that its planned natural gas export facility in Plaquemines, Louisiana is not subject to the Commission’s jurisdiction.

The Commission should reject the petition, as CNG Holding’s proposed natural gas export facility is clearly Commission jurisdictional.

**Motion To Intervene of Louisiana Bucket Brigade**

The Louisiana Bucket Brigade is a 501(c)(3) environmental health and justice organization working with communities that neighbor the state’s oil refineries, chemical plants and fossil fuel infrastructure. We use grassroots action to create an informed, healthy society that holds the petrochemical industry and government accountable for the true costs of pollution. We have several hundred members in Louisiana. Additional details of our operations are found at our website.[[1]](#footnote-1)

Established in 1971, Public Citizen is a national, not-for-profit, non-partisan, research and advocacy organization representing the interests of household consumers. Public Citizen is active before FERC promoting just and reasonable rates, and supporting efforts for utilities to be accountable to the public interest. Financial details of our operations are available at our website.[[2]](#footnote-2) Public Citizen intervened on February 28, 2022.

**Protest**

CNG Holding has leased 50 acres within the Port of Plaquemines, Louisiana to offtake natural gas from a FERC-jurisdictional, interstate pipeline, compress the gas and load it onto International Organization for Standardization (ISO) containers, move them about 1,320 feet to a dock, where they will be loaded on ships for export out of the United States.[[3]](#footnote-3)

CNG Holding 1 LLC’s Petition provides sparse information about its upstream ownership, while its application with the U.S. Department of Energy for authorization to export natural gas offers just a modicum more.[[4]](#footnote-4) CNG Holding has a five-member Board of Managers, with Nearshore Natural Gas LLC controlling two votes, and HBG Investment LLC and Capital Ventures Worldwide S.A. each with one. The fifth seat is determined through mutual agreement of the four other Managers. The only human owner identified is Pedro Santos as controlling 43% of CNG Holding. The ownership structures of the three entities, as well as the identities of the five CNG Holding managers, remain unknown.

CNG Holding’s petition clearly states that it will construct and operate a facility that receives natural gas from an interstate, FERC-jurisdictional pipeline, compress that gas into ISO containers to be loaded on ships for export out of the United States. CNG Holding has applied for authorization from the U.S. Department of Energy to export that gas.

Section 3 of the Natural Gas Act states that “no person shall export any natural gas from the United States to a foreign country . . . without first having secured an order of the Commission authorizing it to do so”.[[5]](#footnote-5) Federal law defines *LNG terminal* as “all natural gas facilities located onshore or in State waters that are used to receive, unload, load, store, transport, gasify, liquefy, or process natural gas that is . . . exported to a foreign country from the United States”[[6]](#footnote-6), and further states that FERC “shall have the exclusive authority to approve or deny an application for the siting, construction, expansion, or operation of an LNG terminal”.[[7]](#footnote-7)

Section 7 of the Natural Gas Act states that “No natural-gas company or person which will be a natural-gas company upon completion of any proposed construction or extension shall engage in the transportation or sale of natural gas, subject to the jurisdiction of the Commission, or undertake the construction or extension of any facilities therefor, or acquire or operate any such facilities or extensions thereof, unless there is in force with respect to such natural-gas company a certificate of public convenience and necessity issued by the Commission authorizing such acts or operations.”[[8]](#footnote-8)

The plain reading of the statute provides the Commission jurisdiction over CNG Holding’s proposed export terminal. CNG Holding has made explicit in its application with the U.S. Department of Energy that its proposed facility in Plaquemines, Louisiana will export “0.14 billion cubic feet of natural gas per day (or approximately 53.14 trillion Btu per annum).”[[9]](#footnote-9)

Commission jurisdiction over this proposed facility is essential, in part, because it may serve as the only comprehensive environmental and environmental justice review for the proposed export terminal.

Prior Commission orders providing exemptive relief do not appear to apply to the specific circumstances as described by CNG Holding. CNG Holding’s proposed natural gas export terminal is serviced via a Commission-jurisdictional interstate pipeline, and the compressed gas will be directly loaded and moved to marine vessels for export out of the United States.

Regardless of whether any prior Commission orders granting exemptive relief could be construed to apply to CNG Holding, the dramatic rise of natural gas exports is upending domestic energy markets, necessitating Commission scrutiny over all relevant natural gas export terminals. Whereas the United States was a marginal gas exporter prior to 2015, today we are the largest natural gas exporting nation in the world. U.S. natural gas exports are now the third largest source of gas demand, behind only domestic consumption for electric power and industrial consumers. More natural gas is exported out of the U.S. today than is consumed domestically for the residential, commercial and vehicle fuel sectors combined.[[10]](#footnote-10) The Commission’s October 2021 *Winter Energy Market and Reliability Assessment* explicitly links these record natural gas exports with higher domestic gas prices.[[11]](#footnote-11)

The Commission must reject the petition, as exempting CNG Holding’s proposed export terminal from Commission jurisdiction will deprive residents of Plaquemines, Louisiana from protections afforded them under the Natural Gas Act, and will likely encourage similar loophole-driven export terminal proposals.

Respectfully submitted,

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1. https://labucketbrigade.org/ [↑](#footnote-ref-1)
2. www.citizen.org/about/annual-report/ [↑](#footnote-ref-2)
3. CNG Holding *Petition*. The petition has no page numbers. [↑](#footnote-ref-3)
4. FE Docket No. 22-13-CNG, February 11, 2022. [↑](#footnote-ref-4)
5. 15 USC § 717b(a). [↑](#footnote-ref-5)
6. 15 USC § 717a(11). [↑](#footnote-ref-6)
7. 15 USC § 717b(e)(1). [↑](#footnote-ref-7)
8. 15 USC § 717f(c)(1)(A). [↑](#footnote-ref-8)
9. FE Docket No. 22-13-CNG, February 11, 2022. [↑](#footnote-ref-9)
10. www.eia.gov/naturalgas/ [↑](#footnote-ref-10)
11. At page 11, www.ferc.gov/media/winter-energy-market-and-reliability-assessment-2021-2022-report [↑](#footnote-ref-11)