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**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In The Matter Of:

Corpus Christi Liquefaction Stage III, LLC

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)

FE Docket No. 18-78-LNG

**APPLICATION FOR LONG-TERM AUTHORIZATION TO EXPORT LIQUEFIED
NATURAL GAS TO FREE TRADE AGREEMENT NATIONS AND
NON-FREE TRADE AGREEMENT NATIONS**

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Pursuant to Section 3 of the Natural Gas Act (“NGA”)¹ and Part 590 of the United States (“U.S.”) Department of Energy’s (“DOE”) regulations,² Corpus Christi Liquefaction Stage III, LLC (“CCL Stage III”) hereby requests that DOE, Office of Fossil Energy (“DOE/FE”) grant long-term, multi-contract authorization for CCL Stage III to engage in exports of domestically produced liquefied natural gas (“LNG”) in an amount up to 11.45 million metric tonnes per annum (“MTPA”)³ from proposed natural gas liquefaction and export facilities (“Stage 3 LNG Facilities”)⁴ associated with the Stage 3 Project⁵ at the existing Corpus Christi LNG Terminal⁶ in

¹ 15 U.S.C. § 717b (2012).

² 10 C.F.R. Part 590 (2017).

³ An amount equivalent to up to 582.14 billion cubic feet (“Bcf”) per year (“Bcf/y”) (or approximately, on average, 1.59 Bcf per day (“Bcf/d”) of natural gas).

⁴ The Stage 3 LNG Facilities consist of the addition of seven midscale liquefaction trains and one LNG storage tank and are proposed as an expansion of the Corpus Christi Liquefaction Project approved by the Federal Energy Regulatory Commission (“FERC” or “Commission”) in FERC Docket No. CP12-507-000, which is currently under construction (the “Liquefaction Project”). FERC previously authorized the siting, construction and operation of the Liquefaction Project. *See Corpus Christi Liquefaction, LLC & Cheniere Corpus Christi Pipeline, L.P.*, 149 FERC ¶ 61,283 (Dec. 30, 2014), *reh’g denied*, 151 FERC ¶ 61,098 May 6, 2015).

⁵ The Stage 3 Project means the Stage 3 LNG Facilities, together with the Stage 3 Pipeline, which is being developed by Cheniere Corpus Christi Pipeline, L.P. (“CCPL”).

⁶ DOE/FE previously authorized the export of up to 767 Bcf per year of LNG by Corpus Christi Liquefaction, LLC (“CCL”) and Cheniere Marketing, LLC (both affiliates of CCL Stage III) from the Liquefaction Project at the Corpus Christi LNG Terminal. *See Cheniere Marketing, LLC, Order Granting Long-Term Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Corpus Christi Liquefaction Project to Free Trade Agreement Nations*, DOE/FE Order No. 3164, FE Docket No. 12-99-LNG (Oct. 16, 2012); *Cheniere Marketing, LLC, Order Amending Application in Docket No. 12-97-LNG to Add Corpus Christi*

San Patricio and Nueces Counties, Texas. CCL Stage III requests such authorization, on its own behalf and as agent for other entities who themselves hold title to the LNG at the point of export, to export LNG (i) to free trade agreement (“FTA”) Nations for a 25-year term and (ii) to any country that lacks an FTA with the U.S. requiring national treatment for trade in natural gas but with which trade is not prohibited by U.S. law or policy and that has, or in the future develops, the capacity to import LNG (“Non-FTA Nations”) for a 20-year term, each commencing on the earlier of the date of first commercial export of LNG produced by the Stage 3 LNG Facilities or seven years from the issuance of the authorization sought herein.

In support of this request (“Application”), CCL Stage III provides as follows:

**I.
DESCRIPTION OF APPLICANT**

The exact legal name of CCL Stage III is Corpus Christi Liquefaction Stage III, LLC. CCL Stage III is a Delaware limited liability company with a primary place of business located at 700 Milam Street, Suite 1900, Houston TX 77002. CCL Stage III is registered to do business in the State of Texas, and is a wholly owned subsidiary of Cheniere Energy, Inc. (“Cheniere”).

Cheniere is a publicly traded energy company listed on the New York Stock Exchange (NYSE MKT: LNG), which develops and operates LNG terminals and natural gas pipelines on the Gulf Coast, including the Liquefaction Project. Cheniere also is headquartered at 700 Milam Street, Suite 1900, Houston TX 77002 and is registered to do business in the State of Texas.

Liquefaction, LLC as Applicant, and Granting Request in DOE/FE Order No. 3164, Docket No. 12-99-LNG to Add Corpus Christi Liquefaction, LLC as Authorization Holder, DOE/FE Order Nos. 3538 and 3164-A, FE Docket Nos. 12-97-LNG and 12-99-LNG (Oct. 29, 2014); Cheniere Marketing, LLC & Corpus Christi Liquefaction, LLC, Final Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Corpus Christi Liquefaction Project to Be Located in Corpus Christi, Texas to Non-Free Trade Agreement Nations, DOE/FE Order No. 3638, FE Docket No. 12-97-LNG (May 12, 2015) [hereinafter May 2015 Non-FTA Order].

II. COMMUNICATIONS AND CORRESPONDENCE

All correspondence and communications concerning this Application, including all service of pleadings and notices, should be directed to the following persons:⁷

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Taylor Johnson
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III. BACKGROUND

On June 28, 2018, CCL, CCL Stage III and CCPL filed an application (“Stage 3 FERC Application”) with the Commission for the Stage 3 Project in Docket Nos. CP18-512-000 and CP18-513-000.⁸ FERC Staff has indicated that it will prepare an Environmental Assessment (“EA”) for the Stage 3 Project.⁹

As noted above, DOE/FE has previously approved the export of domestically produced LNG to both FTA and Non-FTA Nations from the Liquefaction Project in a volume equivalent to approximately 767 Bcf/y of natural gas.¹⁰ Additionally, CCL filed an application with DOE/FE

⁷ CCL Stage III requests waiver of Section 590.202(a) of DOE’s regulations, to the extent necessary to include outside counsel on the official service list in this proceeding. 10 C.F.R. § 590.202(a).

⁸ *Corpus Christi Liquefaction Stage III, LLC et al.*, Application for Authorizations under the Natural Gas Act, FERC Docket Nos. CP18-512-000 and CP18-513-000 (June 28, 2018).

⁹ *Corpus Christi Liquefaction, LLC & Cheniere Corpus Christi Pipeline, L.P.*, Notice of Intent to Prepare an Environmental Assessment for the Planned Stage 3 Project, and Request for Comments on Environmental Issues, FERC Docket No. PF15-26-000 (August 17, 2015). The Notice reflects the Stage 3 Project as originally proposed, however, FERC has not issued a supplemental notice nor has it indicated a change in its plan to prepare an EA.

¹⁰ *See supra* note 6.

on June 1, 2015, in FE Docket No. 15-97-LNG, requesting export authorizations to both FTA Nations and Non-FTA Nations based on an earlier iteration of the Stage 3 Project (“2015 DOE Application”). Order No. 3699 granted the first part of that request.¹¹ Due to revisions to the Stage 3 Project to align with current market conditions, and the filing of this application, CCL is concurrently filing a request with DOE/FE to vacate Order No. 3699 and withdraw the pending portion of the 2015 DOE Application.

IV. STAGE 3 PROJECT DESCRIPTION

As currently proposed, the Stage 3 LNG Facilities will include seven midscale liquefaction trains, an LNG storage tank and associated appurtenant facilities. The seven midscale liquefaction trains will each have a Nameplate Capacity¹² of 1.36 MTPA, and a maximum capacity of approximately 1.64 MTPA. Each liquefaction train will consist of two liquefaction units with a Nameplate Capacity of 0.681 MTPA and a maximum capacity of approximately 0.82 MTPA. The Stage 3 Project will have the capacity to produce up to approximately 11.45 MTPA of LNG for export.

V. AUTHORIZATION REQUESTED

CCL Stage III hereby respectfully requests authorization to export up to 11.45 MTPA (equivalent to approximately 582.14 Bcf/y of natural gas) to (i) FTA Nations for a 25-year term and (ii) Non-FTA Nations for a 20-year term, each commencing on the earlier of the date of first

¹¹ *Corpus Christi Liquefaction, LLC, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Corpus Christi LNG Terminal in San Patricio and Nueces Counties, Texas, to Free Trade Agreement Nations*, DOE/FE Order No. 3699, FE Docket No. 15-97-LNG (August 27, 2015).

¹² “Nameplate Capacity” is a rating that conservatively accounts for fuel, planned and unplanned shutdowns, production variations due to temperature and other conditions, LNG composition changes, boil-off, equipment aging, shipping constraints, and other factors.

commercial export of LNG produced by the Stage 3 LNG Facilities or seven years from the issuance of the authorization sought herein. CCL Stage III further requests that it be permitted to continue exporting for a total of three years following the end of each export term requested herein, solely to export any Make-up Volumes¹³ that it was unable to export during the original export period.

CCL Stage III requests authorization to engage in exports to FTA and Non-FTA Nations, both on its own behalf and as agent for other parties who will hold title to the LNG at the time of export. CCL Stage III will comply with all DOE/FE requirements for exporters and agents, including the registration requirements as first established in DOE/FE Order No. 2913.¹⁴

Finally, CCL Stage III also intends at a future date to request authorization to apply for short-term blanket authorization to export Commissioning Volumes¹⁵ prior to the commencement of the first commercial exports of domestically sourced LNG from the Stage 3 Project, and will request that such Commissioning Volumes not be counted against the maximum level of volumes requested for export herein.

VI. COMMERCIAL TERMS AND EXPORT SOURCES

CCL Stage III has not yet entered into any natural gas supply or LNG export contracts in conjunction with the authorization requested herein. Accordingly, CCL Stage III is not submitting

¹³ Make-up volumes are defined as the difference between the authorized LNG export volume and the actual LNG export volume during the export term authorized by DOE/FE.

¹⁴ *Freeport LNG Expansion, L.P. and FLNG Liquefaction, LLC*, Order Granting Long-Term Authorization to Export Liquefied Natural Gas from Freeport LNG Terminal to Free Trade Nations, DOE/FE Order No. 2913, FE Docket No. 10-160-LNG, at 9-10 (Feb. 10, 2011).

¹⁵ Commissioning Volumes are the volume of LNG produced and exported under a short-term authorization during the initial start-up of an LNG train, before the LNG train has reached its full steady-state capacity and begun its commercial exports pursuant to long-term contracts.

transaction-specific information (e.g., long-term supply agreements and long-term export agreements) at this time, and requests that DOE/FE make a similar finding to that in the *May 2015 Non-FTA Order* with regard to the transaction-specific information requested in Section 590.202(b) of DOE's regulations.¹⁶

CCL Stage III will file—or cause to be filed—either unredacted contracts, or long-term contracts under seal, with either: (i) a copy of each long-term contract with commercially sensitive information redacted, or (ii) a summary of all major provisions of the contracts including, but not limited to, the parties to each contract, contract term, quantity, any take-or-pay or equivalent provisions/conditions, destinations, re-sale provisions, and other relevant provisions.

VII. APPLICABLE LEGAL STANDARD

The instant Application must be reviewed under Section 3 of the NGA. With respect to CCL Stage III's request for authorization to engage in exports to FTA Nations, Subsection 3(c) of the NGA states, in relevant part:

For the purposes of subsection (a), ... the exportation of natural gas to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas shall be deemed to be consistent with the public interest, and applications for such ... exportation shall be granted without modification or delay.¹⁷

Thus, CCL Stage III need not provide any additional support to DOE/FE for its request to engage in exports to FTA Nations.

Although the same statutory mandate does not apply to exports to Non-FTA Nations, Section 3(a) of the NGA, nevertheless, does create a presumption in favor of approval of such

¹⁶ 10 C.F.R. § 590.202(b).

¹⁷ 15 U.S.C. § 717b(c).

exports. In particular, Section 3(a) of the NGA provides that, unless there is a finding that proposed exports “will not be consistent with the public interest,”¹⁸ DOE/FE must authorize such exports. Pursuant to the forgoing, and as discussed below, the authorizations requested herein should be granted pursuant to Section 3 of the NGA.

VIII. PUBLIC INTEREST

LNG Exports from the Corpus Christi LNG Terminal Were Previously Approved by DOE/FE

DOE/FE has previously concluded that LNG exports from the Corpus Christi LNG Terminal to Non-FTA Nations are not inconsistent with the public interest.¹⁹ In the *May 2015 Non-FTA Order*, DOE/FE found that “the [U.S.] will experience net economic benefits from issuance of authorizations to export domestically produced LNG” and observed that “authorizing U.S. exports may advance the public interest for reasons distinct from and additional to the economic benefits identified in [its] LNG Export Study.”²⁰ Furthermore, while DOE/FE has also recounted arguments raised by opponents to the Liquefaction Project and LNG exports generally, it has expressly discounted or rejected such arguments for a variety of reasons. CCL Stage III herein asserts that the types of benefits previously cited for the Liquefaction Project, including those detailed in Appendix C hereto, are equally applicable to the Stage 3 Project.

Current Circumstances and Expectations Support Additional U.S. LNG Exports

The proposed LNG exports from the Stage 3 Project are not inconsistent with the public interest. As detailed below, several factors favor the proposed exports, including: (1) U.S.

¹⁸ *Id.* § 717b(a).

¹⁹ *May 2015 Non-FTA Order*.

²⁰ *Id.* at 190-191.

domestic natural gas supply growth outpacing growth in domestic demand, (2) depressed natural gas prices, and (3) potential supplies far exceeding market need.

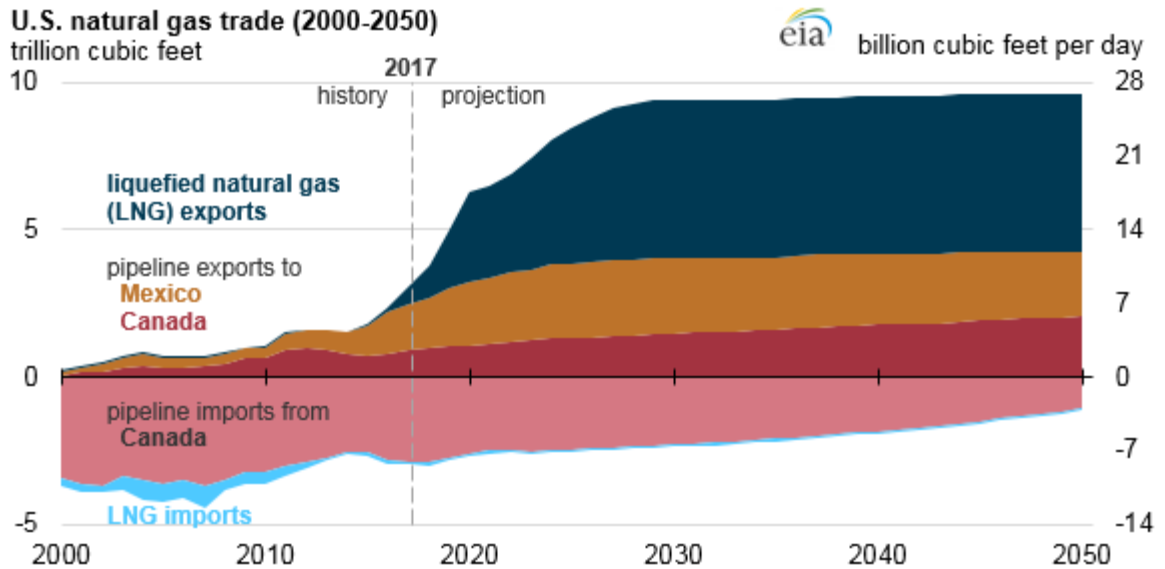
With regard to item 1 (U.S. domestic natural gas supply growth outpacing growth in domestic demand), the U.S. Energy Information Administration’s (“EIA”) Annual Energy Outlook 2018 (“AEO 2018”) “projects that U.S. dry natural gas production will increase through 2050 across a wide variety of alternative assumptions about the future.”²¹ On the consumption side, EIA “expects natural gas consumption in the residential and commercial sectors to remain relatively flat, despite growth in population, because of efficiency gains in natural gas-consuming equipment such as furnaces, boilers, and water heaters.”²² Overall, consumption is expected to increase as a result of demand from the industrial and electric power sectors.²³ This signals that future natural gas supplies, even with exports, will be available at sufficiently low cost to continue to support domestic growth in these sectors. As the below EIA graphic²⁴ depicts, this will be accomplished in concert with decreasing natural gas imports to the U.S. and increasing natural gas exports, confirming the ability of U.S. natural gas producers to keep pace with domestic supply needs over an extended period of time even in the face of increasing exports.

²¹ EIA, Today in Energy (April 16, 2018), available at: <https://www.eia.gov/todayinenergy/detail.php?id=35792>.

²² *Id.*

²³ *Id.*

²⁴ *Id.*

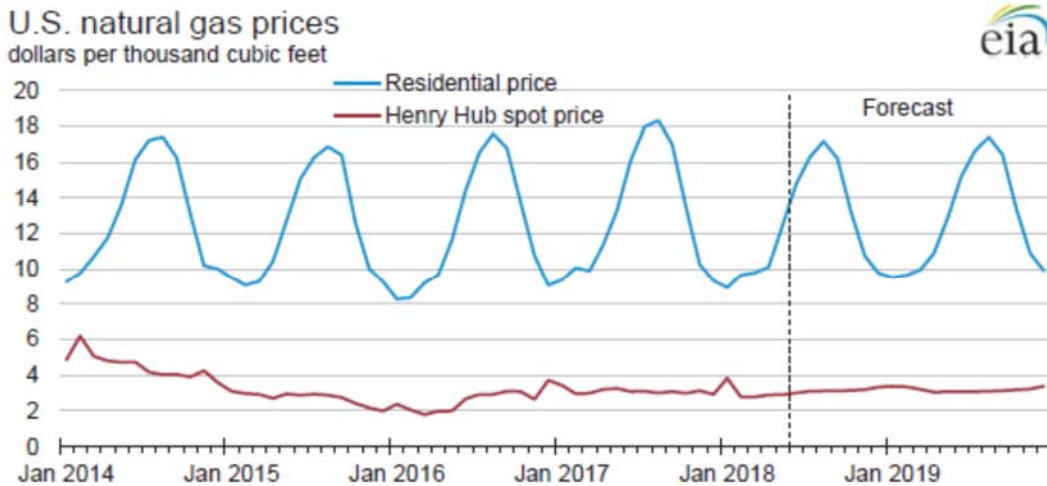


With regard to item 2 (depressed natural gas prices), U.S. natural gas prices are essentially unchanged from the start of 2015 and projected to remain flat in the short term as shown by the following EIA graphic.²⁵ Further, over the long-term, natural gas prices are projected to increase at about 0.9% per year (in 2017 dollars) through 2050,²⁶ and AEO 2018 Reference case prices for natural gas are actually 14% lower on average through 2050 compared to the Annual Energy Outlook 2017 Reference case prices.²⁷

²⁵ EIA, *Short-Term Energy Outlook* (June 2018), available at: https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf. Similarly, a recent study completed by ICF International Inc. for the American Petroleum Institute found that “[c]urrent expectations for cheaper and more price-responsive natural gas mean that higher levels of U.S. LNG exports can be accommodated with much lower price increases” than previously expected, suggesting that economic impacts from LNG exports will likely be positive and substantial. ICF, *Impact of LNG Exports on the U.S. Economy: A Brief Update* (Sept. 2017) available at <http://www.api.org/~media/Files/Policy/LNG-Exports/API-LNG-Update-Report-20171003.pdf>.

²⁶ EIA, *Annual Energy Outlook 2018*, Table: Energy Prices by Sector and Source, available at: <https://www.eia.gov/outlooks/aeo/data/browser/#/?id=3-AEO2018&cases=ref2018&sourcekey=0>.

²⁷ EIA, *Annual Energy Outlook 2018 With Projections to 2050*, at 64 (Feb. 6, 2018), available at: <https://www.eia.gov/outlooks/aeo/pdf/AEO2018.pdf>.



Source: Short-Term Energy Outlook, June 2018, and Thomson Reuters.

With regard to item 3 (potential supplies far exceeding market need), proved reserves of dry natural gas increased from 307,730 Bcf to 322,234 Bcf between December 31, 2015 and December 31, 2016,²⁸ confirming that the U.S. continues to have plentiful economically producible natural gas available to support its own needs as well as the needs of its trading partners.

The most recent EIA projections confirm the adequacy of domestic natural gas supplies to meet demand for both domestic use and LNG exports. Specifically, the EIA’s June 2018 Short-Term Energy Outlook forecasts that “dry natural gas production will average 81.2 Bcf/d in 2018, establishing a new record” and will “will rise again in 2019 to 83.8 Bcf/d.”²⁹ Similarly, the AEO 2018 indicates that this trend will continue into the foreseeable future. The AEO 2018 states that in the reference case, “natural gas accounts for the largest share of total energy production” accounting for “nearly 39% of U.S. energy production by 2050.”³⁰

²⁸ EIA, *Dry Natural Gas Proved Reserves* (last updated February 13, 2018), available at: https://www.eia.gov/dnav/ng/ng_enr_dry_dcu_NUS_a.htm.

²⁹ EIA, *Short-Term Energy Outlook (STEO)* (June 12, 2018), available at: https://www.eia.gov/outlooks/steo/pdf/steo_full.pdf.

³⁰ EIA, *Annual Energy Outlook 2018 With Projections to 2050*, at 20 (Feb. 6, 2018), available at: <https://www.eia.gov/outlooks/aeo/pdf/AEO2018.pdf>.

Additional U.S. LNG Exports Benefit the U.S. Economy

The EIA has concluded that “[i]ncreasing LNG exports leads to higher economic output, as measured by real gross domestic product (GDP), as increased energy production spurs investment.”³¹ Similarly, studies conducted by and for DOE over the last few years clearly support the position that LNG exports benefit the U.S. economy.

Similarly, a joint study by the Center for Energy Studies at Rice University’s Baker Institute and Oxford Economics (“Rice-Oxford Study”), reviewed U.S. exports of LNG ranging from 12 to 20 Bcf/d of natural gas.³² The Rice-Oxford Study, similar to previous DOE commissioned studies, found that greater LNG exports would result in an increase in GDP and higher levels of employment.³³

Most recently, NERA Economic Consulting conducted a macroeconomic study of U.S. LNG Exports for DOE (“2018 NERA Study”).³⁴ The 2018 NERA Study analyzed “the robustness of unlimited market level determined LNG exports by examining different scenarios that reflect a wide range of natural gas market conditions, where robustness is measured using key macroeconomic metrics such as GDP, aggregate household income, and consumer welfare.”³⁵ The study found that “[t]hroughout the entire range of scenarios...overall U.S. economic output is

³¹ EIA, *Effect of Increased Levels of Liquefied Natural Gas Exports on U.S. Energy Markets*, at 24 (October 2014), available at: <https://www.eia.gov/analysis/requests/fe/pdf/lng.pdf>.

³² Adrian Cooper et al., *The Macro Economic Impacts of Increasing U.S. LNG Exports*, Center for Energy Studies, Baker Institute, Rice University & Oxford Economics (Oct. 29, 2015), available at: https://energy.gov/sites/prod/files/2015/12/f27/20151113_macro_impact_of_lng_exports_0.pdf.

³³ *Golden Pass Products LLC, Opinion and Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Golden Pass LNG Terminal Located in Jefferson County, Texas, to Non-Free Trade Agreement Nations*, DOE/FE Order No. 3978, at 76-77, FE Docket No. 12-156-LNG (Apr. 25, 2017).

³⁴ NERA Economic Consulting, *Macroeconomic Outcomes of Market Determined Levels of U.S. LNG Exports* (June 7, 2018).

³⁵ *Id.* at 13.

higher whenever global markets call for higher levels of LNG exports, assuming that exports are allowed to be determined by market demand.”³⁶

Current Administration Policy Supports Additional U.S. LNG Exports

The timely authorization of the exports proposed herein is consistent with the energy and trade policies of the current administration. President Trump has noted that “it is the policy of the executive branch to streamline and expedite, in a manner consistent with law...approvals for all infrastructure projects.”³⁷ Moreover, Energy Secretary Rick Perry has confirmed that it is the clear intent of the administration to promote policies that allow “America to achieve energy dominance by utilizing our abundant resources for good, both here and abroad...an energy-dominant America will export to markets around the world, increasing our global leadership and our influence.”³⁸ Furthermore, in noting that the U.S. has recently become a net exporter of LNG, Secretary Perry has confirmed that one of the “most important exports in the coming years will be energy.”³⁹

IX. ENVIRONMENTAL CONSIDERATIONS

As the lead agency under the National Environmental Policy Act (“NEPA”), FERC will review any potential environmental impacts of the Stage 3 LNG Facilities in an EA, in accordance with the Energy Policy Act of 2005 and the NGA.⁴⁰ In this regard, DOE/FE is anticipated to

³⁶ *Id.* at 14.

³⁷ Expediting Environmental Reviews and Approvals for High Priority Infrastructure Projects, Exec. Order No. 13,766, 82 Fed. Reg. 8657 (Jan 24, 2017).

³⁸ White House, Office of the Press Secretary, Press Briefing by Secretary of Energy Rick Perry and Principal Deputy Press Secretary Sarah Sanders (June 27, 2017), available at: <https://www.whitehouse.gov/briefings-statements/press-briefing-secretary-energy-rick-perry-principal-deputy-press-secretary-sarah-sanders-062717/>.

³⁹ Rick Perry, Rising LNG exports a sign Trump administration's infrastructure policies are paying off: Rick Perry (Opinion) (March 29, 2018), available at https://www.cleveland.com/opinion/index.ssf/2018/03/rise_in_lng_exports_a_sign_tru.html.

⁴⁰ 15 U.S.C. § 717b(e); *id.* § 717n(b)(1).

participate as a cooperating agency in FERC’s environmental review process for the Stage 3 Project. Under DOE/FE regulations adopted from the Council on Environmental Quality that govern its role as a cooperating agency in the NEPA process,⁴¹ “...DOE shall cooperate with the other agencies in developing environmental information...”⁴² and adopt the findings of FERC’s environmental review to the extent that the Commission satisfactorily addresses comments and suggestions raised by DOE/FE during the process.⁴³ CCL Stage III believes that this approach is sufficient to comply with NEPA.⁴⁴

The Stage 3 Project will utilize previously disturbed land and complementary facilities of the Liquefaction Project to facilitate the export of LNG. This will result in far less environmental impact than if the Stage 3 LNG Facilities were developed at an independent greenfield site. As demonstrated by the Environmental Report submitted with the Stage 3 FERC Application as Exhibit F/F-I, the environmental impacts of the Stage 3 Project will be minimal, and any potential adverse impacts will be avoided or adequately mitigated. For example, no additional marine facilities will be required for the Stage 3 Project and approximately 99 percent of the land necessary for construction and operation of the Stage 3 LNG Facilities was previously permitted for impacts associated with construction and operation of the Liquefaction Project.

For the foregoing reasons, CCL Stage III respectfully submits that the LNG exports proposed herein are not inconsistent with, and clearly serve, the public interest.

⁴¹ 10 C.F.R. § 1021.103 (2017).

⁴² *See id.* § 1021.342; *see also* 40 C.F.R. §§ 1501.6, 1508.5 (requiring that Federal agencies responsible for preparing NEPA analyses and documentation do so in cooperation with State and local governments and other agencies with jurisdiction, and providing that—upon request of the lead agency—any other Federal agency which has jurisdiction by law shall be a cooperating agency).

⁴³ *See* 40 C.F.R. § 1506.3 (2017).

⁴⁴ 42 U.S.C. §§ 4321 *et seq.* (2012).

**X.
APPENDICES**

Appendix A: Verification

Appendix B: Opinion of Counsel

Appendix C: Project Benefits

**XI.
CONCLUSION**

WHEREFORE, CCL Stage III respectfully requests that DOE/FE grant the Application, as described herein, as expeditiously as possible, but in no case later than June 28, 2019.

Respectfully submitted,

/s/Lisa M. Tonery _____

Lisa M. Tonery

Mariah T. Johnston

Attorneys for

Corpus Christi Liquefaction Stage III, LLC

Dated: June 29, 2018

APPENDIX A

VERIFICATION

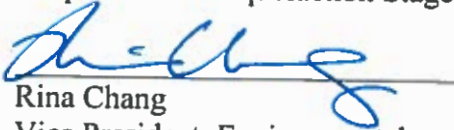
VERIFICATION

State of _____)

County of _____)

BEFORE ME, the undersigned authority, on this day personally appeared Rina Chang, who, having been by me first duly sworn, on oath says that she is Vice President, Environmental, for Corpus Christi Liquefaction Stage III, LLC and is duly authorized to make this Verification; that she has read the foregoing instrument and that the facts therein stated are true and correct to the best of her knowledge, information and belief.

Corpus Christi Liquefaction Stage III, LLC



Rina Chang
Vice President, Environmental

SWORN TO AND SUBSCRIBED before me on the 28 day of June, 2018.





Name: Candice Rutland

Title: Notary Public

My Commission expires: February 20, 2021

APPENDIX B

OPINION OF COUNSEL



June 28, 2018

Office for Oil and Gas Global Security and Supply
U.S. Department of Energy, Office of Fossil Energy
FE-34
1000 Independence Avenue, S.W.
Washington, D.C. 20585

**RE: Corpus Christi Liquefaction Stage III, LLC
DOE/FE Docket No. 18-___-LNG
Application for Long-Term Authorization to Export LNG**

Dear Sir or Madam:

This opinion of counsel is provided in accordance with the requirements of section 590.202(c) of the U.S. Department of Energy's regulations, 10 C.F.R. § 590.202(c) (2017). I have examined the Limited Liability Company Agreement of Corpus Christi Liquefaction Stage III, LLC ("CCL Stage III") and other authorities as necessary, and have concluded that the proposed exportation of liquefied natural gas is within CCL Stage III's corporate powers.

Respectfully submitted,

A handwritten signature in blue ink that reads "Sean Bunk". The signature is written in a cursive style and is positioned above a horizontal line.

By: Sean Bunk
Assistant Secretary
Corpus Christi Liquefaction Stage III, LLC
700 Milam Street, Suite 1900
Houston, TX 77002
Phone: (713) 375-5000
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APPENDIX C

PROJECT BENEFITS

Further Considerations of the Impact to the Public Interest

1. *Benefits to Local, Regional and National Economies*

The construction and operation of the Stage 3 Project will stimulate the local, regional, and national economies through job creation, increased economic activity and higher tax revenues. Much of the technology, equipment, and material needed to construct the Stage 3 Project will be obtained from U.S. sources. Moreover, the Project will have a profound multiplier effect due to the wages, taxes and lease payments involved in the natural gas supply chain.

a. *Direct Economic Benefits*

The Stage 3 Project will provide a significant source of employment, economic activity and tax revenues to the regional and national economies. Direct spending by CCL, CCL Stage III and CCPL during the construction phase of the Stage 3 Project is expected to average between \$20.6 million and \$27.8 million per month over four years, from 2020 to 2023. Total spending (including direct, indirect and induced spending) resulting from construction of the Stage 3 Project is forecast to average between \$76.5 million and \$103.3 million over this same period. Most of the construction workforce will come directly from the surrounding community in Corpus Christi and South Texas, creating a direct stimulus to local economic activity, employment and municipal revenues.¹ It is projected that the Stage 3 Project will provide employment for 1,200 workers at peak construction and 246 workers during operations.

¹ The regional impacts were originally measured by the 2015 Perryman Report for the Corpus Christi Metropolitan Statistical Area in South Texas, which includes Nueces, San Patricio and Aransas counties. All economic impacts have been updated by the Perryman Group to reflect current expectations for direct spending and employment for the Stage 3 Project. All dollar amounts are given in constant (2018) dollars.

Construction and operation of the proposed Project would generate economic benefits in local communities through direct expenditures for materials and services in the local area, and new payroll income. A large share of the materials and equipment used in the construction of the Stage 3 Project will be sourced from domestic vendors and manufacturers located across the United States, creating broad impacts associated with project construction. Total material purchases are expected to be approximately \$1.0 billion, of which approximately \$360 million to \$480 million (36 percent to 48 percent) would be made locally (within San Patricio and Nueces counties). The Stage 3 Project would have an estimated total construction payroll of \$1.2 billion to \$1.3 billion over the 40-month construction period.

Project expenditures would also generate substantial sales and use tax revenues during construction and operation. Expenditures by construction, operation and maintenance staff would also generate sales and use tax revenues. Specifically, construction and operation of the Stage 3 Project should result in increased tax revenues for the State of Texas, San Patricio and Nueces counties, Gregory-Portland Independent School District (“ISD”), Taft ISD, and Sinton ISD. The list of applicable state and local taxes includes, but is not limited to, the Texas franchise tax, Texas sales and use tax, local sales and use tax, local property taxes, and port fees. In addition, once in-service, the Stage 3 Project would generate annual ad valorem or property tax revenues.

i. *Direct Regional Benefits*

Construction of the Stage 3 Project and other pre-operational activity over four years is anticipated to contribute a cumulative impact between an estimated \$520.01 million and \$702.01 million in gross product to the Corpus Christi metropolitan region, and will generate between \$24.61 million and \$33.23 million in fiscal benefits to local governments in the region.²

² All figures assume a construction period of 4 years.

Construction and pre-operation activities are forecast to create between 1,569 and 2,118 direct construction jobs (person-years), equivalent to 6,132 to 8,278 person-years of employment across all industries including multiplier effects, and provide between \$361.97 million and \$488.66 million in personal income to regional workers over the duration of construction.

Following construction, the operation of the Stage 3 Project will provide a stable source of employment, economic stimulus and tax contributions over the long term in the Corpus Christi metropolitan region. Given the large skilled workforce in South Texas, a permanent workforce is expected to be predominantly found within the surrounding area. The projected annual impacts to the Corpus Christi metropolitan region resulting from operations of the Stage 3 Project include 3,212 permanent jobs, \$213.18 million in personal income and \$375.49 million in gross product. Over 25 years of operation, the Stage 3 Project is projected to contribute a cumulative 80,296 person-years of employment, \$5.336 billion in personal income, and \$9.394 billion in gross product in southeastern Texas.

ii. *Direct State Benefits*

Construction and pre-operation activities will increase estimated gross product in the State of Texas between \$1.24 billion and \$1.68 billion, and will generate between \$65.68 million and \$88.66 million in state taxes. Construction and pre-operation activities will create between 3,475 and 4,692 direct construction jobs (person-years), equivalent to between 14,778 and 19,951 person-years of employment across all industries including multiplier effects, and provide between \$844.97 million and \$1.14 billion in personal income to workers within the state.

The operation of the Stage 3 Project will provide stable employment and tax revenues to the state economy over the long term. The projected annual impacts to the State of Texas resulting from operations of the Stage 3 Project include 3,986 permanent jobs, \$271.93 million in personal

income, and \$482.38 million in gross product. Over 25 years of operation, the Stage 3 Project is forecast to contribute a cumulative 99,659 person-years of employment, \$6.80 billion in personal income, and \$12.06 billion in gross product to the State of Texas.

iii. *Direct National Benefits*

The construction and long-term operation of the Stage 3 Project is projected to generate significant short- and long-term benefits for the United States. Activities associated with construction and pre-operation of the Stage 3 Project are projected to increase gross product between \$1.90 billion and \$2.56 billion, to generate between \$284.99 million and \$384.73 million in federal tax revenues, and to create an additional \$29.69 million to \$40.08 million in fiscal revenues to states other than Texas. Construction and pre-operation activities are expected to create between 4,614 and 6,229 nationwide direct construction jobs (person-years), equivalent to 21,537-28,691 person-years of employment across all industries including multiplier effects, and contribute between \$1.212 billion and \$1.637 billion in personal income to workers across the nation.

The long-term operation of the Stage 3 Project will provide stable employment and taxes that benefit the nation. The projected annual impacts to the overall U.S. economy resulting from operations of the Stage 3 Project include 4,496 permanent jobs, \$316.38 million in personal income, \$568.46 million in gross product, and \$85.27 million in federal annual tax contributions. Over 25 years of operation, the Stage 3 Project is projected to contribute to the U.S. economy an estimated 112,388 person-years of employment, \$7.92 billion in personal income, \$14.21 billion in gross product and \$2.13 billion in federal tax revenues.

b. *Indirect Economic Benefits*

Indirect impacts are generated by expenditures on goods and services by new or existing businesses and organizations such as construction companies, parts and equipment suppliers, and other businesses that supply goods and services to the Project during construction and operation. Indirect effects are often referred to as “supply-chain” impacts because they involve interactions among businesses. Induced impacts are generated by the spending of households associated either directly or indirectly with the proposed Project. Workers employed during construction, for example, will use their income to rent housing, patronize local restaurants, and purchase groceries and other household goods and services. Workers at businesses that supply the Project during construction or operation will do the same. Induced effects are sometimes referred to as “consumption-driven” impacts.

The natural gas supply chain has very significant multiplier effects on the domestic economy due to the large number of high-wage jobs paid directly by the natural gas industry, as well as royalty and lease payments to landowners in association with natural gas production. Exporting LNG will support broad economic impacts associated with additional exploration, drilling, and oilfield support services; pipeline and midstream construction; royalty payments to landowners and municipalities; and benefits to ancillary industries supported by oil and natural gas industry investments.

i. *Indirect Regional Benefits*

Communities in South Texas which support oil and gas industry activity are expected to benefit from the activity associated with the Stage 3 Project. The projected cumulative benefits over 25 years to the region from investments by the oil and natural gas sector are projected to include \$8.97 billion in personal income and \$13.07 billion in gross product to the Corpus Christi

metropolitan area and surrounding counties. A total of 6,168 temporary and permanent jobs (equivalent to 154,199 cumulative person-years of employment over 25 years) are forecast in the region as a result of expanded activity by the oil and natural gas industry (including multiplier effects).

ii. Indirect State Benefits

It is estimated that the State of Texas will experience benefits from the stimulus to the oil and natural gas sector and related industries that will be supported by the capacity to export natural gas as LNG from the Stage 3 Project. The projected cumulative benefits over 25 years to the State of Texas from expanded oil and gas sector activity include \$44.43 billion in personal income and \$66.94 billion in gross product. A total of 29,048 temporary and permanent jobs (equivalent to 726,194 cumulative person-years of employment over 25 years) are forecast within the State of Texas in the oil and natural gas industry (including multiplier effects).

iii. Indirect National Benefits

It is anticipated that the U.S. will experience national benefits from oil and natural gas sector growth that will also be supported by the capacity to export from the Stage 3 Project. The projected cumulative benefits over 25 years to the nation include \$48.69 billion in personal income, \$73.95 billion in gross product, and \$11.09 billion in federal tax revenues. A total of 31,673 temporary and permanent jobs (equivalent to 791,817 cumulative person-years of employment over 25 years) are forecast in the U.S. over 25 years as a result of expanded activity by the oil and natural gas industry that will also be supported by the capacity to export from the Stage 3 Project.