

# LNG Allies—News & Insight

The past week has been particularly notable for U.S. LNG exports and export projects...

- Today (Apr. 27), the Polish Oil and Gas Co. (PGNiG) announced that it has purchased a spot contract of liquefied natural gas (LNG) from Cheniere Energy.
- On Tues. (Apr. 25), Energy Sec. Rick Perry announced that DOE had authorized Golden Pass Products to export U.S. LNG to nations that do not have free trade agreements with the United States (non-FTA nations).
- Last Thurs. (Apr. 20), Gary Cohn, director of the White House National Economic Council (NEC) stated that the world needs “more and more LNG... and we have huge excess supplies of gas so, we’re going to permit more and more of these LNG plants.”

## A U.S. LNG CARGO TO CENTRAL EUROPE (FINALLY!)

In a news release (Apr. 27), the Polish Oil and Gas Co. (PGNiG) said: “The first cargo of LNG from a U.S. supplier is planned to arrive at the President Lech Kaczyński LNG Terminal in Świnoujście. The spot cargo will be delivered by Cheniere Energy, [and] is the first delivery of LNG from a U.S. company to this part of Europe. For PGNiG it will also be the second spot delivery following a cargo from Norway in June 2016.

“This is a historic moment for PGNiG. North America is becoming the next region for acquiring this strategic commodity after the Middle East and Norway [fulfilling] our strategy of diversifying gas deliveries to Poland. A future delivery from the USA proves that Poland can become a gateway to Central and Eastern Europe for American LNG,” commented Piotr Woźniak, PGNiG President.

“Delivering this cargo from Cheniere to Poland demonstrates the continued demand for U.S. LNG and for Cheniere’s full-service model that includes the delivery of LNG directly to customers,” said Jack Fusco, President and CEO of Cheniere. “PGNiG has been an excellent partner in this purchase, and Cheniere is pleased to support Poland accessing LNG.”



## GOLDEN PASS IS GOLDEN AT LAST

In a long-awaited development, Golden Pass Products (GPP) finally received a non-FTA export authorization from the Department of Energy (DOE) earlier this week (Apr. 25). This was a notable event for several reasons:

- This was the first non-FTA authorization issued by the Trump Administration.
- The time lag between final authorization by the Federal Energy Regulatory Commission (FERC) and the DOE non-FTA authorization has been reduced from five to seven months to just four months.
- *But, what is truly stunning about this decision is that DOE’s authorization for GPP to export gas to free trade agreement nations was made on Sept. 27, 2012!*

In making the decision, Sec. Perry said: “This announcement is another example of President Trump’s leadership in making the United States an energy dominant force. This is not only good for our economy and American jobs but also assists other countries with their energy security.”

GPP was originally established to import LNG into the United States but two of the import terminal operators—Qatar Petroleum and ExxonMobil—developed plans more than five years ago to add export capabilities to the terminal. Assuming that the two JV partners in the project take a final investment decision (FID), GPP could export gas within four to five years after FID. The project—located on the Sabine-Neches Waterway on the Texas-side—is slated to produce 15.6 million tons of LNG per year when complete.

#### COHN SAYS WHITE HOUSE WILL PERMIT MORE LNG

Gary Cohn, director of the Trump administration's National Economic Council, participated in the IIF 2017 Washington Policy Summit on Apr. 20. Cohn (a former Goldman Sachs Group president) made statements concerning the policy of the White House with respect to U.S. LNG exports. Bloomberg has posted a three minute video of Cohn's Apr. 20 remarks, but a (partial) transcript follows:

**ADAMS (Tim Adams, IIF President & CEO):** You mentioned energy policy. Can you tell me a little bit about how you see the mix going forward... nuclear, coal, [etc.]... are you changing the mix? And, what about climate? **COHN:** We are supportive of jobs again. We know that coal is a big job creator in the United States. But, we have to allow coal to compete. We're also a big supporter of natural gas. We're a big supporter of fracking. We're a supporter of energy independence. We're a supporter of free markets. Those things have to work together, and different feedstocks have different economics to them. We're allowing the free market to be the free market. The biggest issue for us—as an administration—is energy independence and making sure

we can control our own destiny.

**ADAMS:** For the United States or North America?

**COHN:** For North America... but for the U.S. for sure. Look, we're most concerned about the U.S., but then we care about North America... imported oil... we're actually starting to export [oil]... Some of these things are good. Building up more and more LNG terminals in the United States and exporting more and more LNG. *We happen to have [an energy resource] that the rest of the world needs. More and more LNG is needed and we have huge excess supplies of gas so, we're going to permit more and more of these LNG plants.* We're going to let these different [energy] feedstocks compete here in the United States and we're going to be supportive of them because part of creating jobs and part of creating manufacturing in the United States is: "What is your competitive advantage?" We have a big competitive advantage we have cheap energy. And, we need to keep and promote our cheap energy. We ought to use that as a competitive advantage for us. [ . . . ]

**ADAMS:** We had Martin Feldstein here this morning. He and [others] recently proposed a carbon tax. I assume that's not in the mix or something you assume Congress is not willing to take on at this time. **COHN:** [Shaking his head "no."] It's not in our mix.

#### NEWS REPORTS ON COHN'S REMARKS

##### ■ Bloomberg

Ryan Collins wrote: "If Gary Cohn gets his way, the U.S. could be the biggest exporter of LNG in the world... [Cohn] said the administration would step up approvals for LNG export terminals, starting with a project in the Northwest that he didn't identify. [...] "We could be and should be the largest exporter of LNG in the world [...] We're going to permit more and more of these LNG plants." Federal regulators are reviewing about two dozen applications from companies seeking to send America's gas bonanza overseas.

##### ■ Washington Post

Chris Mooney and Damian Paletta quoted Cohn: "The first thing we're going to do is we're going to permit an LNG export facility in the northwest. Just think of the transport time from the northwest to Japan versus anywhere else. Then we've got to put facilities on the East



#### ABOUT US

LNG Allies is a nonprofit organization working to expedite and maximize LNG exports to create U.S. jobs and economic growth, enhance the energy security of America's allies, and improve economic and environmental conditions worldwide.

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Coast to get from the East Coast to Germany... The one place we're going to permit in the northwest, it's been turned down twice already,' Cohn said in comments at the Institute of International Finance, in which he called the opportunity for exporting liquefied natural gas

'enormous.' While Cohn did not name a specific project, the White House confirmed that Cohn was referring to the proposed Jordan Cove LNG export terminal, which would be sited in Oregon's Port of Coos Bay."

## Location of Major U.S. LNG Export Projects

