



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

April 26, 2017

Dr. Paul Clore  
Superintendent  
Gregory-Portland Independent School District  
608 College Street  
Portland, Texas 78374

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Gregory-Portland Independent School District and Corpus Christi Liquefaction, LLC, Application 1180

Dear Superintendent Dr. Clore:

On April 5, 2017, the Comptroller issued written notice that Corpus Christi Liquefaction, LLC (applicant) submitted a completed application (Application 1180) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on March 6, 2017, to the Gregory-Portland Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a)      Applicant is subject to tax imposed by Chapter 171.  
Sec. 313.024(b)      Applicant is proposing to use the property for an eligible project.

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<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

- Sec. 313.024(d) Applicant has committed to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1180.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

**Certificate decision required by 313.025(d)**

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem* tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of April 5, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at [will.counihan@cpa.texas.gov](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Corpus Christi Liquefaction, LLC (project) applying to Gregory-Portland Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

**Table 1** is a summary of investment, employment and tax impact of Corpus Christi Liquefaction, LLC.

|  |                                  |
|--|----------------------------------|
| Applicant  | Corpus Christi Liquefaction, LLC |
| Tax Code, 313.024 Eligibility Category                                       | Manufacturing                    |
| School District  | Gregory-Portland ISD             |
| 2015-2016 Average Daily Attendance   | 4,336                            |
| County   | San Patricio                     |
| Proposed Total Investment in District  | \$1,920,000,000                  |
| Proposed Qualified Investment  | \$1,631,000,000                  |
| Limitation Amount  | \$30,000,000                     |
| Qualifying Time Period (Full Years)  | 2021-2022                        |
| Number of new qualifying jobs committed to by applicant                      | 10                               |
| Number of new non-qualifying jobs estimated by applicant                     | 25                               |
| Average weekly wage of qualifying jobs committed to by applicant             | \$1,250                          |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5) | \$1,250                          |
| Minimum annual wage committed to by applicant for qualified jobs             | \$65,000                         |
| Minimum weekly wage required for non-qualifying jobs                         | \$888                            |
| Minimum annual wage required for non-qualifying jobs                         | \$46,164                         |
| Investment per Qualifying Job  | \$192,000,000                    |
| Estimated M&O levy without any limit (15 years)                              | \$221,843,163                    |
| Estimated M&O levy with Limitation (15 years)                                | \$72,195,261                     |
| Estimated gross M&O tax benefit (15 years)                                   | \$149,647,901                    |

**Table 2** is the estimated statewide economic impact of Corpus Christi Liquefaction, LLC (modeled).

| Year | Employment |                    |       | Personal Income |                    |               |
|------|------------|--------------------|-------|-----------------|--------------------|---------------|
|      | Direct     | Indirect + Induced | Total | Direct          | Indirect + Induced | Total         |
| 2020 | 1250       | 1,203              | 2,453 | \$75,000,000    | \$101,000,000      | \$176,000,000 |
| 2021 | 1000       | 1,023              | 2023  | \$60,000,000    | \$101,000,000      | \$161,000,000 |
| 2022 | 800        | 815                | 1615  | \$48,000,000    | \$94,000,000       | \$142,000,000 |
| 2023 | 535        | 664                | 1199  | \$31,804,110    | \$83,195,890       | \$115,000,000 |
| 2024 | 35         | 195                | 230   | \$1,804,110     | \$40,195,890       | \$42,000,000  |
| 2025 | 35         | 153                | 188   | \$1,804,110     | \$32,195,890       | \$34,000,000  |
| 2026 | 35         | 141                | 176   | \$1,804,110     | \$29,195,890       | \$31,000,000  |
| 2027 | 35         | 149                | 184   | \$1,804,110     | \$28,195,890       | \$30,000,000  |
| 2028 | 35         | 166                | 201   | \$1,804,110     | \$27,195,890       | \$29,000,000  |
| 2029 | 35         | 188                | 223   | \$1,804,110     | \$29,195,890       | \$31,000,000  |
| 2030 | 35         | 213                | 248   | \$1,804,110     | \$31,195,890       | \$33,000,000  |
| 2031 | 35         | 235                | 270   | \$1,804,110     | \$34,195,890       | \$36,000,000  |
| 2032 | 35         | 258                | 293   | \$1,804,110     | \$37,195,890       | \$39,000,000  |
| 2033 | 35         | 221                | 256   | \$1,804,110     | \$34,195,890       | \$36,000,000  |
| 2034 | 35         | 217                | 252   | \$1,804,110     | \$36,195,890       | \$38,000,000  |
| 2035 | 35         | 217                | 252   | \$1,804,110     | \$37,195,890       | \$39,000,000  |
| 2036 | 35         | 215                | 250   | \$1,804,110     | \$38,195,890       | \$40,000,000  |
| 2037 | 35         | 219                | 254   | \$1,804,110     | \$40,195,890       | \$42,000,000  |

Source: CPA REMI, Corpus Christi Liquefaction, LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

| Year | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate <sup>1</sup> | Gregory-Portland I&S Tax Levy | Gregory-Portland I&S M&O Tax Levy | Gregory-Portland M&O and I&S Tax Levies | San Patricio County Tax Levy | San Patricio County Drainage District Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|-----------------------|-------------------------------|-----------------------------------|---|------------------------------|--|--------------------------------|
|      |                                 |                                 |                       | 0.1800                        |                                   | 1.1700                                  | 0.4919                       | 0.0579   |                                |
| 2020 | \$8,941,893                     | \$8,941,893                     |                       | \$16,095                      | \$104,620                         | \$120,716                               | \$43,987                     | \$5,176  | \$169,879                      |
| 2021 | \$281,941,893                   | \$281,941,893                   |                       | \$507,495                     | \$3,298,720                       | \$3,806,216                             | \$1,386,940                  | \$163,211                                      | \$5,356,366                    |
| 2022 | \$671,941,893                   | \$671,941,893                   |                       | \$1,209,495                   | \$7,861,720                       | \$9,071,216                             | \$3,305,443                  | \$388,974                                      | \$12,765,633                   |
| 2023 | \$1,140,941,893                 | \$1,140,941,893                 |                       | \$2,053,695                   | \$13,349,020                      | \$15,402,716                            | \$5,612,567                  | \$660,468                                      | \$21,675,751                   |
| 2024 | \$1,569,941,893                 | \$1,569,941,893                 |                       | \$2,825,895                   | \$18,368,320                      | \$21,194,216                            | \$7,722,921                  | \$908,808                                      | \$29,825,944                   |
| 2025 | \$1,460,941,893                 | \$1,460,941,893                 |                       | \$2,629,695                   | \$17,093,020                      | \$19,722,716                            | \$7,186,724                  | \$845,710                                      | \$27,755,149                   |
| 2026 | \$1,413,941,893                 | \$1,413,941,893                 |                       | \$2,545,095                   | \$16,543,120                      | \$19,088,216                            | \$6,955,520                  | \$818,503                                      | \$26,862,238                   |
| 2027 | \$1,363,941,893                 | \$1,363,941,893                 |                       | \$2,455,095                   | \$15,958,120                      | \$18,413,216                            | \$6,709,558                  | \$789,559                                      | \$25,912,332                   |
| 2028 | \$1,319,941,893                 | \$1,319,941,893                 |                       | \$2,375,895                   | \$15,443,320                      | \$17,819,216                            | \$6,493,111                  | \$764,088                                      | \$25,076,414                   |
| 2029 | \$1,272,941,893                 | \$1,272,941,893                 |                       | \$2,291,295                   | \$14,893,420                      | \$17,184,716                            | \$6,261,907                  | \$736,881                                      | \$24,183,503                   |
| 2030 | \$1,226,941,893                 | \$1,226,941,893                 |                       | \$2,208,495                   | \$14,355,220                      | \$16,563,716                            | \$6,035,622                  | \$710,252                                      | \$23,309,589                   |
| 2031 | \$1,179,941,893                 | \$1,179,941,893                 |                       | \$2,123,895                   | \$13,805,320                      | \$15,929,216                            | \$5,804,417                  | \$683,045                                      | \$22,416,678                   |
| 2032 | \$1,140,941,893                 | \$1,140,941,893                 |                       | \$2,053,695                   | \$13,349,020                      | \$15,402,716                            | \$5,612,567                  | \$660,468                                      | \$21,675,751                   |
| 2033 | \$1,101,941,893                 | \$1,101,941,893                 |                       | \$1,983,495                   | \$12,892,720                      | \$14,876,216                            | \$5,420,717                  | \$637,892                                      | \$20,934,824                   |
| 2034 | \$1,062,941,893                 | \$1,062,941,893                 |                       | \$1,913,295                   | \$12,436,420                      | \$14,349,716                            | \$5,228,866                  | \$615,316                                      | \$20,193,898                   |
| 2035 | \$984,941,893                   | \$984,941,893                   |                       | \$1,772,895                   | \$11,523,820                      | \$13,296,716                            | \$4,845,166                  | \$570,163                                      | \$18,712,044                   |
| 2036 | \$913,941,893                   | \$913,941,893                   |                       | \$1,645,095                   | \$10,693,120                      | \$12,338,216                            | \$4,495,900                  | \$529,063                                      | \$17,363,178                   |
| 2037 | \$843,941,893                   | \$843,941,893                   |                       | \$1,519,095                   | \$9,874,120                       | \$11,393,216                            | \$4,151,553                  | \$488,541                                      | \$16,033,309                   |
|      |                                 |                                 | <b>Total</b>          | <b>\$34,129,717</b>           | <b>\$221,843,163</b>              | <b>\$255,972,880</b>                    | <b>\$93,273,484</b>          | <b>\$10,976,117</b>                            | <b>\$360,222,481</b>           |

Source: CPA, Corpus Christi Liquefaction, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and San Patricio County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

| Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought |                                 |                                 |                       |                                   |                                   |   |                              |  |                                |
|---|---------------------------------|---------------------------------|-----------------------|-----------------------------------|-----------------------------------|---|------------------------------|--|--------------------------------|
| Year  | Estimated Taxable Value for I&S | Estimated Taxable Value for M&O | Tax Rate <sup>1</sup> | Gregory-Portland ISD I&S Tax Levy | Gregory-Portland ISD M&O Tax Levy | Gregory-Portland ISD M&O and I&S Tax Levies | San Patricio County Tax Levy | San Patricio County Drainage District Tax Levy | Estimated Total Property Taxes |
|   |                                 |                                 |                       | 0.1800                            | 1.1700                            |   | 0.4919                       | 0.0579   |                                |
| 2020  | \$8,941,893                     | \$8,941,893                     |                       | \$16,095                          | \$104,620                         | \$120,716                                   | \$43,987                     | \$5,176  | \$169,879                      |
| 2021  | \$281,941,893                   | \$281,941,893                   |                       | \$507,495                         | \$3,298,720                       | \$3,806,216                                 | \$1,386,940                  | \$163,211                                      | \$5,356,366                    |
| 2022  | \$671,941,893                   | \$671,941,893                   |                       | \$1,209,495                       | \$7,861,720                       | \$9,071,216                                 | \$3,305,443                  | \$388,974                                      | \$12,765,633                   |
| 2023  | \$1,140,941,893                 | \$30,000,000                    |                       | \$2,053,695                       | \$351,000                         | \$2,404,695                                 | \$5,612,567                  | \$660,468                                      | \$8,677,731                    |
| 2024  | \$1,569,941,893                 | \$30,000,000                    |                       | \$2,825,895                       | \$351,000                         | \$3,176,895                                 | \$7,722,921                  | \$908,808                                      | \$11,808,624                   |
| 2025  | \$1,460,941,893                 | \$30,000,000                    |                       | \$2,629,695                       | \$351,000                         | \$2,980,695                                 | \$7,186,724                  | \$845,710                                      | \$11,013,129                   |
| 2026  | \$1,413,941,893                 | \$30,000,000                    |                       | \$2,545,095                       | \$351,000                         | \$2,896,095                                 | \$6,955,520                  | \$818,503                                      | \$10,670,118                   |
| 2027  | \$1,363,941,893                 | \$30,000,000                    |                       | \$2,455,095                       | \$351,000                         | \$2,806,095                                 | \$6,709,558                  | \$789,559                                      | \$10,305,212                   |
| 2028  | \$1,319,941,893                 | \$30,000,000                    |                       | \$2,375,895                       | \$351,000                         | \$2,726,895                                 | \$6,493,111                  | \$764,088                                      | \$9,984,094                    |
| 2029  | \$1,272,941,893                 | \$30,000,000                    |                       | \$2,291,295                       | \$351,000                         | \$2,642,295                                 | \$6,261,907                  | \$736,881                                      | \$9,641,083                    |
| 2030  | \$1,226,941,893                 | \$30,000,000                    |                       | \$2,208,495                       | \$351,000                         | \$2,559,495                                 | \$6,035,622                  | \$710,252                                      | \$9,305,369                    |
| 2031  | \$1,179,941,893                 | \$30,000,000                    |                       | \$2,123,895                       | \$351,000                         | \$2,474,895                                 | \$5,804,417                  | \$683,045                                      | \$8,962,358                    |
| 2032  | \$1,140,941,893                 | \$30,000,000                    |                       | \$2,053,695                       | \$351,000                         | \$2,404,695                                 | \$5,612,567                  | \$660,468                                      | \$8,677,731                    |
| 2033  | \$1,101,941,893                 | \$1,101,941,893                 |                       | \$1,983,495                       | \$12,892,720                      | \$14,876,216                                | \$5,420,717                  | \$637,892                                      | \$20,934,824                   |
| 2034  | \$1,062,941,893                 | \$1,062,941,893                 |                       | \$1,913,295                       | \$12,436,420                      | \$14,349,716                                | \$5,228,866                  | \$615,316                                      | \$20,193,898                   |
| 2035  | \$984,941,893                   | \$984,941,893                   |                       | \$1,772,895                       | \$11,523,820                      | \$13,296,716                                | \$4,845,166                  | \$570,163                                      | \$18,712,044                   |
| 2036  | \$913,941,893                   | \$913,941,893                   |                       | \$1,645,095                       | \$10,693,120                      | \$12,338,216                                | \$4,495,900                  | \$529,063                                      | \$17,363,178                   |
| 2037  | \$843,941,893                   | \$843,941,893                   |                       | \$1,519,095                       | \$9,874,120                       | \$11,393,216                                | \$4,151,553                  | \$488,541                                      | \$16,033,309                   |
|   |                                 |                                 |                       |                                   |                                   |   |                              |  |                                |
|   |                                 |                                 | <b>Total</b>          | <b>\$34,129,717</b>               | <b>\$72,195,261</b>               | <b>\$106,324,978</b>                        | <b>\$93,273,484</b>          | <b>\$10,976,117</b>                            | <b>\$210,574,579</b>           |
|   |                                 |                                 | <b>Diff</b>           | <b>\$0</b>                        | <b>\$149,647,901</b>              | <b>\$149,647,901</b>                        | <b>\$0</b>                   | <b>\$0</b>                                     | <b>\$149,647,901</b>           |

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Corpus Christi Liquefaction, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Corpus Christi Liquefaction, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

|   | Tax Year | Estimated ISD M&O Tax Levy Generated (Annual) | Estimated ISD M&O Tax Levy Generated (Cumulative) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual) | Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative) |
|---|----------|---|---|---|---|
| <b>Limitation Pre-Years</b>                                     | 2020     | \$104,620                                     | \$104,620   | \$0   | \$0   |
|   | 2021     | \$3,298,720                                   | \$3,403,340                                       | \$0   | \$0   |
|   | 2022     | \$7,861,720                                   | \$11,265,060                                      | \$0   | \$0   |
| <b>Limitation Period (10 Years)</b>                             | 2023     | \$351,000                                     | \$11,616,060                                      | \$12,998,020  | \$12,998,020  |
|   | 2024     | \$351,000                                     | \$11,967,060                                      | \$18,017,320  | \$31,015,340  |
|   | 2025     | \$351,000                                     | \$12,318,060                                      | \$16,742,020  | \$47,757,360  |
|   | 2026     | \$351,000                                     | \$12,669,060                                      | \$16,192,120  | \$63,949,481  |
|   | 2027     | \$351,000                                     | \$13,020,060                                      | \$15,607,120  | \$79,556,601  |
|   | 2028     | \$351,000                                     | \$13,371,060                                      | \$15,092,320  | \$94,648,921  |
|   | 2029     | \$351,000                                     | \$13,722,060                                      | \$14,542,420  | \$109,191,341   |
|   | 2030     | \$351,000                                     | \$14,073,060                                      | \$14,004,220  | \$123,195,561   |
|   | 2031     | \$351,000                                     | \$14,424,060                                      | \$13,454,320  | \$136,649,881   |
|   | 2032     | \$351,000                                     | \$14,775,060                                      | \$12,998,020  | \$149,647,901   |
| <b>Maintain Viable Presence (5 Years)</b>                       | 2033     | \$12,892,720                                  | \$27,667,781                                      | \$0   | \$149,647,901   |
|   | 2034     | \$12,436,420                                  | \$40,104,201                                      | \$0   | \$149,647,901   |
|   | 2035     | \$11,523,820                                  | \$51,628,021                                      | \$0   | \$149,647,901   |
|   | 2036     | \$10,693,120                                  | \$62,321,141                                      | \$0   | \$149,647,901   |
|   | 2037     | \$9,874,120                                   | \$72,195,261                                      | \$0   | \$149,647,901   |
| <b>Additional Years as Required by 313.026(c)(1) (10 Years)</b> | 2038     | \$9,148,720                                   | \$81,343,981                                      | \$0   | \$149,647,901   |
|   | 2039     | \$8,505,220                                   | \$89,849,201                                      | \$0   | \$149,647,901   |
|   | 2040     | \$7,861,720                                   | \$97,710,922                                      | \$0   | \$149,647,901   |
|   | 2041     | \$7,323,520                                   | \$105,034,442                                     | \$0   | \$149,647,901   |
|   | 2042     | \$6,773,620                                   | \$111,808,062                                     | \$0   | \$149,647,901   |
|   | 2043     | \$6,317,320                                   | \$118,125,382                                     | \$0   | \$149,647,901   |
|   | 2044     | \$5,861,020                                   | \$123,986,402                                     | \$0   | \$149,647,901   |
|   | 2045     | \$5,404,720                                   | \$129,391,122                                     | \$0   | \$149,647,901   |
|   | 2046     | \$5,030,320                                   | \$134,421,442                                     | \$0   | \$149,647,901   |
|   | 2047     | \$4,667,620                                   | \$139,089,063                                     | \$0   | \$149,647,901   |

**\$139,089,063**
   
 is less than
   
 **\$149,647,901**

|   |    |
|---|----|
| <b>Analysis Summary</b>   |    |
| Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement? | No |

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levv directly related to this project.  
 Source: CPA, Corpus Christi Liquefaction, LLC

| Year         | Employment |                    |       | Personal Income |                    |               | Revenue & Expenditure |                     |                      |
|--------------|------------|--------------------|-------|-----------------|--------------------|---------------|-----------------------|---------------------|----------------------|
|              | Direct     | Indirect + Induced | Total | Direct          | Indirect + Induced | Total         | Revenue               | Expenditure         | Net Tax Effect       |
| 2020         | 1250       | 1,203              | 2,453 | \$75,000,000    | \$101,000,000      | \$176,000,000 | 8659363               | -4524231            | \$13,183,594         |
| 2021         | 1000       | 1,023              | 2023  | \$60,000,000    | \$101,000,000      | \$161,000,000 | 7476807               | -1899719            | \$9,376,526          |
| 2022         | 800        | 815                | 1615  | \$48,000,000    | \$94,000,000       | \$142,000,000 | 6462097               | 152588              | \$6,309,509          |
| 2023         | 535        | 664                | 1199  | \$31,804,110    | \$83,195,890       | \$115,000,000 | 5722046               | 1869202             | \$3,852,844          |
| 2024         | 35         | 195                | 230   | \$1,804,110     | \$40,195,890       | \$42,000,000  | 2670288               | 4295349             | -\$1,625,061         |
| 2025         | 35         | 153                | 188   | \$1,804,110     | \$32,195,890       | \$34,000,000  | 2540588               | 4180908             | -\$1,640,320         |
| 2026         | 35         | 141                | 176   | \$1,804,110     | \$29,195,890       | \$31,000,000  | 2456665               | 4005432             | -\$1,548,767         |
| 2027         | 35         | 149                | 184   | \$1,804,110     | \$28,195,890       | \$30,000,000  | 2410889               | 3791809             | -\$1,380,920         |
| 2028         | 35         | 166                | 201   | \$1,804,110     | \$27,195,890       | \$29,000,000  | 2418518               | 3585815             | -\$1,167,297         |
| 2029         | 35         | 188                | 223   | \$1,804,110     | \$29,195,890       | \$31,000,000  | 2502441               | 3425598             | -\$923,157           |
| 2030         | 35         | 213                | 248   | \$1,804,110     | \$31,195,890       | \$33,000,000  | 2525330               | 3234863             | -\$709,533           |
| 2031         | 35         | 235                | 270   | \$1,804,110     | \$34,195,890       | \$36,000,000  | 2502441               | 3059387             | -\$556,946           |
| 2032         | 35         | 258                | 293   | \$1,804,110     | \$37,195,890       | \$39,000,000  | 2586365               | 2922058             | -\$335,693           |
| 2033         | 35         | 221                | 256   | \$1,804,110     | \$34,195,890       | \$36,000,000  | 2120972               | 2838135             | -\$717,163           |
| 2034         | 35         | 217                | 252   | \$1,804,110     | \$36,195,890       | \$38,000,000  | 2136230               | 2746582             | -\$610,352           |
| 2035         | 35         | 217                | 252   | \$1,804,110     | \$37,195,890       | \$39,000,000  | 2052307               | 2647400             | -\$595,093           |
| 2036         | 35         | 215                | 250   | \$1,804,110     | \$38,195,890       | \$40,000,000  | 2006531               | 2525330             | -\$518,799           |
| 2037         | 35         | 219                | 254   | \$1,804,110     | \$40,195,890       | \$42,000,000  | 2044678               | 2441406             | -\$396,728           |
| 2038         | 35         | 223                | 258   | \$1,804,110     | \$42,195,890       | \$44,000,000  | 2029419               | 2357483             | -\$328,064           |
| 2039         | 35         | 231                | 266   | \$1,804,110     | \$45,195,890       | \$47,000,000  | 2105713               | 2227783             | -\$122,070           |
| 2040         | 35         | 236                | 271   | \$1,804,110     | \$47,195,890       | \$49,000,000  | 2136230               | 2136230             | \$0                  |
| 2041         | 35         | 244                | 279   | \$1,804,110     | \$50,195,890       | \$52,000,000  | 2197266               | 2059937             | \$137,329            |
| 2042         | 35         | 250                | 285   | \$1,804,110     | \$54,195,890       | \$56,000,000  | 2365112               | 2044678             | \$320,434            |
| 2043         | 35         | 260                | 295   | \$1,804,110     | \$59,195,890       | \$61,000,000  | 2532959               | 1998901             | \$534,058            |
| 2044         | 35         | 270                | 305   | \$1,804,110     | \$65,195,890       | \$67,000,000  | 2624512               | 2014160             | \$610,352            |
| 2045         | 35         | 281                | 316   | \$1,804,110     | \$67,195,890       | \$69,000,000  | 2624512               | 1998901             | \$625,611            |
| 2046         | 35         | 285                | 320   | \$1,804,110     | \$73,195,890       | \$75,000,000  | 2807617               | 2098083             | \$709,534            |
| 2047         | 35         | 303                | 338   | \$1,804,110     | \$79,195,890       | \$81,000,000  | 2914429               | 2105713             | \$808,716            |
| <b>Total</b> |            |                    |       |                 |                    |               | <b>\$85,632,325</b>   | <b>\$62,339,781</b> | <b>\$23,292,544</b>  |
|              |            |                    |       |                 |                    |               | <b>\$162,381,607</b>  | is greater than     | <b>\$149,647,901</b> |

**Analysis Summary**

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

## Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

### Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

### Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Corpus Christi Liquefaction, LLC’s decision to invest capital and construct the Liquefied Natural Gas (LNG) project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- June 25, 2015, Gregory-Portland Independent School District submitted an application seeking appraised value limitation on qualified property on behalf of Corpus Christi Liquefaction, LLC Train 5 to the Comptroller’s office (application #1077).
- January 13, 2016, the Comptroller’s office issued a certificate for a limitation on appraised value.
- February 17, 2016, the Comptroller’s office received Resolution of Gregory-Portland Independent School District meeting dated February 16, 2016. Approving extension of the deadline for action on the application until December 31, 2016.
- January 31, 2017, the Comptroller’s office received a withdrawal letter request from Corpus Christi Liquefaction, LLC to Gregory-Portland Independent School District.
- March 7, 2017, Gregory-Portland Independent School District submitted a new application for the property described in application number 1077 and seeking appraised value limitation on qualified property on behalf of Corpus Christi Liquefaction, LLC to the Comptroller’s office (application 1180).
- Per Corpus Christi Liquefaction, LLC in Tab 5 of their Application for a Limitation on Appraised Value:

- A. "The Applicants' parent company, Cheniere Energy, is a leader in the global LNG industry, with LNG production facilities (a) operating as well as under construction in Sabine Pass, Louisiana, and (b) under construction near Corpus Christi, Texas."
- B. "The Applicants require this appraised value limitation in order to move forward with the development of the Considered Project in Corpus Christi. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the Considered Project to compete for global LNG customers against similar projects operated by competitors of Cheniere in Texas, Louisiana and around the world."
- C. "Without this appraised value limitation Cheniere would have to strongly consider making this investment at Sabine Pass or another site outside of Texas rather than Corpus Christi."
- D. "The Considered Project is still in an evaluation stage; only very preliminary development activities have begun. On June 1, 2015, Cheniere initiated the regulatory process by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission ("FERC"), and the free trade agreement ("FTA") and non-FTA approval requests with the Department of Energy ("DOE"). Because obtaining FERC and DOE approval is a mandatory first step, Cheniere initiated the lengthy process as soon as it identified the potential location for the Considered Project."
- E. "The DOE has granted Cheniere's request to export LNG to free trade countries, which is pro forma, but not to non-free trade countries. Approval to export to non free trade countries will only be granted after the FERC permit is issued and DOE does its own analysis of the project."
- F. "No final decision to begin construction of the Considered Project could be made without DOE's approval to export to non-free trade countries. Applicants have received the TCEQ air permit for the project."
- G. "Cheniere has no sales contracts for the additional capacity and does not intend to start marketing that capacity until the technical and commercial viability of the Considered Project is much more fully established. No engineering, procurement or construction contracts have been negotiated or signed to support the Considered Project."
- H. "No public announcements of a definitive intent to construct the Considered Project have been made – any statements have indicated only that Cheniere is considering the additional investment."
- I. "Because of the appraised value limitation provided by the Gregory-Portland ISD and the State of Texas for the Covered Project, the applicant has been able to execute 20- year sales and purchase agreements with seven non-affiliated customers at a capacity price of around \$3.50 per million BTUs."
- J. "Without the appraised value limitation, the Applicants' cost structure for the Considered Project would increase by the equivalent of \$.10-\$.15 per million BTUs. As a result, the Applicants likely would be unable to attract long-term customers for the Considered Project. Without those customer commitments, the Applicants would be unable to attract the project financing necessary to fund a multibillion dollar investment and therefore would be unable to reach FID."
- According to the Board of Trustees minutes of meeting dated March 6, 2017, "Superintendent recommended that the Board accept the Application of Corpus Christi Liquefaction, LLC et al (Train 4) for an Appraised Value Limitation of Qualified Property and authorized the Superintendent to review the Application for completeness and submit to the Comptroller."

**Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

**Disclaimer:** This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

# Supporting Information

## Section 8 of the Application for a Limitation on Appraised Value

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**SECTION 7: Project Description**

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

|   |  |
|---|--|
| <input checked="" type="checkbox"/> Land has no existing improvements                               | <input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> ) |
| <input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> ) | <input type="checkbox"/> Relocation within Texas                                       |

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

**Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.**

# Supporting Information

Attachments provided in Tab  
5  
of the Application for a  
Limitation on Appraised  
Value

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage  
III, LLC and Cheniere Land Holdings, LLC**

**Chapter 313 Application to Gregory-Portland ISD (Train 5)**

**Cummings Westlake, LLC**

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**TAB 5**

*Documentation to assist in determining if limitation is a determining factor.*

The Applicants' parent company, Cheniere Energy, is a leader in the global LNG industry, with LNG production facilities (a) operating as well as under construction in Sabine Pass, Louisiana, and (b) under construction near Corpus Christi, Texas. The Corpus Christi facility for which construction has recently begun is covered by Chapter 313 Agreement Nos. 296, 297 and 298 (the "Covered Project"). Cheniere is evaluating the construction of additional production capacity in both Sabine Pass and Corpus Christi (the additional Corpus Christi capacity is referred to hereafter as the "Considered Project"). The company is also pursuing new LNG investment opportunities elsewhere in the USA, the Americas, Europe and Asia. The Applicants require this appraised value limitation in order to move forward with the development of the Considered Project in Corpus Christi. Without this appraised value limitation, the impact of comparatively high Texas property taxes on the cost of the project does not allow the Considered Project to compete for global LNG customers against similar projects operated by competitors of Cheniere in Texas, Louisiana and around the world. Without this appraised value limitation Cheniere would have to strongly consider making this investment at Sabine Pass or another site outside of Texas rather than Corpus Christi.

The Considered Project is still in an evaluation stage; only very preliminary development activities have begun. On June 1, 2015, Cheniere initiated the regulatory process by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission ("FERC"), and the free trade agreement ("FTA") and non-FTA approval requests with the Department of Energy ("DOE"). Because obtaining FERC and DOE approval is a mandatory first step, Cheniere initiated the lengthy process as soon as it identified the potential location for the Considered Project. The FERC regulatory decision has not been made, and no final decision to begin construction of the Considered Project could be made prior to the issuance of this regulatory decision. It is expected that the FERC regulatory decision will not be made until 2017, so no final decision to begin construction of the Considered Project could be made before that date. The DOE has granted Cheniere's request to export LNG to free trade countries, which is pro forma, but not to non-free trade countries. Approval to export to non-free trade countries will only be granted after the FERC permit is issued and DOE does its own analysis of the project. No final decision to begin construction of the Considered Project could be made without DOE's approval to export to non-free trade countries. Applicants have received the TCEQ air permit for the project. Cheniere has no sales contracts for the additional capacity

*TAB TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED  
PROPERTY BY CORPUS CHRISTI LIQUEFACTION, LLC, CORPUS CHRISTI  
LIQUEFACTION STAGE III, LLC, AND CHENIERE LAND HOLDINGS, LLC TO GREGORY-  
PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage III, LLC and Cheniere Land Holdings, LLC**

**Chapter 313 Application to Gregory-Portland ISD (Train 5)**

**Cummings Westlake, LLC**

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and does not intend to start marketing that capacity until the technical and commercial viability of the Considered Project is much more fully established. No engineering, procurement or construction contracts have been negotiated or signed to support the Considered Project. No public announcements of a definitive intent to construct the Considered Project have been made – any statements have indicated only that Cheniere is considering the additional investment. The only definitive step described in Cheniere’s June 10, 2015 press release announcing its consideration of the Considered Project is that Cheniere has made the regulatory filings discussed above – the release contains a description of the Considered Project “if completed.” The press release provides that construction of the Considered Project is “subject to receiving all required regulatory approvals and reaching a FID [final investment decision].” Copies of the June 10, 2015 press release and other relevant news articles, website materials, and public filings regarding Cheniere’s consideration of the Considered Project are attached. Agreements pertaining to preliminary design and engineering work and the development of other technical studies and estimates have been entered into; this work is necessary for purposes of determining whether the Considered Project is technically viable and can be cost-competitive in the global marketplace.

Because of the appraised value limitation provided by the Gregory-Portland ISD and the State of Texas for the Covered Project, the applicant has been able to execute 20-year sales and purchase agreements with seven non-affiliated customers at a capacity price of around \$3.50 per million BTUs. These sale commitments represent fixed fees of around \$1.5 billion per year, which enabled the project financing of these facilities. Most of the other existing and planned LNG production facilities in this country, of which there are more than a dozen, are believed to be able to offer their production capacity at a price of around \$3.00-\$3.50 per million BTUs. Without the appraised value limitation, the Applicants’ cost structure for the Considered Project would increase by the equivalent of \$.10-\$.15 per million BTUs. As a result, the Applicants likely would be unable to attract long-term customers for the Considered Project. Without those customer commitments, the Applicants would be unable to attract the project financing necessary to fund a multibillion dollar investment and therefore would be unable to reach FID.

Although Applicants withdrew application 1077 and are filing this new application, the Applicants consider the granting of an appraised value limitation to be a major determining factor in reaching FID. As shown in the attached articles, press releases, website materials, and public filings referencing Cheniere’s consideration of the Considered Project, achieving all regulatory approvals and reaching FID has not been accomplished and is not certain. In the Comptroller’s review of withdrawn

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PORTLAND ISD*

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**Chapter 313 Application to Gregory-Portland ISD (Train 5)**

**Cummings Westlake, LLC**

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Application 1077 covering the Considered Project, the Comptroller reviewed Cheniere's June 10, 2015 press release announcing Cheniere's consideration of the Considered Project (referenced above), as well as substantially the same disclosures made in this Tab 5, prior to concluding that the appraised value limitation was a determining factor for the Considered Project and issuing a certificate of limitation for the Considered Project on January 13, 2016 (which expired January 13, 2017). Other than acquiring a portion of the land on which the Considered Project would be located (see tab 9), the value of which is a nominal fraction (<1%) of the value of the Considered Project, Cheniere has not made any material commitments or taken any binding steps with respect to the Considered Project since the Comptroller issued its certificate of limitation in Application 1077, and as shown in the attached materials, all of Cheniere's public statements about the Considered Project since the certificate of limitation was issued in Application 1077 are substantially similar to prior statements previously considered by the Comptroller. Accordingly, nothing has transpired that should change the Comptroller's determination that the value limitation is a determining factor in the location of the Considered Project in Texas.

While the Considered Project would be located adjacent to the Covered Project, the Considered Project will operate largely independent from the Covered Project. There will be some sharing of facilities - the Considered Project intends to rely on the Covered Project's control room using cable interconnections, an LNG transfer line or lines will interconnect the two projects, and the projects will export LNG production using the same marine terminal (to be constructed by the Covered Project). However, each project will have its own utilities, buildings, and other supporting infrastructure. Operation of the Covered Project will not be dependent on, rely on, or be enhanced by construction of the Considered Project - it would not be detrimental to the Covered Project if the Considered Project were located elsewhere.

Like the other equipment described herein, the interconnections and shared equipment discussed in this paragraph are identical to those described in Application 1077. Cheniere and the Comptroller had detailed discussions about these interconnections in connection with the Comptroller's review and approval of Application 1077, and there are no changes to the planned interconnections that could lead to a different determining factor analysis here.

Finally, because construction of the Covered Project will continue for several years, the Considered Project should not be viewed as an expansion of Cheniere's current operations in the area - Cheniere has no current operations in the area, and will not until the construction of the Covered Project is complete.

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PORTLAND ISD*

**Corpus Christi Liquefaction, LLC, Corpus Christi Liquefaction Stage  
III, LLC and Cheniere Land Holdings, LLC**

**Chapter 313 Application to Gregory-Portland ISD (Train 5)**

**Cummings Westlake, LLC**

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The original certificate of limitation expired, thus necessitating a reapplication, for two reasons. First, Cheniere undertook discussions with the Comptroller's office over a period of several months regarding revisions to the Comptroller's form agreement language and an FAQ question/answer, all of which were needed to address certain project-specific issues. Second, after these agreement issues were resolved, an affiliate of the original applicant reached an agreement to acquire an interest in additional land. This, along with the need to provide Cheniere with flexibility to internally restructure its land holdings, necessitated the addition of affiliates of the original applicant to the application and the creation of a new reinvestment zone for the project. Cheniere and the District agreed that it was preferable to use a new application to address these issues rather than rush the execution of an agreement which would then need to be immediately amended.

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### Cheniere Announces New LNG Project Developments

- Projects have potential to add up to 19 mtpa in new liquefaction capacity by 2025
- **Cheniere developing two additional liquefaction trains at Corpus Christi, 9 mtpa**

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#### - **Cheniere agrees in principle to invest in 2 mid-scale LNG projects in Louisiana with Parallax Enterprises, LLC, 10 mtpa**

HOUSTON, [June 10, 2015](#) /PRNewswire/ -- Cheniere Energy, Inc. ("Cheniere") (NYSE MKT: LNG) today announced two significant liquefied natural gas ("LNG") project developments that, if completed, are projected to add up to approximately 19 million tonnes per annum ("mtpa") of incremental LNG production capacity and would bring Cheniere's aggregate nominal LNG production capacity to approximately 60 mtpa by 2025.

Cheniere is developing approximately 9 mtpa of incremental LNG production capacity through the addition of two liquefaction trains adjacent to the existing site of the Corpus Christi liquefaction project (the "CCL Project"). Expected nominal LNG production capacity of each of these liquefaction trains is approximately 4.5 mtpa, which would increase the expected aggregate nominal LNG production capacity at the CCL Project to approximately 22.5 mtpa. Cheniere initiated the regulatory process in June 2015 by filing the National Environmental Policy Act pre-filing request with the FERC and the FTA and non-FTA approval requests with the DOE. Regulatory approvals would be expected in 2017.

In addition, Cheniere has agreed in principle to partner with Parallax Enterprises, LLC ("Parallax"), to develop up to 10 mtpa of LNG production capacity through Parallax's two mid-scale projects, Live Oak LNG ("Live Oak") and Louisiana LNG ("LLNG"). Live Oak is located on the Calcasieu Ship Channel in southwestern Louisiana, and LLNG is located on the Mississippi River approximately 40 miles from New Orleans. Both projects are expected to have two liquefaction trains designed for LNG production capacity of approximately 2.5 mtpa each, utilizing liquefaction process technology and modular equipment developed by Chart Industries, Inc. The facilities are being engineered by Bechtel Oil, Gas, & Chemicals, Inc.

"Our latest LNG development projects include two additional liquefaction trains adjacent to our Corpus Christi liquefaction site and four mid-scale liquefaction trains to be developed at two sites located in Louisiana. This next phase of growth would bring our expected aggregate nominal LNG production capacity to approximately 60 mtpa by 2025," said Charif Souki, Cheniere's Chairman and CEO. "We expect that these liquefaction trains could be funded from internally generated cash flows, which would allow us to continue to be one of the lowest cost suppliers of LNG in the market and give us more flexibility in terms of contracting and selling volumes on a more tailored basis to meet the individual needs of global LNG buyers."

Mr. Souki continued, "We continue to market long-term contracts for Train 3 at Corpus Christi and Train 6 at Sabine Pass, and plan to finalize the sale of approximately 3 mtpa of capacity under 20-year agreements before we make a positive final investment decision ("FID") on each train, reaching a total of approximately 32 mtpa of LNG under long-term third-party contracts out of a total of 40.5 mtpa by 2020. We think we can continue to grow this platform at 10 percent per year until 2025, and reach approximately 60 mtpa of expected total nominal LNG production capacity with our new projects while remaining a low cost global LNG supplier."

Cheniere anticipates both project developments could be under construction as early as 2017, subject to receiving all required regulatory approvals and reaching FID. The projects would be targeted to begin production as early as 2021, with all approximately 19 mtpa targeted to be in production by 2025.

About Cheniere Energy, Inc.

Cheniere Energy, Inc. is a Houston-based energy company primarily engaged in LNG-related businesses. Through its subsidiary, Cheniere Energy Partners, L.P., Cheniere is developing a liquefaction project at the Sabine Pass LNG terminal (the "SPL Project") adjacent to the existing regasification facilities for up to six trains, each of which is expected to have a nominal production capacity of approximately 4.5 mtpa. Construction has begun on trains 1 through 4 at the SPL Project. Cheniere is also developing liquefaction facilities near Corpus Christi, Texas. The CCL Project is being designed for up to five trains, with expected aggregate nominal production capacity of approximately 22.5 mtpa of LNG, four LNG storage tanks with capacity of approximately 13.5 Bcfe and two LNG carrier docks. Cheniere believes that LNG exports from the CCL Project could commence as early as 2018. Construction has begun on the first two trains at the CCL Project. Cheniere has agreed in principle to partner with Parallax Enterprises, LLC for the development of up to 10 mtpa of LNG production capacity through Parallax's two mid-scale projects, Live Oak LNG and Louisiana LNG.

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives, including the development, construction and operation of the liquefaction facilities, (ii) statements regarding expectations regarding regulatory authorization and

approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG terminal and pipeline businesses, including liquefaction facilities, (iv) statements regarding the business operations and prospects of third parties, (v) statements regarding potential financing arrangements, and (vi) statements regarding future discussions and entry into contracts. Although Cheniere believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

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To view the original version on PR Newswire, visit:<http://www.prnewswire.com/news-releases/cheniere-announces-new-lng-project-developments-300097420.html>

SOURCE Cheniere Energy, Inc.

Investors: Randy Bhatia: 713-375-5479; or Media: Faith Parker: 713-375-5663



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# Platform Capacity in Aggregate ~9% of Expected Global LNG Market by 2020 **~4.5 mtpa** **Operating, ~27.0 mtpa** **Under Construction**

[Sabine Pass Terminal](#) »

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## Terminals

### LNG TERMINALS

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### SABINE PASS LNG TERMINAL

## Liquefaction Facilities: Trains 4-5

In June 2015, Cheniere Energy Inc. announced plans to add two additional trains with approximately 9 million metric tons per annum (mtpa) of incremental nominal LNG production capacity at the existing site of the Corpus Christi liquefaction project (the "CCL Project"). The Stage 3 expansion project would increase the expected aggregate nominal LNG production capacity at the CCL Project to approximately 22.5 mtpa over a total of five trains,

**Liquefaction  
Facilities: Trains 1-6**

- Project Schedules
- Documentation
- FERC Process

**CORPUS CHRISTI LNG**

**Liquefaction  
Facilities: Trains 1-3**

- Project Schedule
- Documentation
- FERC Process

**Liquefaction  
Facilities: Trains 4-5**

- Project Schedule
- Documentation
- FERC Process

each with a nominal production capacity of approximately 4.5 mtpa. Cheniere expects to add a 22-mile-long, 42-inch-diameter pipeline, which would run parallel to the pipeline currently under construction under the scope of the Stage 1 of the CCL Project.

Cheniere initiated the regulatory process for Stage 3 in June 2015 by filing the National Environmental Policy Act pre-filing request with the Federal Energy Regulatory Commission (FERC) and the FTA and non-FTA approval requests with the DOE. Regulatory approvals would be expected in 2017. The targeted CCL Project in-service date for stage three is for the 1st Quarter of 2021.



Last updated 06/21/16



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# Platform Capacity in Aggregate ~9% of Expected Global LNG Market by 2020 **~4.5 mtpa** **Operating, ~27.0 mtpa** **Under Construction**

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## FERC Process

### Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC) has the exclusive authority to approve or deny an application for the siting, construction, expansion, or operation of an LNG terminal and interstate natural gas pipeline per the Natural Gas Act. The FERC is the lead federal agency that will determine whether Corpus Christi Liquefaction, LLC (CCL) and Cheniere Corpus

**Liquefaction  
Facilities: Trains 1-6**

Project Schedules  
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**CORPUS CHRISTI LNG**

**Liquefaction  
Facilities: Trains 1-3**

Project Schedule  
Documentation  
FERC Process

**Liquefaction  
Facilities: Trains 4-5**

Project Schedule  
Documentation  
FERC Process

Christi Pipeline, LP (CCPL) will be issued an Order Granting Authority under Sections 3 and 7(c), respectively, of the Natural Gas Act for the construction and operation of the Stage 3 Project. The FERC will also monitor all construction and restoration activities to ensure that CCL and CCPL comply with all federal, state, and local permits, plans, and regulations.

**The Approval Process**

On June 1, 2015, CCL and CCPL requested FERC's permission to engage in the Pre-Filing Environmental Review Process (Reference Docket No. PF15-26-000). The pre-filing process provides opportunities for federal and state cooperating agencies (TCEQ, USACE, USFWS, etc.), and other public stakeholders to comment on the project impacts prior to an application to the FERC being submitted. Permission was granted to begin the pre-filing process on June 9, 2015.

CCL and CCPL are preparing draft Resource Reports for submittal to the FERC staff to aid their preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) to fulfill the requirements of the National Environmental Policy Act (NEPA). The purpose of the EA/EIS is to inform the public and the permitting agencies about the potential adverse and/or beneficial environmental and safety impacts of proposed projects and their alternatives.

The Resource Reports are divided into the following subjects:

1. General project description
2. Water use and quality
3. Fish, wildlife, and vegetation
4. Cultural resources
5. Socioeconomics
6. Geological resources
7. Soils
8. Land use, recreation, and aesthetics
9. Air and noise quality
10. Alternatives
11. Reliability and safety
12. PCB contamination (not required for this project)
13. Engineering and design material

The stakeholders were given the opportunity to comment on the resource reports through public meetings and postings.

Comments were identified and addressed prior to the final environmental documents and approvals being issued. The schematic illustrates the steps involved, and the points where the public will be given the opportunity to comment on the [pre-filing process](#).

Upon FERC approval of the project, CCL and CCPL will receive:

1. A Commission Order stating its decision on whether to approve construction and operation of the LNG terminal and associated pipeline facilities; and
2. Conditions that must be met prior to construction.

CCL and CCPL will also be applying for the following environmental permits and clearances as applicable:

1. Section 401 water quality certificate from the Texas Commission on Environmental Quality;
2. Section 404 permit from the US Army Corps of Engineers for work in wetlands;
3. Coastal Zone Management consistency determination from the Texas Coastal Coordination Council;
4. Federal Endangered Species consultation with the US Fish and Wildlife Service;
5. State Endangered Species consultation with the Texas Parks and Wildlife Department;
6. Air Emissions Permit (Title V & PSD) from the Texas Commission on Environmental Quality;
7. Section 106 National Historic Preservation Act Clearance from the Texas Historical Commission;
8. Authorization to export from the Department of Energy.

### **Design and Construction Monitoring**

After CCL and CCPL receive FERC approval for the Stage 3 Project and have met all pre-construction conditions required by the FERC Order, FERC will authorize the commencement of construction.

Prior to commencement of service from the LNG facility, CCL must receive written approval from FERC. Only after complying with all pre-operation conditions listed in the FERC Order would a company receive authorization to begin operation.

### **FERC Citizen's Guide**

[An Interstate Natural Gas Facility on My Land?](#) The FERC wants you to know:

How FERC's procedures work;  
What rights citizens have;  
How the location of a pipeline or other facilities is decided; and  
What safety and environmental issues might be involved?

Please read the FERC's Citizen Guide where you will find all this information and more to help you know what you need to know.

You may also find other useful information concerning natural gas pipelines on the FERC's webpage at: <http://www.ferc.gov/>



# Platform Capacity in Aggregate ~9% of Expected Global LNG Market by 2020 **~4.5 mtpa** **Operating, ~27.0 mtpa** **Under Construction**

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### SABINE PASS LNG TERMINAL

## Documentation

### Federal Energy Regulatory Commission (FERC) Documents

**July 9, 2015** - Draft Resource Reports 1 (General Project Description) and 10 (Alternatives) (Docket No. PF15-26-000)

**July 1, 2015** – Open House Meeting – Presentation Posters for the Stage 3 Project (Docket No. PF15-26-000)

**Liquefaction  
Facilities: Trains 1-6**

- Project Schedules
- Documentation
- FERC Process

**June 9, 2015** – Letter from FERC granting permission to initiate the NEPA pre-filing process (Docket No. PF15-26-000)

**June 1, 2015** – Letter to FERC requesting to initiate the NEPA pre-filing process for the Stage 3 Project (Docket No. PF15-26-000)

**CORPUS CHRISTI LNG**

**Liquefaction  
Facilities: Trains 1-3**

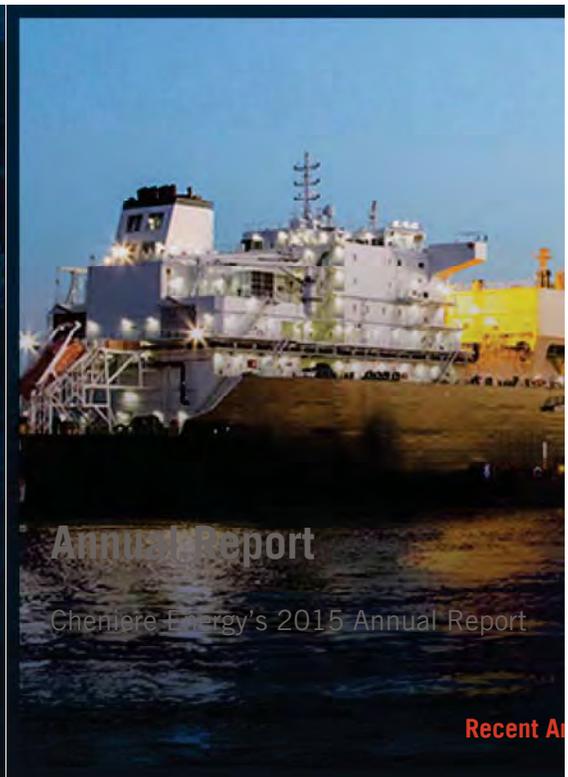
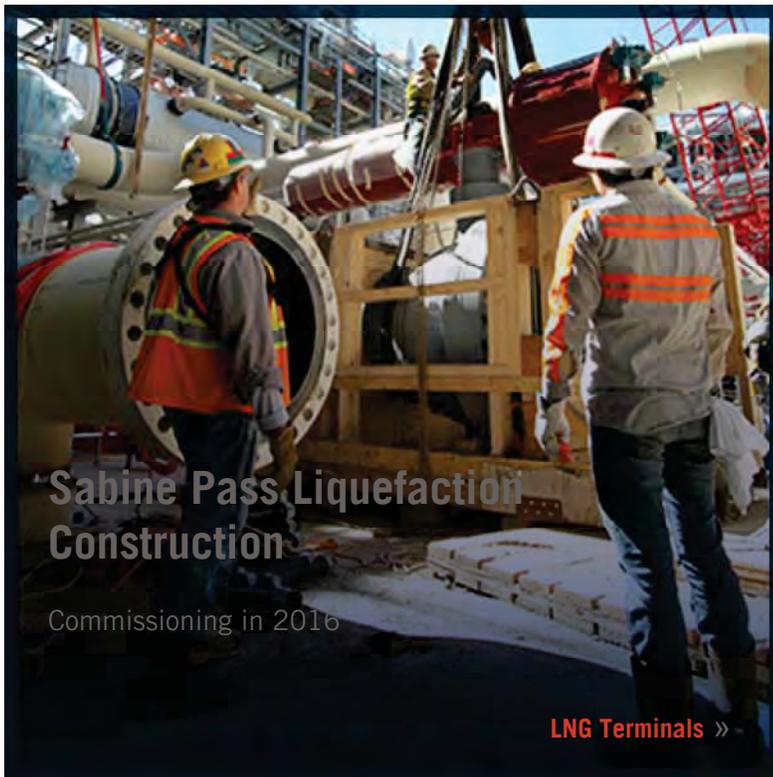
- Project Schedule
- Documentation
- FERC Process

**DOE Documents**

**August 27, 2015** - Order granting long-term, multi-contract authorization to export liquefied natural gas from the Corpus Christi LNG terminal to Free Trade Agreement nations (Ref: Docket No. 15-97-LNG)

**Liquefaction  
Facilities: Trains 4-5**

- Project Schedule
- Documentation
- FERC Process





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### Cheniere Energy, Inc. Reports Third Quarter 2016 Results

HOUSTON, Nov. 3, 2016 /PRNewswire/ -- Cheniere Energy, Inc. ("Cheniere") (NYSE MK LNG) reported a net loss<sup>1</sup> of \$100.4 million, or \$0.44 per share (basic and diluted), for the three months ended September 30, 2016, compared to a net loss of \$297.8 million or \$1.31 per share (basic and diluted), for the comparable 2015 period. Net Loss, As Adjusted<sup>2</sup> was \$94.2 million, or \$0.41 per share (basic and diluted), for the three mont

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**CHENIERE HOLDINGS:**  
**CQH**

**CHENIERE PARTNERS:**  
**CQP**

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ended September 30, 2016, compared to a Net Loss, As Adjusted of \$164.6 million, or \$0.72 per share (basic and diluted), for the comparable 2015 period.

For the nine months ended September 30, 2016, Cheniere reported a net loss of \$719.0 million, or \$3.15 per share (basic and diluted), compared to a net loss of \$684.0 million, or \$3.02 per share (basic and diluted), for the comparable 2015 period. For the nine months ended September 30, 2016, Net Loss, As Adjusted was \$369.1 million, or \$1.4 per share (basic and diluted), compared to a Net Loss, As Adjusted of \$498.5 million, or \$2.20 per share (basic and diluted), for the comparable 2015 period.

For the three and nine months ended September 30, 2016, Net Loss, As Adjusted excludes the impact of changes in the fair value of our interest rate, commodity and FX derivatives, loss on early extinguishment of debt, restructuring expense, amortization of the beneficial conversion feature related to certain Class B units of Cheniere Energy Partners, L.P. ("Cheniere Partners") (NYSE MKT: CQP) and impairment expense. Loss on early extinguishment of debt was associated with the write-off of debt issuance costs by Sabine Pass Liquefaction, LLC ("SPL") and Cheniere Corpus Christi Holdings, LLC ("CCH") in connection with the refinancing of a portion of their credit facilities and by Cheniere Creole Trail Pipeline, L.P. as a result of the prepayment of its outstanding term loan. For the three and nine months ended September 30, 2015, Net Loss, As Adjusted excludes the impact of changes in the fair value of interest rate, commodity and FX derivatives, loss on early extinguishment of debt related to the write-off of debt issuance costs by SF primarily in connection with the refinancing of a portion of its credit facilities in March 2015, amortization of the beneficial conversion feature and impairment expense.

"The third quarter of 2016 was significant for Cheniere on multiple fronts. Our transition to operations continues, highlighted in the third quarter by the substantial completion of Train 2 at Sabine Pass and the generation of approximately \$67 million in Adjusted EBITDA<sup>2</sup>. Commissioning activities commenced on Train 3, and our remaining Trains under construction continue on time and on budget," said Jack Fusco, Cheniere's President and CEO. "In addition, we continued to manage our debt maturity profile by successfully issuing bonds to prepay outstanding borrowings under credit facilities for the Sabine Pass liquefaction project, with the issuing entity having earned its first investment-grade credit rating during the quarter."

### **Third Quarter 2016 Highlights**

- In September 2016, Cheniere Partners announced that Train 2 of the Sabine Pass Liquefaction Project (defined below) achieved substantial completion.
- In September 2016, commissioning activities commenced on Train 3 of the Sabine Pass Liquefaction Project.
- In September 2016, Cheniere announced the formation of a new executive leadership team.
- In September 2016, SPL issued an aggregate principal amount of \$1.5 billion of 5.00% Senior Secured Notes due 2027. Net proceeds from the offering were used to prepay all of the principal amounts outstanding under SPL's credit facilities and are being used to pay a portion of the capital costs in connection with the construction of the Sabine Pass Liquefaction Project.
- In September 2016, Cheniere submitted a proposal to the board of directors of Cheniere Energy Partners LP Holdings, LLC ("Cheniere Partners Holdings") (NYSE MKT: CQH) to acquire the publicly held shares of Cheniere Partners Holdings not already owned by Cheniere in a stock for stock exchange.

### **Third Quarter and Year to Date 2016 Results**

Our financial results are reported on a consolidated basis. Our ownership interest in Cheniere Partners consists of 100% ownership of the general partner of Cheniere Partners and 80.1% ownership interest in Cheniere Partners Holdings which owns a 55.9% limited partner interest in Cheniere Partners.

Adjusted EBITDA for the three and nine months ended September 30, 2016 was \$67.3 million and \$19.4 million, respectively, compared to losses of \$51.5 million and \$138.1 million, respectively, for the comparable 2015 periods. During the three months ended September 30, 2016, Train 2 of the Sabine Pass Liquefaction Project achieved substantial completion. Prior to substantial completion, amounts received from the sale of commissioning cargoes were offset against LNG terminal construction-in-process because these amounts were earned during the testing phase for the construction of Trains 1 and 2 of the Sabine Pass Liquefaction Project. We expect sales of LNG cargoes from future liquefaction trains ("Trains") to be reported in the same manner. During the three months ended September 30, 2016, a total of 18 cargoes were loaded and exported from the Sabine Pass Liquefaction Project, 3 of which were Train 2 commissioning cargoes.

Total operating costs and expenses increased \$332.3 million and \$452.7 million during the three and nine months ended September 30, 2016 compared to the three and nine months ended September 30, 2015, respectively, generally as a result of the commencement of operations of Train 1 and Train 2 of the Sabine Pass Liquefaction Project in May and September 2016, respectively. Depreciation and amortization expense increased during the three and nine months ended September 30, 2016 as we began depreciation of our assets related to Train 1 and Train 2 of the Sabine Pass Liquefaction Project upon reaching substantial completion. Selling, general and administrative expense during the three and nine months ended September 30, 2016 decreased from the comparable 2015 periods, which was primarily due to the timing of share-based compensation recognition and the recognition of certain employee-related costs within restructuring expense during the three and nine months ended September 30, 2016 historically reported in selling, general and administrative expense, a reduction in certain professional services fees, and reallocation of costs from selling, general and administrative activities to operating and maintenance activities following commencement of operations at the Sabine Pass Liquefaction Project.

As a result of restructuring efforts initiated in 2015, we recorded \$26.2 million and \$49.2 million of restructuring charges and other costs associated with restructuring and operational efficiency initiatives during the three and nine months ended September 30, 2016, respectively, for which the majority of these charges required, or will require, cash expenditure. Included in these amounts are \$20.9 million and \$42.9 million for share-based compensation. All charges were recorded within restructuring expense on our Consolidated Statements of Operations and substantially all related to severance and other employee-related costs.

Included in selling, general and administrative expense were share-based compensation expenses of \$7.5 million and \$31.2 million for the three and nine months ended September 30, 2016, respectively, compared to \$27.1 million and \$85.2 million for the comparable 2015 periods, respectively.

### **Liquefaction Projects Update**

#### ***Sabine Pass Liquefaction Project***

Through Cheniere Partners, we are developing up to six Trains, each with an expected nominal production capacity of approximately 4.5 million tonnes per annum ("mtpa") of

LNG, at the Sabine Pass LNG terminal adjacent to the existing regasification facilities (the "Sabine Pass Liquefaction Project").

The Trains are in various stages of operation, construction, and development.

- Construction on Trains 1 and 2 began in August 2012 and substantial completion was achieved in May 2016 and September 2016, respectively. Substantial completion is achieved upon the completion of construction, commissioning and the satisfaction of certain tests.
- Construction on Trains 3 and 4 began in May 2013, and as of September 30, 2016, the overall project completion percentage for Trains 3 and 4 was approximately 91.8%, which is ahead of the contractual schedule. In September 2016, commissioning activities commenced on Train 3. Based on the current construction schedule, Cheniere Partners expects Trains 3 and 4 to reach substantial completion in 2017.
- Construction on Train 5 began in June 2015, and as of September 30, 2016, the overall project completion percentage for Train 5 was approximately 42.8%, which is ahead of the contractual schedule. Engineering, procurement, subcontract work and construction were approximately 90.8%, 62.0%, 41.9% and 4.6% complete respectively. Based on the current construction schedule, Cheniere Partners expects Train 5 to reach substantial completion in 2019.
- Train 6 is currently under development, with all necessary regulatory approvals in place. Cheniere Partners expects to make a final investment decision and commence construction on Train 6 upon, among other things, entering into an engineering, procurement, and construction contract, entering into acceptable commercial arrangements, and obtaining adequate financing.

| Liquefaction Train              | Sabine Pass Liquefaction Project |             |                           |                           |
|---------------------------------|----------------------------------|-------------|---------------------------|---------------------------|
|                                 | Train 1                          | Train 2     | Trains 3-4                | Train 5                   |
| Project Status                  | Operational                      | Operational | 92% Overall<br>Completion | 43% Overall<br>Completion |
| Expected Substantial Completion | -                                | -           | 2017                      | 2019                      |

### ***Corpus Christi LNG Terminal***

We are developing up to three Trains, each with an expected nominal production capacity of approximately 4.5 mtpa of LNG, near Corpus Christi, Texas (the "CCL Project").

The Trains are in various stages of construction and development:

- Construction on Trains 1 and 2 began in May 2015, and as of September 30, 2016, the overall project completion percentage for Trains 1 and 2 was approximately 43.0%, which is ahead of the contractual schedule. Engineering, procurement and construction were approximately 99.3%, 59.0% and 14.4% complete, respectively. Based on the current construction schedule, we expect Trains 1 and 2 to reach substantial completion in 2019.

- Train 3 is under development, with all necessary regulatory approvals in place. We have entered into an LNG Sale and Purchase Agreement ("SPA") for approximately 0.8 mtpa of LNG volumes that commence with Train 3 and expect to commence construction upon entering into additional SPAs and obtaining adequate financing.

Additionally, we are developing Trains 4 and 5 adjacent to the CCL Project and have initiated the regulatory approval process with respect to those Trains.

| Liquefaction Train              | Corpus Christi LNG Terminal |
|---------------------------------|-----------------------------|
|                                 | Trains 1-2                  |
| Project Status                  | 43% Overall Completion      |
| Expected Substantial Completion | 2019                        |

### **Recent Developments**

- In October 2016, the previously announced planned outage to improve performance of the flare systems at the Sabine Pass Liquefaction Project, as well as to perform scheduled maintenance to Train 1 and other facilities, was completed on schedule and budget.
- Cheniere is exploring the development of a midscale liquefaction project (the "Midscale Liquefaction Project"). The Midscale Liquefaction Project would be developed using electric drive modular Trains, with an expected aggregate nominal production capacity of approximately 9.5 mtpa of LNG. Cheniere has completed a competitive bidding process and awarded a front-end engineering and design contract to a consortium consisting of KBR, Inc., Siemens AG, and Chart Industries, Inc.
- Cheniere has proposed the development of the Midcontinent Supply Header Interstate Pipeline ("MIDSHIP"), connecting new gas production in the Anadarko Basin to Gulf Coast markets. MIDSHIP is being contemplated for up to 1.4 Bcf/d capacity and would facilitate gas supply for both the Sabine Pass Liquefaction Project and the CCL Project. Cheniere expects the regulatory pre-filing process to commence imminently and to file formal applications for the required regulatory permits in 2017, with construction expected to commence in 2018 upon, among other things, entering into a construction contract and acceptable commercial arrangements and obtaining adequate financing to construct the pipeline.
- In October 2016, Sabine Pass LNG, L.P. ("SPLNG") issued a notice of redemption to redeem all of its outstanding \$420 million in aggregate principal amount of 6.50% Senior Secured Notes due 2020 (the "2020 Notes") on November 30, 2016 (the "Redemption Date"). Concurrently, SPLNG intends to repay all of its outstanding \$1,665.0 million in aggregate principal amount of 7.50% Senior Secured Notes due 2016 (the "2016 Notes"), which mature on the Redemption Date. Subsequent to the redemption of the 2020 Notes and the repayment of the 2016 Notes, there will be no debt maturity in the Cheniere complex until 2020.

### **Investor Conference Call and Webcast**

We will host a conference call to discuss our financial and operating results for the third quarter on Thursday, November 3, 2016, at 11 a.m. Eastern time / 10 a.m. Central time.

A listen-only webcast of the call and an accompanying slide presentation may be accessed through our website at [www.cheniere.com](http://www.cheniere.com). Following the call, an archived recording will be made available on our website.

<sup>1</sup> Reported as Net loss attributable to common stockholders on our Consolidated Statements of Operations.

<sup>2</sup> Non-GAAP financial measure. See "Reconciliation of Non-GAAP Measures" for further details.

### **About Cheniere**

Cheniere Energy, Inc., a Houston-based energy company primarily engaged in LNG-related businesses, owns and operates the Sabine Pass LNG terminal in Louisiana. Directly and through its subsidiary, Cheniere Energy Partners, L.P., Cheniere is developing, constructing, and operating liquefaction projects near Corpus Christi, Texas and at the Sabine Pass LNG terminal, respectively. Cheniere is also exploring a limited number of opportunities directly related to its existing LNG business.

For additional information, please refer to the Cheniere website at [www.cheniere.com](http://www.cheniere.com) or Quarterly Report on Form 10-Q for the quarter ended September 30, 2016, filed with the Securities and Exchange Commission.

### **Forward-Looking Statements**

This press release contains certain statements that may include "forward-looking statements" within the meanings of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, included herein are "forward-looking statements." Included among "forward-looking statements" are, among other things, (i) statements regarding Cheniere's business strategy, plans and objectives, including the development, construction and operation of liquefaction facilities, (ii) statements regarding expectations regarding regulatory authorizations and approvals, (iii) statements expressing beliefs and expectations regarding the development of Cheniere's LNG terminal and pipeline businesses, including liquefaction facilities, (iv) statements regarding the business operations and prospects of third parties, (v) statements regarding potential financing arrangements and (vi) statements regarding future discussions and entry into contracts. Furthermore, in connection with our proposal to Cheniere Partners Holdings, there can be no assurance that any discussions that may occur between us and Cheniere Partners Holdings will result in the entry into of a definitive agreement concerning a transaction or if such a definitive agreement is reached, will result in the consummation of a transaction provided for in such definitive agreement. Although Cheniere believes that the expectations reflected in these forward-looking statements are reasonable, they do involve assumptions, risks and uncertainties, and these expectations may prove to be incorrect. Cheniere's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in Cheniere's periodic reports that are filed with and available from the Securities and Exchange Commission. You should not place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Other than as required under the securities laws, Cheniere does not assume a duty to update these forward-looking statements.

**(Financial Table Follows)**



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### SABINE PASS LNG TERMINAL

## FERC Process

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**The Approval Process**

On June 1, 2015, CCL and CCPL requested FERC's permission to engage in the Pre-Filing Environmental Review Process (Reference Docket No. PF15-26-000). The pre-filing process provides opportunities for federal and state cooperating agencies (TCEQ, USACE, USFWS, etc.), and other public stakeholders to comment on the project impacts prior to an application to the FERC being submitted. Permission was granted to begin the pre-filing process on June 9, 2015.

CCL and CCPL are preparing draft Resource Reports for submittal to the FERC staff to aid their preparation of an Environmental Assessment (EA) or Environmental Impact Statement (EIS) to fulfill the requirements of the National Environmental Policy Act (NEPA). The purpose of the EA/EIS is to inform the public and the permitting agencies about the potential adverse and/or beneficial environmental and safety impacts of proposed projects and their alternatives.

The Resource Reports are divided into the following subjects:

1. General project description
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4. Cultural resources
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6. Geological resources
7. Soils
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11. Reliability and safety
12. PCB contamination (not required for this project)
13. Engineering and design material

The stakeholders were given the opportunity to comment on the resource reports through public meetings and postings. Comments were identified and addressed prior to the final environmental documents and approvals being issued. The schematic illustrates the steps involved, and the points where the public will be given the opportunity to comment on the [pre-filing process](#).

Upon FERC approval of the project, CCL and CCPL will receive:

1. A Commission Order stating its decision on whether to approve construction and operation of the LNG terminal and associated pipeline facilities; and
2. Conditions that must be met prior to construction.

CCL and CCPL will also be applying for the following environmental permits and clearances as applicable:

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2. Section 404 permit from the US Army Corps of Engineers for work in wetlands;
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6. Air Emissions Permit (Title V & PSD) from the Texas Commission on Environmental Quality;
7. Section 106 National Historic Preservation Act Clearance from the Texas Historical Commission;
8. Authorization to export from the Department of Energy.

### **Design and Construction Monitoring**

After CCL and CCPL receive FERC approval for the Stage 3 Project and have met all pre-construction conditions required by the FERC Order, FERC will authorize the commencement of construction.

Prior to commencement of service from the LNG facility, CCL must receive written approval from FERC. Only after complying with all pre-operation conditions listed in the FERC Order would a company receive authorization to begin operation.

### **FERC Citizen's Guide**

[An Interstate Natural Gas Facility on My Land?](#) The FERC wants you to know:

How FERC's procedures work;  
What rights citizens have;  
How the location of a pipeline or other facilities is decided; and  
What safety and environmental issues might be involved?

Please read the FERC's Citizen Guide where you will find all this information and more to help you know what you need to know.

You may also find other useful information concerning natural gas pipelines on the FERC's webpage at: <http://www.ferc.gov/>

**Excerpt from Cheniere Energy, Inc. 10-K filed with United States Securities and Exchange Commission as of December 31, 2015**

***Corpus Christi LNG Terminal***

*Liquefaction Facilities*

The CCL Project is being developed and constructed at the Corpus Christi LNG terminal, on nearly 2,000 acres of land that we own or control near Corpus Christi, Texas. In December 2014, we received authorization from the FERC to site, construct and operate Stages 1 and 2 of the CCL Project. In May 2015, we commenced construction of Stage 1 of the CCL Project.

Through the CCL Stage III entities, which are separate from the CCH Group, we are developing two additional Trains and one LNG storage tank at the Corpus Christi LNG terminal adjacent to the CCL Project, along with a second natural gas pipeline, and we commenced the regulatory approval process in June 2015.

The DOE has authorized the export of up to a combined total of the equivalent of 15 mtpa (approximately 767 Bcf/yr) of domestically produced LNG by vessel from the CCL Project to FTA countries for a 25-year term and to non-FTA countries for a 20-year term. A party to the proceeding requested a rehearing of the non-FTA order, and the DOE has not yet issued a final ruling on the rehearing request. Additionally, the DOE has authorized the export of up to a combined total of the equivalent of 514 Bcf/yr of domestically produced LNG by vessel from the two additional Trains being developed adjacent to the CCL Project to FTA countries for a 20-year term. The application for authorization to export that same 514 Bcf/yr of domestically produced LNG by vessel to non-FTA countries is currently pending at the DOE. In each case, the terms of these authorizations begin on the earlier of the date of first export thereunder or the date specified in the particular order, which ranges from 7 to 10 years from the date the order was issued.

As of December 31, 2015, the overall project completion percentage for Stage 1 of the CCL Project was approximately 29.2% with engineering, procurement and construction approximately 93.6%, 41.9% and 2.2% complete, respectively. The construction of the Corpus Christi Pipeline is planned to commence in 2016. Based on our current construction schedule, we anticipate that Train 1 of the CCL Project will produce LNG as early as late 2018, and Train 2 is expected to commence operations several months thereafter.

DOE approval applies to free trade countries only

## Cheniere cleared to export more LNG from Corpus Christi



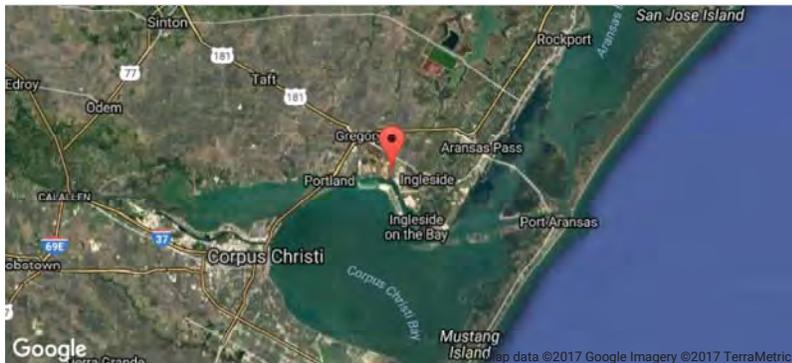
The United States Department of Energy issued an order authorizing Cheniere to export LNG from its stage 3 project (Trains 4 and 5) of the Corpus Christi liquefaction facility, to be located in San Patricio and Nueces Counties, Texas.

Cheniere has been authorized to export equivalent to approximately 514 Bcf/yr of natural gas for a 20-year term, according to the order.

Cheniere's Corpus Christi liquefaction project is currently under construction and presently consists of Trains 1-3, three LNG storage tanks, two marine berths, and associated facilities.

Under the Stage 3 expansion project, Cheniere intends to add two 5 mtpa liquefaction trains, as well as a fourth LNG tank, to expand the Corpus Christi project.

Cheniere anticipates that construction of the Stage 3 project will commence by 2017, with exports commencing as early as 2021.



LNG World News Staff; Image: Bechtel

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Events

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# Supporting Information

Additional information  
provided by the Applicant or  
located by the Comptroller

# Minutes of Special Meeting

## The Board of Trustees Gregory-Portland ISD

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A Special Meeting of the Board of Trustees of Gregory-Portland ISD was held Monday, March 6, 2017, beginning at 6:00 PM in the G-PISD Training Center, 1200 Broadway, Portland, Texas.

### I. Call to Order and Establish Quorum

The meeting was called to order at 6:10 p.m. by President, Randy Eulenfeld. Board members present: Dean Atkinson, Victor Hernandez, Gilbert Cortinas, Carrie Gregory, Rey Rojas and Tim Flinn. Others present: Paul Clore, Darla Czerwinski, Ron Wilson, Shane Erslund, Will Nichols, Dan Korus, Lenora Keas, Rob Tully, Melanie Schmidt, Beth Beurra, Andrea Carter, Paige Kimball, Doreen Harrel, Payton Keith, Russ Roberts, Jared Young, Keith Little, Dale Cummings, Mr. Culbertson, and Cindy Hartley.

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**CLOSED SESSION 6:11 PM**

**OPEN SESSION 7:27 PM**

\*\*\*\*\*

### II. Closed Session, As Authorized by the Texas Open Meetings Act, Texas Government Code Section 551.071, 551.072, 551.074, 551.0821, 551.087, 551.129 et seq.

- A. To deliberate the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public employee or employees, including but not limited to resignation and employment of personnel [551.074]
- B. To discuss purchase, exchange, lease, or value of real property [551.072]
- C. Consultation with District legal counsel in connection with the following applications for Limitation on appraised Value of Property for School District Maintenance & Operations Taxes: Corpus Christi Liquefaction, LLC, et al Train 4 and Corpus Christi Liquefaction, LLC et al, Train 5
- D. Consultation with District legal counsel in connection with the following Applications for Limitation on Appraised Value of Property for School District Maintenance & Operations Taxes: ExxonMobil Corporation (Texas Comptroller's Application No. 1156), GCGV Asset Holding, LLC (Texas Comptroller's Application No. 1155), and SABIC US Projects, LLC (Texas Comptroller's Application No. 1154)

### III. Open Session Action, If Any, on Closed Session Deliberations Regarding

- A. Consider Resignations of Personnel and Review Vacancy Report
- B. Consider Employment of Personnel

It is recommended that Ricky Rhoades be employed on a two-year dual-assignment term contract for the 2017-2018 and 2018-2019 school year(s). The motion was made by Dean Atkinson and seconded by Tim Flinn. The motion carried 6/0.

- C. Discussion and Possible Action to Apply Unused Application Fees from Corpus Christi Liquefaction, LLC et al, Trains 4 & 5 (Texas Comptroller's No. 1076 & 1077) to the new Application for Value Limitation Agreements from Corpus Christi Liquefaction, LLC, et al, Trains 4 & 5

The Superintendent recommended that the Board waive the application fee for the Applications of Corpus Christi Liquefaction, LLC et al (Train 4 & 5) for an Appraised Value Limitation on Qualified Property. Victor Hernandez made the motion which was seconded by Tim Flinn; motion carried 7/0.

- D. Discussion and Possible Action to: Accept the Application of Corpus Christi Liquefaction, LLC, et al (Train 4) for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification

The Superintendent recommended that the Board accept the Application of Corpus Christi Liquefaction, LLC et al (Train 4) for an Appraised Value Limitation of Qualified Property and authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification. The motion was made by Gilbert Cortinas and seconded by Tim Flinn. The motion carried 7/0.

- E. Discussion and Possible Action to: Accept the Application of Corpus Christi Liquefaction, LLC, et al (Train 5) for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification

The Superintendent recommended that the Board accept the Application of Corpus Christi Liquefaction, LLC et al (Train 5) for an Appraised Value Limitation of Qualified Property and authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days, subject to Board ratification. Victor Hernandez made the motion which was seconded by Dean Atkinson; motion carried 7/0.

- F. Discussion and Possible Action to Retain Attorneys/Consultants to assist the District in the review and processing of the two pending Applications for a Limitation on Appraised Value of Property for School

The Superintendent recommended that the Board approve to retain the firms of O'Hanlon, McCollom & Demerath and Moak Casey & Associates to assist the District in the review and processing of the Applications submitted by Corpus Christi Liquefaction, LLC et al. The motion was made by Dean Atkinson and seconded by Gilbert Cortinas. The motion carried 7/0.

- G. Consider and Take Possible Action to Approve a Resolution of the Gregory-Portland Independent School District Granting an Extension of Time for Action on the Pending Application for an Appraised Value Limitation on Qualified Property from SABIC US Projects LLC, Application # 1154

The Superintendent recommended that the Board approve a Resolution granting an extension of time for action on the pending Application for an Appraised Value Limitation on Qualified Property from SABIC US Projects-LLC, Application #1154. Victor Hernandez made the motion to grant the time extension (150-days) until June 30, 2017, which was seconded by Carrie Gregory; motion carried 6/0/1, Tim Flinn abstaining.

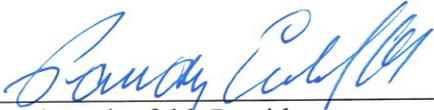
- H. Consider and Take Possible action to Approve a Resolution of the Gregory-Portland Independent School District Granting an Extension of Time for Action on the Pending Application for an Appraised Value Limitation on Qualified Property from GCGV Asset Holding LLC, Application # 1155

The Superintendent recommended that the Board approve a Resolution granting an extension of time for action on the pending Application for an Appraised Value Limitation on Qualified Property from GCGV Asset Holding LLC, Application #1155. The motion to grant the time extension (150-days) until June 30, 2017 was made by Victor Hernandez and seconded by Gilbert Cortinas. The motion carried 6/0/1, with Tim Flinn abstaining.

- I. Consider and Take Possible Action to Approve a Resolution of the Gregory-Portland Independent School District Granting an Extension of Time for Action on the Pending Application for an Appraised Value Limitation on Qualified Property from Exxon Mobil Corporation, Application # 1156

The Superintendent recommended that the Board approve a Resolution granting an extension of time for action on the pending Application for an Appraised Value Limitation on Qualified Property from Exxon Mobil Corporation, Application #1156. Gilbert Cortinas made the motion to grant the time extension (150-days) until June 30, 2017, which was seconded by Victor Hernandez; motion carried 6/0/1, with Tim Flinn abstaining.

IV. Meeting adjourned 7:39 p.m.

  
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Randy Eulenfeld, President

  
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Carrie Gregory, Secretary