Cheniere Energy, Inc.
700 Milam Street, Suite 1900
Houston, Texas 77002
phone: 713.375.5000
fax: 713.375.6000

August 10, 2020

Via: Email

Ms. Mary L. McDaniel P.E.,
Director Southwest Region
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 1110
Houston, Texas 77074

Re: Response to - CPF 4-2020-3001M – Notice of Amendment (NOA) to Sabine Pass and Closure Request

Dear Ms. McDaniel:

This letter in addition to the referenced attachments constitutes the formal response of Sabine Pass Liquefaction LLC (Sabine Pass) to the Notice of Amendment ("NOA") CPF 4-2020-3001M issued by the Pipeline and Hazardous Materials Safety Administration (PHMSA), dated June 12, 2020. The NOA identifies concerns with Task Based Risk Assessments conducted for the removal of old and installation of new flare tips. We have included below a restatement of the alleged deficiency contained in the NOA along with a response that details the modifications Sabine Pass has incorporated to address it.

In the June 12, 2020 NOA, PHMSA alleges the following:

1. §193.2617 Repairs.

(b) For repairs made while a component is operating, each operator shall include in the maintenance procedures under §193.2605 appropriate precautions to maintain the safety of personnel and property during repair activities.

Cheniere's written procedure for Control of Work (CoW) Element 5 – Risk Assessment is inadequate because it fails to provide appropriate precautions to maintain the safety of personnel and property during repair activities as required by §193.2617(b). Specifically, Section 6.0 of the Risk Assessment Process does not provide sufficient safety precautions for personnel conducting repair activities while a component is operating.

Based on our review of the procedure Control of Work (CoW) Element 5 – Risk Assessment and two records from activities performed utilizing the procedure, (Task Base Risk Assessment record for Train 1, dated February 2, 2019, and Task Base Risk Assessment record for Train 3, dated February 11, 2019), it appears that the procedures do not provide adequate precautions for activities related to the flare stacks, and require revision in order to provide and maintain the safety of personnel during repair activities to meet the objectives found in the Purpose/Expectation in Section 1 of Cheniere's procedure to reduce the risks associated with the repair activity to an acceptable level.

Both risk assessment reports identify hazards associated with the task, jobsite, and process. Without any safeguards or controls, the risk levels associated with these activities contain "Very high-risk" elements; however, after the addition current of safeguards and controls, the risk levels are only reduced to "High-risk."

The Task Based Risk Assessment conducted for the removal of old and installation of new flare tips must be amended to reduce the risk lower than "High" for tasks established in the assessment. As written, the Task Based Risk Assessment does not provide sufficient precautions to maintain the safety of personnel during repair activities by allowing Operator personnel to work on an inactive flare stacks while adjacent flare stacks are operating. The Task Based Risk Assessment must be modified to include controls that limit or prevent personnel injury or fatality to personnel who are working on inactive flare stacks.

Sabine Pass Response

The safety of employees and contractors is our highest priority. Our processes and procedures ensure that workplace risks are assessed and that appropriate controls are in place before and during any work activity. As a fundamental operating principle, Sabine Pass will not proceed with any work until we are convinced it can be completed safely.

There are a wide variety of activities that take place at Sabine Pass in order to support on-going safe operations. Within these activities, there are many tasks that range from simple to complex. In order to assess these tasks, Sabine Pass uses a risk assessment methodology. The risk assessments are called Task Based Risk Assessments (TBRA) and are performed during the planning phase of work activities and are completed before work commences. Additional steps, including Toolbox Talks, Job Safety Analysis and work permits, are key elements in the Control of Work process that function together to ensure work is planned, communicated, approved and executed in a safe manner.

The NOA references CoW Element 5 – Risk Assessment, and specifically the TBRA completed ahead of previously completed flare work. At this time, updating a TBRA for work already completed would not be beneficial. For clarity, TBRAs are not procedures, rather they are a task specific work product created during the execution of a procedure. Therefore, in response to PHMSA's comments, rather than amend the past TBRA, Sabine Pass will modify its risk assessment process as described further below. The revised process will be used for future work including TBRAs related to flare work.

Upon review of the CoW Element 5 – Risk Assessment procedure and the TBRAs conducted for the removal of old and installation of new flare tips, Sabine Pass recognizes that there are opportunities to improve the CoW Element 5 procedure. We are incorporating those improvements into our new company CoW process.

Specifically, Sabine Pass has updated the CoW Element 5 procedure within the new CoW procedure to enhance the current risk assessment process to more thoroughly evaluate and document the

selection of controls for high residual risk work. In order to better define the risk assessment process, Element 5 of the previous procedure is being replaced with a new Risk Assessment section in the overall COW process. The following changes are being incorporated into the new Risk Assessment procedure.

1. The procedure has been revised within the new CoW procedure to more clearly define that the Hierarchy of Controls is intended to be used in selecting appropriate controls in a top/down manner. Under the Hierarchy of Controls, the controls for each task are evaluated, starting with the most effective and progressing through the least effective control. This process will serve as a general roadmap for individuals performing a TBRA and ensure the full range of controls are considered and evaluated.

2. In addition, the new procedure will require that after the completion of the TBRA and identification of controls, if the risk level remains at high, a detailed High Residual Risk Assessment (HRRA) will be completed and documented. The HRRA shall detail the identified hazards, options for preventive and mitigative controls, and the risks associated with not conducting the specific task or activity.

3. A new provision will require that High Residual Risk work may only proceed after review and approval by a second team. This team will consist of the site Leadership Team including the Vice President and General Manager, Production Manager, Maintenance Manager and HSE Manager. This second level of review and approval is intended to validate that the risk assessment is complete, that all feasible options for control have been evaluated, review options related to the completion of the work task, and final approval of all control measures. High residual risk work will not proceed until approved by this team.

In addition to the revisions described above, Cheniere will conduct training on the use of the revised Risk Assessment procedure to further reinforce the importance of this risk assessment process, the use of multiple layers of protection, the use and application of the hierarchy of controls, and the importance of thorough documentation of risk mitigation measures.

Cheniere is committed to working with PHMSA at our facilities and we appreciate you and your team's time and engagement on this issue. With the revisions to the CoW Element 5 procedure as indicated above and detailed in the attached, Cheniere believes that the NOA has been satisfactorily addressed. The proposed changes have been incorporated into the new Risk Assessment Procedure and will be reviewed, communicated, and personnel trained prior to implementation using our established processes. The revised CoW Risk Assessment procedure is provided with this response. If you have any questions or require additional information, please do not hesitate to contact Tom Myers at (832) 691-8989 (phone).

Sincerely,
Sabine Pass Liquefaction, LLC

Maas Hinz

Mr. Maas Hinz
Vice President and General Manager

Cc: Mr. Jack Fusco, President & Chief Executive Officer, Cheniere Energy, Inc.
Mr. Thomas Myers, Vice President, Health and Safety, Cheniere Energy, Inc.
Ms. Patricia Gallego, Vice President, Operations Support, Cheniere Energy, Inc.
Mr. Paul Nielson, Manager, Regulatory Compliance, Cheniere Energy, Inc.
Mr. Michael Weller, Senior Counsel, Cheniere Energy, Inc.