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November 21, 2024

Bryan Lethcoe
Director, Southwest Region, Office of Pipeline Safety
Pipeline and Hazardous Materials Safety Administration
8701 S. Gessner, Suite 630
Houston, TX 77074

RE: CPF 4-2024-047-NOPV

Dear Mr. Lethcoe:

On October 22, 2024, Venture Global Calcasieu Pass, LLC (Venture Global) received a Notice of Probable Violation and Proposed Compliance Order (Notice) following the July 24 through September 1, 2023 inspection of the Calcasieu Pass liquefied natural gas (LNG) facility in Calcasieu Pass, Louisiana. There were four potential findings in the Notice of Probable Violation and Proposed Compliance Order. Venture Global responds to each inspection finding below:

INSPECTION FINDING:

1. § 191.5 Immediate notice of certain incidents.

(a) At the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, each operator must give notice in accordance with paragraph (b) of this section of each incident as defined in § 191.3.

Venture Global failed to, at the earliest practicable moment following discovery, but no later than one hour after confirmed discovery, give notice of each incident as defined in § 191.3 in accordance with § 191.5(a). Specifically, Venture Global failed to report an unintentional gas loss of three million cubic feet or more within one hour after confirmed discovery on January 17, 2022.

According to the incident report, the incident reporting criteria was met on January 17 at 2:00 a.m. due to an unintentional gas loss of 3,609,200 cubic feet. However, Venture Global did not report the incident until January 18 at 5:50 p.m. Venture Global should have reported the incident by 11:00 a.m. on January 17 because it confirmed discovery of the reportable incident at 10:00 a.m.

VENTURE GLOBAL RESPONSE:

In January 2022, Venture Global was commissioning the South LNG storage tank, which involved displacing nitrogen with LNG produced from the liquefaction trains, via a roof vent on the LNG tank. Venture Global began venting nitrogen from the tank on January 15, 2022, at approximately 3:00 a.m. Venting ended on January 17, 2022, at approximately 10:00 a.m., when facility environmental personnel became aware of the venting and the potential for natural gas to be present in the vent stream. To determine if natural gas was present in the vent stream, Venture Global instructed a third-party to take samples of the South LNG tank's contents on January 17, 2022. The third-party provided results from the sampling to Venture Global on January 18, 2022. Using the South LNG tank sample results, Venture Global then calculated the amount of natural gas vented from the South LNG tank by considering the LNG production flow rates from the liquefaction trains to the LNG tank, boil off gas (BOG) created, and the nitrogen displacement; these calculations were completed at approximately 5:15 p.m. on January 18, 2022. These results confirmed the natural gas quantity dispersed via the roof vent and that the incident threshold in 49 C.F.R. § 191.5 had been met. Upon completion of this evaluation, Venture Global notified the National Response Center (NRC) at 5:50 p.m. in accordance with 49 C.F.R. § 191.5.

In accordance with 49 C.F.R. § 191.15(b), Venture Global submitted Form PHMSA F7100.3 on February 10, 2022. On February 16, 2022, Venture Global was directed by Southwest Region Accident Investigator, Mr. Alvara Rodrigues, to change the Reporting Time and date in Part A – Question 4 of Form F7100.3 from January 18, 2022 at 5:50 p.m. to January 17, 2022 at 2:00 a.m. to reflect the time that the calculations performed showed that the threshold had been exceeded. This change, directed by Mr. Rodrigues, results in the appearance of a late report to the National Response Center; however, as explained above, Venture Global met the incident reporting obligations of 49 C.F.R. § 191.5 by timely reporting the incident upon confirmed discovery that the threshold had been exceeded. As further explained above, the operations that resulted in the release and the steps taken to verify the presence of natural gas and the quantity released were complex.

Attachment 1: Accident Report

INSPECTION FINDING:

2. § 193.2605 Maintenance procedures.

(a)

(b) Each operator shall follow one or more manuals of written procedures for the maintenance of each component, including any required corrosion control. The procedure must include:

Venture Global failed to follow its written procedures for the maintenance of each component, including any required corrosion control in accordance with § 193.2605(b). Specifically, Venture Global failed to follow section 10.2 of its written procedure for cathodic protection (CP) maintenance (CP-000000-MEL-PCD-VGL-00006), which required that a close interval survey be conducted within 35 days after the CP system is installed, energized, and properly adjusted. Venture Global failed to provide records indicating it conducted a close interval survey within 35 days following installation of its CP system.

VENTURE GLOBAL RESPONSE:

Venture Global has subsequently developed Cathodic Protection Plan document number VG-000000-AMT-PLN-VGL-00003. This document supersedes document number CP-000000-MEL-PCD-VGL-00006 referenced in the Notice. The new Cathodic Protection Plan eliminates the requirement to complete a close interval survey within 35 days following the installation of a Cathodic Protection system because a Close-Interval Corrosion Survey will now be employed at any pipeline and LNG Facility as deemed appropriate by engineering. This survey is discussed in section 7 of the

Cathodic Protection Plan (VG-000000-AMT-PLN-VGL-00003). Refer to Figure 1 for additional information on the Cathodic Protection Plan.

Figure 1:
Excerpt from Cathodic Protection Plan (VG-000000-AMT-PLN-VGL-00003)

7 49 CFR 192.465(f)(2) Close-Interval Corrosion Survey

The Close-Interval Corrosion Survey is conducted to ensure that the entire protected structure has adequate CP and to obtain a continuous potential profile along a pipeline or other buried structure. A Close-Interval Corrosion Survey may be employed at any pipeline and LNG facility as determined by engineering.

INSPECTION FINDING:

3. § 193.2635 Monitoring corrosion control.

Corrosion protection provided as required by this subpart must be periodically monitored to give early recognition of ineffective corrosion protection, including the following, as applicable:

- a. Each buried or submerged component under cathodic protection must be tested at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463 of this chapter.

Venture Global failed to test each buried or submerged component under cathodic protection at least once each calendar year, but with intervals not exceeding 15 months, to determine whether the cathodic protection meets the requirements of § 192.463 in accordance with § 193.2635(a). Specifically, Venture Global failed to test the cathodic protection systems for three underground storage/mix 50 tanks within the required interval because it conducted the test on July 29, 2023, 18 months after the prior testing on January 13, 2022.

VENTURE GLOBAL RESPONSE:

Venture Global acknowledges that the 2023 testing of the cathodic protection system for the three underground storage/mix 50 tanks was completed on July 29, 2023 due to a transition in contractor program support. The 2024 testing of the cathodic protection systems for the three underground storage/mix 50 tanks was completed by June 6, 2024, which is within the required time interval and with satisfactory results to meet the requirements of 49 C.F.R. § 192.463.

INSPECTION FINDING:

4. § 193.2503 Operating procedures.

Each operator shall follow one or more manuals of written procedures to provide safety in normal operation and in responding to an abnormal operation that would affect safety. The procedures must include provisions for:

- (a)
- (b) Startup and shutdown, including for initial startup, performance testing to demonstrate that components will operate satisfactory in service.

Venture Global failed to include in its manual of written procedures provisions for startup and shutdown, including for

initial startup, performance testing to demonstrate that components will operate satisfactorily in service in accordance with § 193.2503(b). The performance testing must be performed whenever a startup or shutdown is necessary, such as when components are taken out of service for repairs or maintenance.

VENTURE GLOBAL RESPONSE:

Venture Global respectfully contests the allegations in Item 4 of the Notice but is not requesting a hearing. Venture Global maintains it is compliant with the requirements of 49 C.F.R. § 193.2503(b) through its robust Standard Operating Procedures ("SOPs") and the supplemental rigorous Pre-Startup Safety Review ("PSSR") process. The Calcasieu Pass SOPs include provisions for demonstrating components will operate satisfactorily in service through the incorporation of component and/or system performance requirements described within the start-up and shut down procedures. These component and/or system performance requirements include steps to validate the applicable operating parameters (pressures, temperatures, pressure differentials, flow rates, cooldown rates, auto or manual configurations, and level indicator requirements, etc.) are within their design limitations, thereby demonstrating such components will operate satisfactorily while in service.

As presented to PHMSA staff during the site inspection on July 26, 2023, the Calcasieu Pass Operations & Maintenance Manual: LNG Terminal Process Area (CP-100000-OPS-MAN-VGL-0001) describes how Venture Global maintains compliance with the requirements of 49 C.F.R. § 193.2503(b); refer to Figure 2 below.

Figure 2:
Excerpt from Calcasieu Pass Operations & Maintenance Manual: LNG Terminal Process Area
(CP-100000-OPS-MAN-VGL-0001)

4.3.2 Performance Testing [193.2503(b)]

Before putting the Terminal into service from the initial startup, the Terminal will go through performance testing to demonstrate that components will operate satisfactorily in-service.

Mechanical completion records include performance testing of initial equipment start-up equipment and are located in the electronic document management system (EDMS), Hexagon. Commissioning records are found in the electronic document management system (EDMS), Hexagon, for each system to demonstrate that components will operate satisfactory in service.

Start up and shutdown performance testing to demonstrate that the components will operate satisfactory in service is provided in the system Standard Operating Procedures in the Start-up section (refer to section 4.2 herein).

In addition, as presented to PHMSA Staff during the site inspection on July 27, 2023, Venture Global maintains a robust PSSR process (VG-000000-HSE-PCD-VGL-00084), which ensures that adequate safety measures are in place and no components are placed into service until the components pass all applicable inspections and tests. Refer to Figure 3 below for additional information on the PSSR Process.

Figure 3:
Excerpt from Pre-Startup Safety Review (PSSR) Procedure
(VG-000000-HSE-PCD-VGL-00084)

1 PURPOSE

The purpose of this procedure is to establish the minimum guidelines for conducting pre-startup safety reviews (PSSRs). PSSR process ensures that adequate safety measures are in place and entails identifying, documenting and managing all startups from all type of shutdowns, ensuring that all the Process Safety Management (PSM) elements have been analyzed, and any new or modified system is ready and safe to start.

No person may place in service any component until it passes all applicable inspections and tests prescribed by CFR 193.2303 and NFPA 59A-2001 (incorporated by reference, see § 193.2013).

The PSSR process shall ensure the following:

- New or modified facilities and equipment are built, installed and tested in accordance with design requirements.
- All Safety, operating, maintenance, and emergency procedures developed or updated has been adequately reviewed and are in place prior to startup.
- All Process Hazard Analyses (PHA) or Management of Change (MOC) has been implemented and the recommendations satisfactorily implemented before startup.
- Each employee involved with the operation of the covered process has been adequately trained.

PSSRs shall be conducted for the following trigger events:

- Any modification being made to an existing process, when the modification is significant enough to require a change in the process safety information.
- Any new Capital Project related to Operational Facilities.
- Re-start of an idled process (e.g. mothballed process).
- After planned shutdown for maintenance of the facility.

Venture Global appreciates your consideration of the additional facts and documentation provided in response to the Notice of Proposed Violation and Compliance Order, CPF 4-2024-047-NOPV. If you have any questions, please contact our Director of Regulatory Compliance, Cassie Harrison, at cassie.harrison@ventureglobalng.com or 713-419-7783.

Sincerely,



Brian Cotran
Chief Operating Officer
Venture Global Calcasieu Pass, LLC

Enclosures: Attachment 1

cc: Cassie Harrison, Director, Regulatory Compliance,
cassie.harrison@ventureglobalng.com