

August 14, 2019

*To the CEOs of all international banks, including JPMorgan Chase, Wells Fargo, Citibank, Bank of America, Royal Bank of Canada, Barclays, Toronto-Dominion Bank, Scotiabank, Mitsubishi UFJ Financial Group, Mizuho Bank, Morgan Stanley, Goldman Sachs, HSBC, Credit Suisse, Bank of Montreal, Bank of China, Deutsche Bank, Industrial and Commercial Bank of China, China Construction Bank, Sumitomo Mitsui Financial Group, Canadian Imperial Bank of Commerce, UBS, ING, Agricultural Bank of China, Natixis, Cr dit Agricole, BNP Paribas, Cr dit Mutuel CIC, Soci t  G n rale, Unicredit, Standard Chartered, Santander, BBVA, Royal Bank of Scotland, Sberbank, Intesa Sanpaolo, Commonwealth Bank of Australia, DNB, Australia and New Zealand Banking Group, Lloyds Banking Group, National Australia Bank, ABN Amro, Landesbank Baden-W rttemberg, La Caixa Group, Macquarie Capital.*

**Subject: Call from 105 global NGOs for commitment not to provide any financial services to South Texas Fracked Gas Export projects**

We write to you as a group of civil society organizations and community groups to request your institutions to commit not to finance, advise or support in any way the three fracked gas export terminals and related infrastructure projects proposed for the Rio Grande Valley in South Texas: Rio Grande LNG, Rio Bravo Pipeline, Annova LNG, and Texas LNG. These projects would hurt local populations, violate Indigenous rights, wreck ecosystems, and lock in decades of climate-killing greenhouse gas emissions. The threat posed by the planned LNG terminals and pipeline are summarized below and in the briefing attached.<sup>1</sup>

- If built, these LNG projects would liquefy and export 5.1 billion cubic feet of shale gas every day.<sup>2</sup> This is strictly irreconcilable with the goal of keeping global warming well below 2 C, and to aim for 1.5 C. Fatih Birol, executive director of the International Energy Agency, stated in November 2018 that the world carbon budget does not leave room for new infrastructure that emits carbon.<sup>3</sup> This was confirmed by a recent scientific research published in *Nature*, which concludes that a 1.5 C carbon budget does not allow for any new carbon-emitting infrastructure.<sup>4</sup> And yet, these three proposed terminals are poised to become major new sources of carbon emissions. Taking into account potential methane leakage and the energy-intensity of liquefying and shipping gas, the Rio Grande Valley's LNG terminals would be doing the same annual climate damage as 61 coal plants.<sup>5</sup> In addition, the construction of new export terminals provides a direct incentive to produce more shale gas through hydraulic fracturing across the state, which is also linked to widespread water contamination and community health impacts, in addition to the incompatibility of this production with a stable

---

<sup>1</sup> See briefing "[Rio Grande Valley At Risk From Fracked-Gas Export Terminals](#)", July 2019.

<sup>2</sup> "[Long Term Applications Received by DOE/FE to Export Domestically Produced LNG from the Lower-48 States \(as of March 29, 2019\)](#)," U.S. Department of Energy, 29 March 2019.

<sup>3</sup> "[World has no capacity to absorb new fossil fuel plants, warns IEA](#)", November 2018.

<sup>4</sup> "[Committed emissions from existing energy infrastructure jeopardize 1.5  C climate target](#)", *Nature*, July 2019.

<sup>5</sup> Using the IPCC AR5 20-year GWP of 87 (with climate-carbon feedbacks and methane oxidation). 3.8% \* 5.1 billion cubic feet per day \* 19,260 tons methane per billion cubic feet \* 365 days \* AR5 20-year GWP of 87 = 118,528,331.94 metric tons of CO<sub>2</sub>e. This value / 3,893,003.27 metric tons CO<sub>2</sub>/power plant = 30.45 more coal plants. ((5,100,000,000 cubic feet / day)(96.2%)(0.0551 metric tons CO<sub>2</sub> / 1,000 cubic feet natural gas)(365 day / year)(120%)) / 3,893,003.27 metric tons of CO<sub>2</sub> per year from an average coal plant = 30.41 coal plants + 30.45 coal plants = 60.86 coal plants. These calculations use a 20-year timeframe because of the immediacy of climate change. A Cornell University study finds an average 3.8% methane emission rate at conventionally drilled wells in the U.S., while shale gas leakage rates could be as high as twice that. Robert Howarth, "[Methane Emissions and Climatic Warming Risk From Hydraulic Fracturing and Shale Gas Development: Implications for Policy](#)," *Energy and Emission Control Technologies*, Volume 2015:3, p. 45.

climate. Supporting these projects would be inconsistent with any meaningful pledge to participate in the fight against climate change and in the transition to a low-carbon economy.

- The terminal sites would all together cover 2,340 acres, including paving over hundreds of acres of wetlands,<sup>6</sup> and irreplaceable clay hills — called Lomas — surrounded by tidal flats that provide thickly vegetated wildlife habitat. Fourteen liquefaction trains, eight storage tanks, and hundreds of miles of new pipeline would be built for these three projects.<sup>7</sup> The development and operation of the gas infrastructure, as well as the constant navigation of tankers shipping the gas across the ocean, would irrevocably scar an international wildlife corridor that includes the Laguna Atascosa National Wildlife Refuge and the Bahia Grande, one of the largest wetlands restoration projects in North America.<sup>8</sup> This development also threatens the endangered ocelot. A report published in May 2019 by the Intergovernmental Platform on Biodiversity and Ecosystem Services warned that one million species may be pushed to extinction in the next few years;<sup>9</sup> supporting these projects would go against the common effort to tackle biodiversity issues.
- These terminals would also have irreversible impacts on the local economy, degrading the fishing, shrimping and ecotourism industries, and threatening the livelihoods of thousands of people. In the Rio Grande Valley, nature tourism alone leads to 6,600 part- and full-time jobs. An LNG terminal, on the other hand, creates mostly temporary construction jobs, and typically only a few hundred permanent jobs.<sup>10</sup> The largest terminal proposed for the Rio Grande Valley would in comparison create only about 200 permanent jobs.<sup>11</sup>
- There would also be serious violations of Indigenous rights. Texas LNG would bulldoze the Garcia Pasture, a federally-recognized Indigenous site that is home to burial grounds and artifacts. Furthermore, no archeological studies in the immediate construction sites of the other two terminals have been conducted. More archaeological and cultural data needs to be collected and assessed before any construction permits are granted. These lands are sacred to the Carrizo Comecrudo Tribe, also known as the Esto'k Gna, who are the original people of the region, and who not only did not give their Free, Prior and Informed Consent for these projects to move ahead, but have not even been part of the companies' consultation processes.
- Locals have made it clear that they oppose these destructive projects. Every community that would be impacted — South Padre Island, Port Isabel, Laguna Vista, and Long Island Village — has passed anti-LNG resolutions.<sup>12</sup> The school board has sided with the community and rejected tax breaks for the Rio Grande LNG and Annova LNG projects. Locals are challenging the permitting process every step of the way by taking legal action, sending thousands of comments to regulators and packing public hearings.

---

<sup>6</sup> "Texas LNG Project Final Environmental Impact Statement Volume I," Docket No. CP16-116-000, FERC/EIS-0288F, Federal Energy Regulatory Commission, March 2019, p. ES-2; "Rio Grande LNG Environmental Impact Statement Volume I," Docket Nos. CP16-454-000, CP16-455-000, FERC/EIS-0287F, Federal Energy Regulatory Commission, April 2019, p. ES-2; "Annova LNG Brownsville Project Final Environmental Impact Statement Volume I," Docket No. P16-480-000, FERC/EIS: 0291F, Federal Energy Regulatory Commission, April 2019, p. ES-1.

<sup>7</sup> Ibid.

<sup>8</sup> "Laguna Atascosa National Wildlife Refuge | Texas - Bahia Grande Unit," U.S. Fish and Wildlife Service, 29 March 2015.

<sup>9</sup> [IPBES report](#), May 2019.

<sup>10</sup> Kyle M. Woosnam, Rebekka M. Dudensing, Dan Hanselka, Kayode Aleshinloye, "Economic Impact of Nature Tourism on the Rio Grande Valley: Considering Peak and Off-Peak Visitation for 2011," South Texas Nature Marketing Coop, April 2012.

<sup>11</sup> "Jobs," Rio Grande LNG, accessed May 2019.

<sup>12</sup> Sergio Chapa, "Texas LNG Supporters & Opponents," San Antonio Business Journal, 17 June 2016.

All three of these proposed projects are subject to the Equator Principles, in virtue of their capital costs being well above \$10 million each.<sup>13</sup> In light of the diverse and irreversible impacts detailed above, they appear to each be Category A projects — the highest risk category — and Equator Principles Financial Institutions should be aware that there is a strong argument that none of the three proposed terminals is compliant with the Equator Principles at all.<sup>14</sup>

In the past years, two international investment banks have withdrawn from fracked gas LNG export terminals in the Rio Grande Valley. Sumitomo Mitsui Financial Group ended its advisory mandate for the Rio Grande LNG terminal in 2016, and BNP Paribas ended its advisory mandate for the Texas LNG terminal in 2017. Banks involved in these fracked gas export projects face strong opposition and pressure from civil society, and any bank that chooses to get further involved must be ready to take the same reputational risks.

Annova LNG, Texas LNG, Rio Grande LNG and Rio Bravo Pipeline are in their final permitting stages, but have yet to reach Final Investment Decisions. In solidarity with the communities that would be impacted by these projects, we ask your institutions to refuse direct or indirect involvement in advising, investing, financing, arranging, or otherwise facilitating their development.

Sincerely,

198 methods  
350.org  
350.org Chicago  
350.org DC  
350.org France  
350.org Montgomery County  
350.org Seattle  
350.org Wenatchee  
Academia Cidadã Citizenship Academy  
Action Non-Violente COP21  
Anthropocene Alliance  
Artreum  
Asociación ambiental Petón do Lobo  
Asociación galega Cova Crea  
Attac France  
BankTrack  
Better Path Coalition  
Berks Gas Truth  
Big Bend Defense Coalition  
BiofuelWatch  
Both ENDS  
CANWin  
Carrizo Comecrudo Tribe of Texas  
CEDEUAM University of Salento  
Center for Coalfield Justice  
Center For Environment  
Centre For Financial Accountability  
Climate First!

---

<sup>13</sup> ["Equator Principles III, June 2013,"](#) Equator Principles Association, June 2013, pp. 3

<sup>14</sup> See an Equator Principles analysis of Texas LNG: ["BNP Paribas vs. Communities and Climate,"](#) Rainforest Action Network, Save RGV from LNG, and Les Amis de la Terre France, March 2017, pp. 10 and 12-14.

Climate Hawks Vote  
ClimateMama  
Corner House  
Divest Invest Project  
Denton Drilling Awareness Group  
Eco-Justice Ministries  
Ecologistas en Acción  
EKOenergy  
Farmworker Association of Florida  
Flower Mound Citizens Against Urban Drilling  
Food & Water Europe  
Food & Water Watch  
Fossil Free California  
Franciscan Action Network  
Friends of the Earth Colombia  
Friends of the Earth Costa Rica  
Friends of the Earth Croatia  
Friends of the Earth Denmark  
Friends of the Earth England, Wales and Northern Ireland  
Friends of the Earth Europe  
Friends of the Earth Finland  
Friends of the Earth France  
Friends of the Earth Ghana  
Friends of the Earth International  
Friends of the Earth Netherlands  
Friends of the Earth Scotland  
Friends of the Earth Spain  
Friends of the Earth US  
Frontera Water Protection Alliance  
Fundacja Rozwój TAK - Odkrywki NIE  
Fund Our Future  
Gastivists Collective  
Global Catholic Climate Movement  
Global Justice Ecology Project  
Global Witness  
Green America  
Greenpeace US  
Inland Ocean Coalition  
Institute for Policy Studies  
Irving Impact  
Kentucky Resources Council, Inc.  
Korea Federation for Environmental Movement  
LaPlaca and Associates LLC  
Leave it in the Ground Initiative  
Let's Build a Better Jamaica  
Liveable Arlington  
Mangrove Action Project  
Market Forces  
Mi Villita Community Organization  
Mothers Out Front  
Mouvement Ecologique

Not Here, Not Anywhere Ireland  
Oil Change International  
Olympic Climate Action  
PAUSE People of Albany United for Safe Energy  
Physicians for Social Responsibility  
Polski Klub Ekologiczny  
Power Shift Network  
Preserve Giles County VA  
PSR Pennsylvania  
Rainforest Action Network  
Rio Grande International Study Center  
Rogue Climate  
Save RGV from LNG  
Sherpa  
Sierra Club  
Stand.earth  
Steady State Manchester  
Sunflower Alliance  
Support Centre for Land Change  
The Shalom Center  
Threshold Foundation Endowment  
Tinker Tree Play / Care  
Upper Valley Affinity Group  
Urgewald  
Women's March Global  
Women's Earth and Climate Action Network International