

Dear Nathan Matthews,

I recently saw that you filed a Request for Supplemental EIS to FERC regarding the scope of the Rio Grande LNG project in Brownsville, Texas. While I wish to remain anonymous due to fears of retaliation, I am aware of inside information that is pertinent to your inquiry as follows:

- Although NextDecade's FERC application sought approval for a facility in which each train would produce roughly 4.5 mtpa or 27 mtpa for the entire facility, internal plans and designs have been in place since at least 2017 for trains that would produce in excess of 5.5 mtpa for a total 6 train capacity of 32-35 mtpa. These plans have been the basis for numerous other considerations of the company including the pipelines, cost estimates, and pricing for potential customers.
- Many NextDecade personnel were aware that these plans and designs were contrary to the information contained in NextDecade's FERC application for 4.5 mtpa per train. However, employees were directed by senior management, namely Matt Schatzman and Krysta De Lima, that this information was not to be made public in any form or fashion for fear that FERC would require NextDecade to submit a new revised application based on the revised plans. NextDecade cannot afford the delay that would be caused by such a refiling. Even investors and potential customers were not to be told. More specifically, employees were repeatedly warned not to include any of this information in presentations, packets, press releases, filings, interviews, panel discussions, of any other sources that might make its way back to FERC. In short, NextDecade senior management has been actively and intentionally concealing this information from FERC for several years.
- The FEED and EPC contract will verify that the design and plans for the liquefaction facility and export terminal bear little resemblance to the plans submitted with NextDecade's FERC application that is currently being considered for approval. Senior management hoped that FERC would approve its application based on the originally submitted, but inaccurate, plans. This would permit NextDecade to obtain the necessary offtake agreements and financing commitments required to make a positive final investment decision. However, none of these milestones can occur without obtaining FERC approval. Thus, the plan was to wait until after obtaining FERC approval to disclose the true designs and extensive modifications made to the facility, with the hope that NextDecade could request forgiveness later, rather than permission up front.
- As you may have seen, NextDecade issued a press release on May 28, 2019 related to the execution of an EPC agreement with Bechtel in which the company publicly acknowledged that each liquefaction train would have a capacity up to 5.87 mtpa which equates to 35.22 mtpa for a full 6 train build out. This was a mistake on the part of Matt Schatzman as he was advised by multiple people internally not to make such a public disclosure because FERC might require a new filing as a result. However, Mr. Schatzman was confident that FERC could be convinced or strong-armed into looking the other way.

In the past, the above information has been kept very secret outside of the company. Many knew that such concealment was wrong but fearful of being fired by Matt Schatzman for being unloyal or a snitch. Others were worried that Kathleen Eisbrenner would become collateral damage as Matt Schatzman has sought to destroy her legacy at every turn and erase her presence from the company. However, Kathleen's recent tragic death (which many at least partially attribute to her treatment by Matt Schatzman and Krista De Lima) leads me to take this action now. Hopefully the above information will provide you a road map to properly challenge NextDecade's FERC application. I wish you good luck.

UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

In the Matter of  
RIO GRANDE LNG, LLC  
RIO BRAVO PIPELINE COMPANY, LLC

CP16-454-000  
CP16-455-000

NOTICE OF ANONYMOUS LETTER

On June 6, 2019, Nathan Matthews, counsel for Sierra Club, received the attached anonymous letter. Sierra Club makes no representation as to the truth of the allegations contained therein. Pursuant to advice provided by FERC's Office of Enforcement, Sierra Club is filing this letter in the public docket, so as to notify FERC without engaging in ex parte communication.

Respectfully submitted June 21, 2019,

/s/ Nathan Matthews  
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*Attorney for Sierra Club*

### **CERTIFICATE OF SERVICE**

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in this proceeding.

Dated at Oakland, CA this 21<sup>st</sup> Day of June, 2019.



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Document Content(s)

RG anonymous letter June 2019.PDF.....1-1

Sierra RG LNG notice of anon letter.PDF.....2-3