

# Risks of LNG / Methane and the Role of Japan's Financial Institutions

8 October, 2024

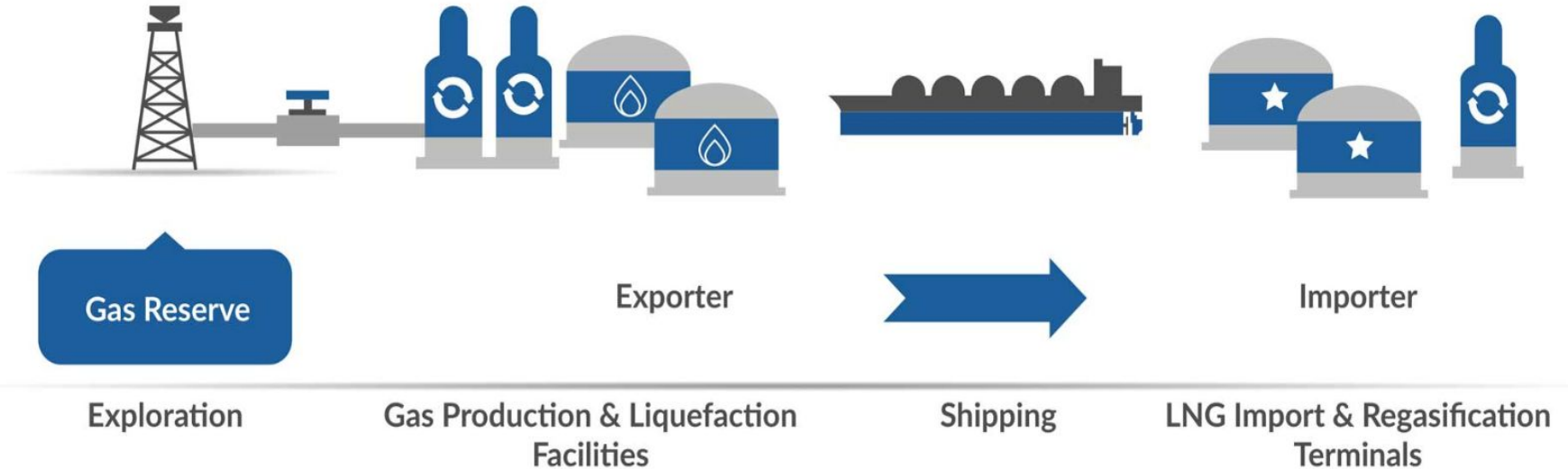
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# Press Conference Speakers

- **Juan Mancias**  
Tribal Chair, Carrizo/Comecrudo Tribe of Texas
- **Dina Nuñez,**  
Senior Organizer, South Texas Human Rights Center and Vecinos para el Bienestar de la Comunidad Costera
- **Bekah Hinojosa**  
Co-Founder, South Texas Environmental Justice Network
- **Ruth Breech**  
Senior Campaigner for Climate & Energy, Rainforest Action Network
- **Toyoyuki Kawakami**  
Japan Senior Advisor, Rainforest Action Network

**Fracking →  
Production → Liquefaction → Shipping → Regasification**





# U.S. Methane Export Terminals



# Threats of Liquefied Methane Gas (LNG)

North American LNG export capacity expected to **double** by 2028

- New LNG export terminals can take up to 5 years to build & require multi billion dollar investments.
- New LNG export terminals require 10-20 year contracts — essentially locking us into a deeper dependence on fossil fuels for decades.
- “Carbon neutral” LNG depends heavily on false solutions (offsets & certified gas) and unproven technologies (carbon capture storage).

# Threats of Liquefied Methane Gas (LNG)

North American LNG export capacity expected to **double** by 2028

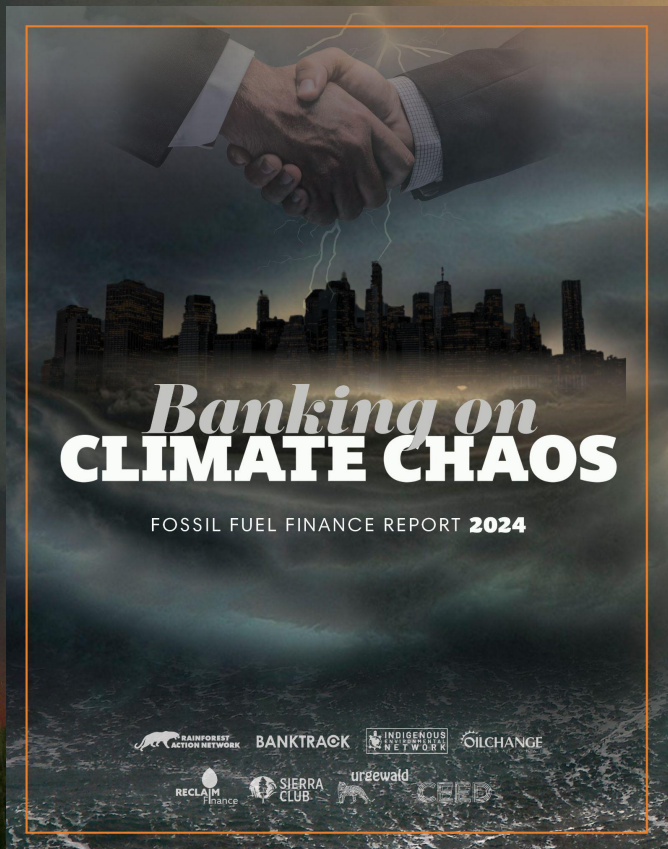
- New infrastructure creates Energy Sacrifice Zones.
- Increases burden on environmental justice communities in the Gulf Coast, Indigenous lands, and in the Global South (especially SE Asia).
- Furthers human rights atrocities underpinned by energy costs & geopolitics.
- New oil and gas have no place in a liveable climate.



# *Banking on* **CLIMATE CHAOS**

FOSSIL FUEL FINANCE REPORT **2024**

- 15th Annual edition
- 8 Global Partner Organizations
- Leading Analysis of Private Fossil Fuel Financing
- Lending and Underwriting
- 60 Biggest Global Banks

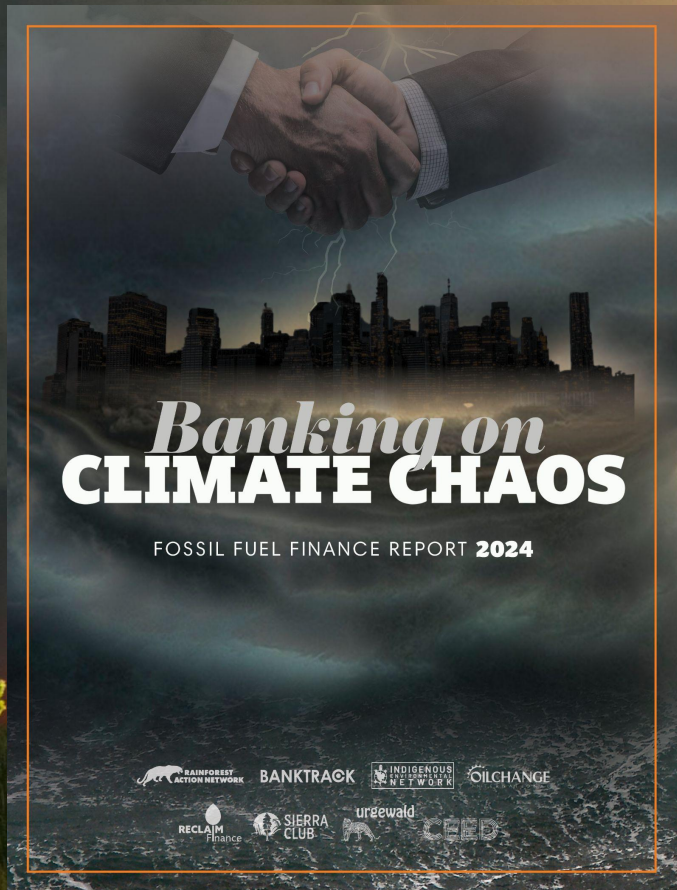




# *Banking on* **CLIMATE CHAOS**

FOSSIL FUEL FINANCE REPORT **2024**

- 590+ Endorsing Organizations from 65+ Countries
- Tracks All Fossil Fuel Financing
- Expansion Companies and 10 Specific Sectors
- Online Interactive Data and Policy Scores





The world's **60 largest banks** have financed

**\$6,900,000,000,000**

to the fossil fuel industry **since 2016**

In 2023, they committed

**\$705 billion**

to the industry, with over

**\$347 billion**

to companies actively **expanding** fossil  
fuels

# THE DIRTY DOZEN - 2023

Rank	Bank	Country	2023 Financing Commitments (USD millions)
1	JPMorgan Chase		<b>\$40.88 BILLION</b>
2	Mizuho Financial		<b>\$37.04 BILLION</b>
3	Bank of America		<b>\$33.68 BILLION</b>
4	MUFG		<b>\$33.25 BILLION</b>
5	Wells Fargo		<b>\$30.38 BILLION</b>
6	Citigroup		<b>\$30.27 BILLION</b>
7	RBC		<b>\$28.23 BILLION</b>
8	SMBC		<b>\$26.78 BILLION</b>
9	Barclays		<b>\$24.22 BILLION</b>
10	ScotiaBank		<b>\$24.02 BILLION</b>
11	Toronto-Dominion Bank		<b>\$20.36 BILLION</b>
12	Morgan Stanley		<b>\$19.11 BILLION</b>

“We cannot save a burning planet with a firehose of fossil fuels.”

– UN Secretary-General António Guterres, December 2023



# Sectors & Expansion





# LEAGUE TABLE - BANKING ON FOSSIL FUEL EXPANSION

## Top Financiers 2023

**CHASE**  \$19.3 billion

**MIZUHO** \$18.8 billion

 **MUFG** \$15.4 billion

- Japanese Banks Rise in the Rankings
- Citi and Chase: Tied #1 2016-2023
  - Followed by Bank of America
- RBC #4 for 2023

# LEAGUE TABLE - BANKING ON LIQUEFIED METHANE GAS (LNG) EXPANSION

## Top Financiers 2023

**MIZUHO**

\$10.9 billion

**MUFG**

\$8.4 billion

**Santander**

\$6.8 billion

## Liquefied Natural Gas / LNG Methane Financing

- One of the Few Sectors Increasing in 22-23
- Japan, US, and Canada: Biggest Funders

## TOP METHANE GAS Clients 2023:

Enbridge Inc  
NextDecade Corp - Rio Grande LNG  
Venture Global LNG Inc  
Sempra  
Eni SpA

Number of policies covering methane gas (LNG)

**13**

Number of very weak policies

**8**

Number of weak policies

**4**

Number of comprehensive policies

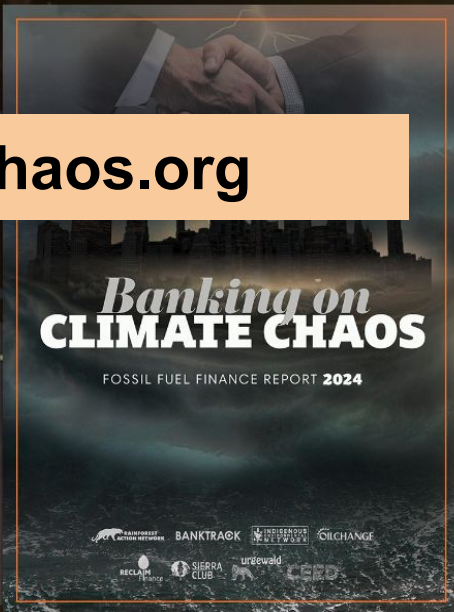
**0**

Number of strong policies

**1**



[bankingonclimatechaos.org](https://bankingonclimatechaos.org)



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DATA OVERVIEW  
BANK & CLIENT PROFILES  
TAKE ACTION**



# Japanese Banks: Lead Financiers in the US Gulf Coast LNG Export Terminal Projects

Total Bank Groups

Projects with Financing

Total Debt Financing (\$M)

Tab Filters

Terminal

(All)

Project

(Multiple values)

State

(Multiple ...)

Bank Group

(All)

BG Country

(All)

Ultimate Parent

(Multiple valu...)

Year

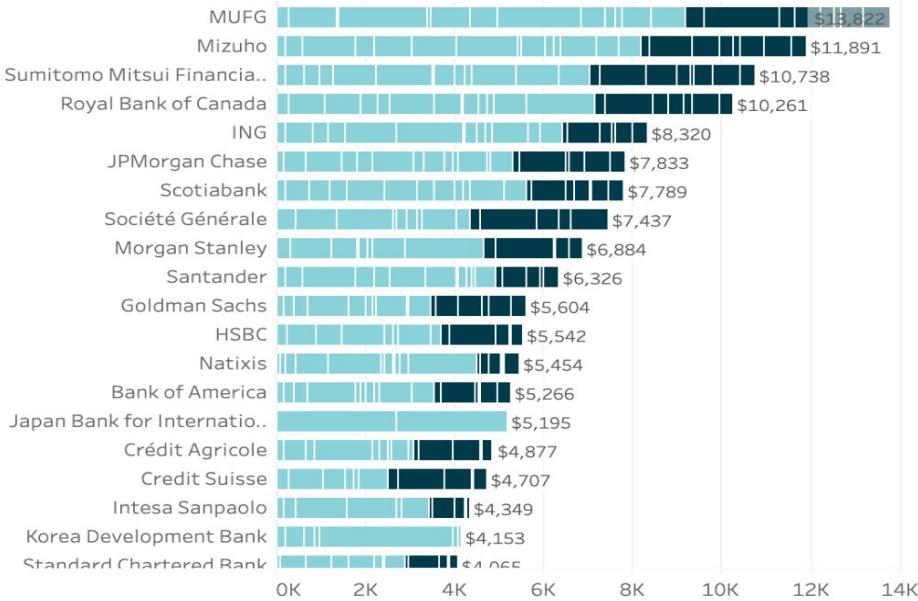
2012

2024

Loan Bond

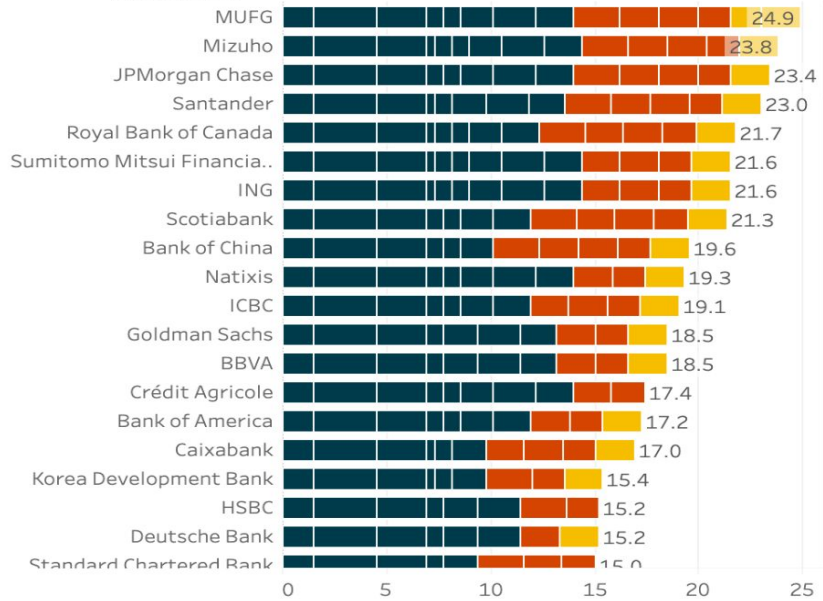
Operating Under Construction Planned

Bank Group



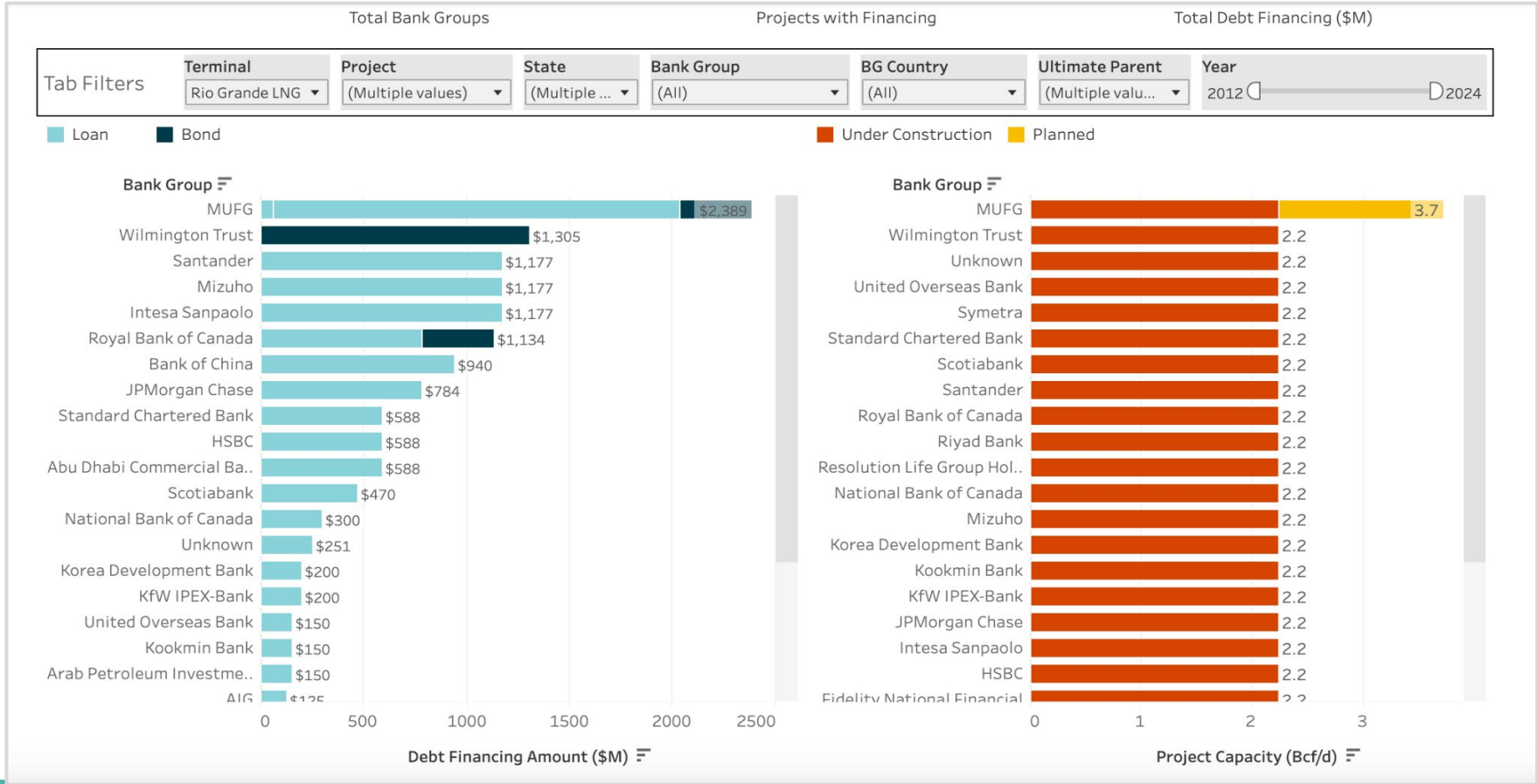
Debt Financing Amount (\$M)

Bank Group



Project Capacity (Bcf/d)

# Lead Financiers for Rio Grande LNG





SOUTH PADRE ISLAND

Laguna Vista

100

Laguna Heights

Port Isabel

Laguna Atascosa Wildlife Refuge

Bahia Grande

TEXAS LNG

RIO GRANDE LNG

48

BROWNSVILLE SHIP CHANNEL

SpaceX Launch Pad

SpaceX Terminal

Boca Chica Beach

Lower Rio Grande Valley Wildlife Refuge

GULF OF MEXICO

Brownsville



Shrimp Basin

Jupiter Oil

4

RIO GRANDE

MEXICO



# Sacred Site:

## Garcia Pasture

- Burial site for Carrizo/Comecrudo Tribe ancestors. Sacred ground to the Tribe.
- Listed on the U.S. National Park Service as a historic place.
- **World Monuments Fund** listed Garcia Pasture as one of the most irreplaceable, endangered sites around the world.
- The protection of cultural sites is a human rights issue under the United Nations Declaration on the Rights of Indigenous Peoples.



- Directly overlaps with proposed Texas LNG site.
- Adjacent to the proposed Rio Grande LNG site.
- The Tribe requested cultural heritage data and archeological surveys before construction.
- NO surveys were carried out and Rio Grande LNG began clear-cutting with heavy machinery in October 2023.



# Indigenous Rights

- International business and human rights standards include the right to **Free, Prior, and Informed Consent** by Indigenous Peoples on projects that impact their traditional lands.
- The **International Finance Corporation** (IFC) Performance Standard 7 (PS7):

*PS7 seeks to ensure that business activities minimize negative impacts, foster respect for human rights, dignity and culture of indigenous populations, and promote development benefits in culturally appropriate ways.*

## FREE, PRIOR & INFORMED CONSENT

- ✓ Upholds the Sovereignty and Self-Determination of Indigenous Peoples
- ✓ Protects Indigenous Lands and Resources
- ✓ Reduces or Eliminates Risk of Material Loss
- ✓ Facilitates Equitable Partnerships



- Voluntary guidelines that financial institutions use to assess and manage the environmental and social risks of financing large projects.
- Financial industry benchmark to ensure that projects are developed and operated in line with international environmental and social standards.

**The proposed Brownsville LNG projects are subject to the Equator Principles, because:**

- Proposed capital costs are well above \$10 million each
- Projects carry “potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented.”



## **Mizuho & MUFG claim to be aligned with the Equator Principles. However . . .**

- Rio Grande LNG and the Rio Bravo Pipeline would be classified as Category A
  - indicates the highest risk
  - requires enhanced assessment before committing to provide services.
- An assessment in 2019 found that none of the proposed terminals are likely to comply with the Equator Principles.

# Sustained Tribal Opposition

Daily Gas Price Index LNG Regulatory

Environmental Groups Look to Resume Fight Against Rio Grande LNG, Texas LNG Through DC Circuit

## Texas Indigenous leaders target banks in fight against natural gas export terminals in Rio Grande Valley

Since Congress lifted the U.S. oil export ban in 2015, three proposed LNG export facilities have fallen to the protest. But the war in Ukraine is an impetus for two remaining projects.

BY DYLAN BADDOUR INSIDE CLIMATE NEWS OCT 18, 2022 1 PM CENTRAL

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CULTURE

**Sites in Beirut, Benghazi and Brownville, Texas, make a most-endangered list**

MARCH 1, 2022 - 10:31 AM ET

Neda Ulaby

## THE BANKER

Banking strategies Digital journeys Global economies Regulations ESG & sustainability

ESG & SUSTAINABILITY APRIL 26

## Citi, JPMorgan, Wells Fargo to face AGM challenges over indigenous rights impact

Shareholder proposals will demand greater transparency and adherence to international human rights standards

by Anita Hawser

## Oregon Capital Chronicle

POLITICS ENVIRONMENT EDUCATION ECONOMY HEALTH CRIMINAL JUSTICE ELECTION 2024

## Tribe, activists ask Oregon Treasury to divest \$350 million in proposed Texas gas terminal

Activists will ask the state to divest pension funds from a private equity firm funding the gas terminal at a Wednesday meeting of the Oregon Investment Council



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KSTX Fresh Air

Environment & Natural Resources

**French bank Société Générale withdraws from Rio Grande LNG project in South Texas**

ENVIRONMENT

**South Texas groups sue to protect sacred tribal land from Elon Musk's SpaceX project**

The Texas Parks and Wildlife Department is negotiating a land trade involving part of Boca Chica State Park.

By Pooja Salhotra, The Texas Tribune Sunday, April 14, 2024

## Inside Climate News

Pulitzer Prize-winning, nonpartisan the biggest crisis facing our planet.

Justice & Health

## Forgotten Keepers of the Rio Grande Delta: a Native Elder Fights Fossil Fuel Companies in Texas

An industrial buildout is erasing the last traces of an ancient world, but the Carrizo/Comecrudo, unrecognized and unknown, continue to resist.

Story and photos by Dylan Baddour May 13, 2024

# Rio Grande Valley Community Opposition to LNG

## *Why do they oppose LNG?*

- LNG construction and operations would negatively impact the shrimping and fishing economy.
- LNG operations would negatively impact the nature and ecotourism economy.
- LNG pollution would harm respiratory health and spew into two wildlife refuges.
- Communities refuse to become another polluted, industrial area like the rest of the Gulf Coast.





# Oposición de la comunidad del Valle del Río Grande al GNL

## ¿Por qué se oponen al GNL?

- La construcción y operaciones de GNL tendrían un impacto negativo en la economía pesquera y camaronera.
- Las operaciones de GNL impactarían negativamente la economía de la naturaleza y el ecoturismo.
- La contaminación por GNL dañaría la salud respiratoria y se derramaría en dos refugios de vida silvestre.
- Las comunidades se niegan a convertirse en otra zona industrial contaminada como el resto de la Costa del Golfo.



# A Decade of Sustained Community Opposition

- Four directly impacted communities passed anti-LNG resolutions: **Port Isabel, South Padre Island, Laguna Vista, Long Island Village.**
- School district that represents these communities oppose tax subsidies for LNG.
- Public utility “Laguna Madre Water District” opposes water for the LNG projects.
- Several lawsuits by Tribal, community, regional & national US Groups to stop the proposed LNG projects.
- **South Padre Island Tourism**
- **Commercial Fishing Community** Fisherman near the Cameron LNG & Calcasieu Pass LNG in SW Louisiana report lower fishing hauls & unsafe conditions with tanker traffic.

# Una década de oposición comunitaria sostenida

- Cuatro comunidades directamente afectadas aprobaron resoluciones contra el GNL: **Port Isabel, South Padre Island, Laguna Vista y Long Island Village.**
- El distrito escolar que representa a estas comunidades se opone a los subsidios fiscales para el GNL.
- La empresa pública “Laguna Madre Water District” se opone al agua para los proyectos de GNL.
- Varias demandas por parte de grupos tribales, comunitarios, regionales y nacionales de EE. UU. para detener los proyectos de GNL propuestos.
- **Turismo en Isla del Padre Sur**
- **Los pescadores de la comunidad** pesquera comercial cerca de Cameron LNG y Calcasieu Pass LNG en el suroeste de Luisiana informan menores lances de pesca y condiciones inseguras con el tráfico de camiones cisterna.

# Climate Impacts: Southern Texas

- Heat risk in Brownsville, TX is **extreme with a high risk for** drought. About 74% of buildings in Brownsville, TX are at high risk of wildfire.
- Water is relatively scarce in South Texas, and the area frequently faces **heat waves and drought conditions**, often at the same time. There is also a lot of agricultural activity, leading to conflicting demands over water and how it should be used.
- In February 2021, **Winter Storm Uri** hit Texas and crippled the state as temperatures dropped to almost zero degrees. In total, 69% of Texans lost power during the storm with outages averaging 42 hours. Hundreds were killed from hypothermia, carbon monoxide poisoning, and other problems resulting from the loss of power to critical medical equipment. Agriculture, including citrus and dairy farmers were devastated for months after.

# Impactos climáticos: sur de Texas

- El riesgo de calor en Brownsville, TX es **extremo con un alto riesgo de sequía**. Aproximadamente el 74% de los edificios en Brownsville, TX, corren un alto riesgo de sufrir incendios forestales.
- El agua es relativamente escasa en el sur de Texas y el área frecuentemente enfrenta olas de calor y condiciones de sequía, a menudo al mismo tiempo. También hay mucha actividad agrícola, lo que genera demandas contradictorias sobre el agua y su uso.
- En febrero de 2021, **la tormenta invernal Uri** azotó Texas y paralizó el estado cuando las temperaturas cayeron a casi cero grados. En total, el 69% de los tejanos se quedaron sin electricidad durante la tormenta con cortes de energía que duraron un promedio de 42 horas. Cientos de personas murieron por hipotermia, envenenamiento por monóxido de carbono y otros problemas resultantes de la pérdida de energía en equipos médicos críticos. La agricultura, incluidos los productores de cítricos y lácteos, quedó devastada durante meses.



# Climate Impacts & Human Rights

- Brownsville is on the border between the United States & Mexico. Immigrants & migrants cross these borders regularly.
- The **extreme heat** has led to an increase in heat exhaustion & deaths related to heat exposure since 2022. More than 500 people died in 2023 crossing the border from the US to Mexico
- South Texas Human Rights Center tracks reports of migrants missing, detained or found dead & reports it to their families.
- They provide water stations & basic services to migrants coming into the U.S. to help prevent deaths for people walking through the area.



# Impactos climáticos y Derechos Humanos

- Brownsville está en la frontera entre Estados Unidos y México. Los inmigrantes y migrantes cruzan estas fronteras con regularidad.
- El calor extremo ha provocado un aumento del agotamiento por calor y de las muertes relacionadas con la exposición al calor desde 2022. Más de **500 personas murieron en 2023** cruzando la frontera de EE. UU. a México
- El Centro de Derechos Humanos del Sur de Texas rastrea informes de migrantes desaparecidos, detenidos o encontrados muertos y los informa a sus familias.
- Proporcionan estaciones de agua y servicios básicos a los inmigrantes que llegan a los EE. UU. para ayudar a prevenir muertes entre las personas que caminan por la zona.

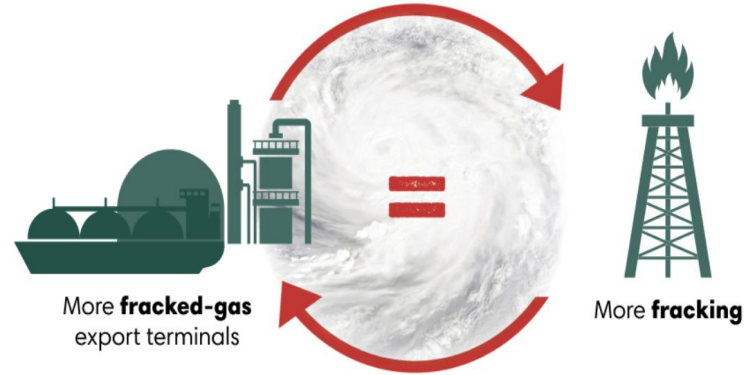


Greenhouse gas emissions associated with the lifecycle of Rio Grande LNG & Texas LNG:

**Equivalent to 50 coal powered plants or 40 million cars.**



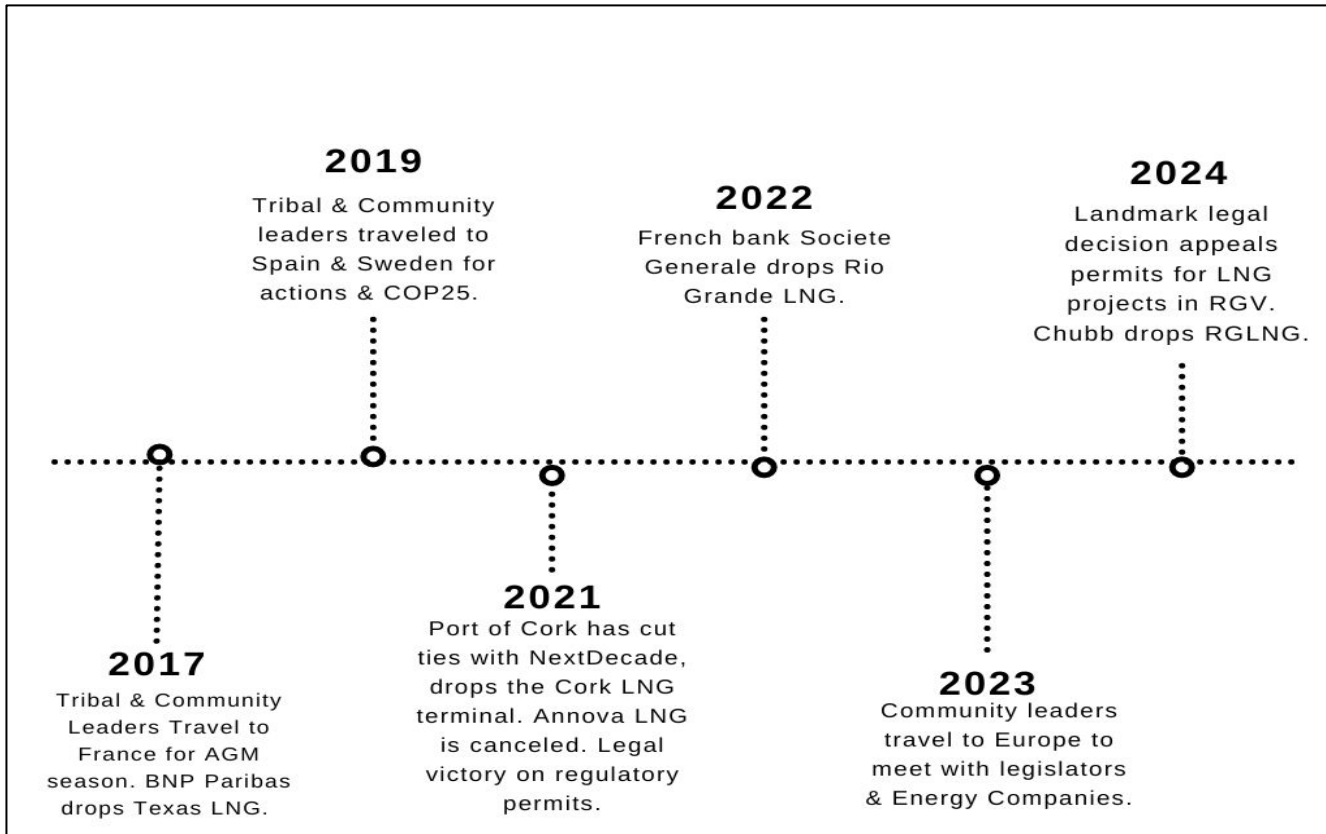
## DESTRUCTIVE **LNG** AND **FRACKING** CYCLE



## CLIMATE IMPACTS OF **FRACKED GAS** TERMINALS PROPOSED IN **RIO GRANDE VALLEY**



PHOTO: GRAPHIC COMPARING EMISSIONS FROM LNG AND FRACKING TO CAR EMISSIONS.



## Timeline of Community Wins & Building International Networks

# Community Risks: Health Impacts

Across the U.S. 1.78 million Latine people already live in counties that face a cancer risk above the Environmental Protection Agency's level of concern from toxins emitted by oil and gas facilities.

Industrial ozone smog burdens Latine communities with **153,000 childhood asthma attacks and 112,000 lost school days each year.**

Siting dangerous new infrastructure in a low income community of color — particularly along the Gulf of Mexico, where environmental racism has been part and parcel of industrial growth — is a classic example of environmental injustice.



# Health impacts: Particulate Matter

**Communities within a 3 miles radius of the proposed LNG terminals**

- More fine particulate matter exposure (PM<sub>2.5</sub>) than over 80% of the U.S.
- Particles travel deep within the lungs, enter the bloodstream
- High potential for severe and long lasting negative health impacts include:
  - ◆ asthma
  - ◆ heart disease
  - ◆ lung inflammation
  - ◆ premature death



# Legal Victory

**August 2024 Lawsuit Victory:** A court decision canceled the Federal Energy Regulatory Commission (FERC) permits for the Texas LNG, Rio Grande LNG, and Rio Bravo Pipeline projects. Lawsuit was led by the Sierra Club, City of Port Isabel, Estok’Gna Tribe, community group from Laguna Heights, and South Texas EJ Network members.

**Bad news:** Rio Grande LNG has a loophole that allows them to continue construction without a permit. FERC is quickly reviewing the permits again.



**The Rio Grande Valley now.**



**The Rio Grande Valley with LNG.**

# Promises: Carbon Capture Storage (CCS)



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**Our proprietary CCS processes can be applied to multiple industrial CO<sub>2</sub> sources including LNG facilities, power plants, midstream assets, manufacturing facilities, and others.**

For example, at NextDecade's Rio Grande LNG facility, we are proposing to develop one of the largest CCS projects in North America. At full scale, we expect Rio Grande LNG will capture and permanently store more than 5 million metric tonnes of CO<sub>2</sub> per year. This is equivalent to the amount of CO<sub>2</sub> absorbed by nearly 300 million mature trees or avoided by removing more than one million vehicles from the road.

- Carbon capture technology has yet to be applied to any methane gas export facilities in the U.S.
- **Mitsubishi Heavy Industries** was contracted to lead the engineering. MHI has had no public comment on the dropping of the CCS project.
- NextDecade does not have a Net Zero or Transition plan in place, yet MUFG & Mizuho finance them.
- Rio Grande LNG also relied on “certified gas” a claim being reviewed by the U.S. Federal Trade Commission.





# Community Risks: Endangered Species & Wildlife Impact





# Community Risks: SpaceX

- Rio Grande LNG & Texas LNG methane export terminals are planned only a few miles away from an existing SpaceX facility that routinely launches explosive rockets that scatter debris on the proposed methane export terminal sites.
- Both private space rockets and LNG export terminals are already under-regulated.
- In November of 2023, Elon Musk's launch of the Starship/SuperHeavy, the largest rocket in human history, caused an earthquake that was felt more than 20 miles away from the pad and shook the proposed LNG sites and low-income neighborhoods.



# Risks of Megaprojects along the US Gulf Coast

*Regulatory, legal and construction delays have plagued the LNG terminal expansion along the U.S. Gulf Coast.*

- Rio Grande LNG took six years longer than anticipated to reach their initial FID.
- ExxonMobil and Qatar Energy's Golden Pass LNG terminal in Port Arthur, TX was severely delayed this year with a **bankruptcy filing** by lead contractor, Zachry Holdings. Zachry claimed the project was \$2.4 billion over the original budget. Golden Pass was planned to come online in 2026, but has requested a three year extension through 2029 to finish construction.
- Texas LNG is pushing against two **regulatory deadlines** with FERC and DOE. In May, they filed for an extension through November 2029 to complete construction.
- The proposed site of Venture Global Plaquemines LNG, located in a floodplain in Southeast Louisiana, **flooded when Hurricane Ida hit** in 2021.

# Thank you!

For additional information  
please see the handouts.

For follow up questions,  
please contact Yuki  
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[yuki.sekimoto@ran.org](mailto:yuki.sekimoto@ran.org)

