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Thank you for providing the opportunity to respond to this public consultation on the exemption from Regulated Third Party Access (RTPA) of new capacity at the South Hook LNG terminal. This response is submitted on behalf of ExxonMobil Qatargas (II) Terminal Company Limited (hereafter ExxonMobil). As a shareholder in the South Hook LNG Terminal, ExxonMobil fully supports the granting of the RTPA exemption as proposed.

All credible energy scenarios highlight that the UK will continue to require natural gas in order to satisfy its energy needs for many years to come. National Grid's respected Future Energy Scenarios for 2019 identifies UK natural gas demand in the range 204 - 716 TWh in 2050 compared to 804 TWh in 2018. This requirement for natural gas will increasingly need to be met by imports given the steady decline of UK indigenous production. Indeed, declining gas production more widely across North West Europe, most notable Netherlands and Germany, means that natural gas imports will to an ever greater extent have to come from sources further afield, including in the form of LNG.

LNG import facilities, such as South Hook LNG terminal, will therefore play an increasingly vital role in facilitating gas imports to the UK, and in doing so will help to safeguard the security of the UK's future gas supplies. The ability of South Hook to connect the UK to world markets and respond rapidly to changing supply and demand patterns will also provide security of energy prices, by helping to protect against price shocks at times of constrained supply or high demand.

Natural gas also enables achievement of further environmental progress, including decarbonisation. When paired with technologies such as carbon capture and storage, natural gas provides opportunities for the provision of even lower carbon energy, providing significant potential for decarbonising sectors of industry and power generation. Additionally, when natural gas is processed with methane reforming technologies it produces hydrogen, which has the potential to be a cornerstone of the UK's low carbon energy future. South Hook LNG Terminal is well positioned to play a vital role in delivering these benefits.

The primary shareholders in South Hook LNG are undertaking the proposed investment at the terminal in order to support the development of the Golden Pass LNG export facility in the United States, as part of an integrated gas value chain. Where this new capacity is not required for use by the primary capacity holder, it will be released to the wider market for use by third parties.

The funding for the proposed investment at the terminal is entirely private capital, with no financial support from governments, taxpayers, or energy consumers. The shareholders are therefore shouldering the entirety of the financial risk of this project.

ExxonMobil believes that Ofgem has undertaken a comprehensive and thorough review of the information provided for and on behalf of South Hook LNG in support of its application, and on this basis we fully agree with and support Ofgem's draft decision to grant this exemption.

Yours sincerely,

A handwritten signature in black ink that reads "Alistair Routledge".

Alistair Routledge  
President