



1017 Diomedes St., Portland, Texas 78374

The Honorable Jennifer Granholm
Secretary of the U.S. Department Energy
1000 Independence Ave., SW
Washington, DC 20585

April 13, 2023

Dear Madam Secretary,

This letter, signed by allied organizations of the Coastal Alliance to Protect our Environment (CAPE),¹ located in the Texas Coastal Bend region, registers our concern about a planned grant submission by the Port of Corpus Christi Authority (POCCA) to become a Regional Clean Hydrogen Hub (H2H).² Specifically, we wish to make you aware that POCCA, a tax-exempt public navigation district, has a documented record of deception, bullying, and greenwashing in order to obtain permits and leverage public funds to enrich itself and its customers, the petrochemical companies of the Coastal Bend Industries Association³ (formerly Port Industries of Corpus Christi).

We are concerned about POCCA's using grant funds to further its industrial build-out,⁴ sacrificing the health of local residents and the Texas Coastal Bend Bays and Estuaries System, one of 28 EPA-designated estuaries of national significance⁵. We therefore ask that DOE view with skepticism claims made by POCCA about "Community Benefits."⁶

Introduction to CAPE

As an introduction, CAPE was first organized in October 2018 by a number of individuals, grass roots initiatives and local chapters of State and National organizations to address POCCA's rapid, unfettered, and reckless expansion projects that are already having an unprecedented impact on the delicate ecosystems in the Coastal Bend area of Texas. POCCA ignores the combined effects of these efforts on the quality life of residents in the Coastal Bend.

¹ <https://capetx.com/>

² <https://portofcc.com/port-of-corpus-christi-horizons-clean-hydrogen-hub-and-trans-permian-h2hub-merge-to-create-integrated-regional-clean-hydrogen-hub-proposal/>

³ <https://coastalbendindustries.com/>

⁴ <https://www.caller.com/in-depth/news/special-reports/building-our-future/2022/12/13/caller-times-industry-next-door-san-patricio-coastal-bend-jobs-health-development-corpus-christi/6692253001/>

⁵ <https://www.epa.gov/nep>

⁶ <https://oced-exchange.energy.gov/FileContent.aspx?FileID=9c024599-7d5c-4e84-9029-d307d7621ab7>

Individual members of this Alliance come from all walks of life. Alliance organizations are newly formed grassroots groups, and long-standing allies of the environment and wildlife. Each individual, group or organization has their own focus. It may be the air we breathe and the health of a loved one; sport fishing; commercial fishing; greenhouse gasses; water supply; effluent in the bays; plastic pellets on the beaches; endangered species; cultural recognition; protection of sacred land; climate change; tourism and alternative economic growth.

Water Supply

First and foremost, we believe it important to note that the region is currently in a drought, with restrictions on water usage imposed upon residents in seven counties by the region's water manager, the City of Corpus Christi. Any Clean Hydrogen Hub will require massive amounts of freshwater to accommodate the facilities. POCCA took it upon itself to seek Permits for two large desalination projects that are opposed by CAPE due to the negative impacts to aquatic life in our bays and estuaries. POCCA has specifically stated these facilities are for industrial growth and the Hydrogen Hub, not for residential use. Objections to the Permits have been filed by the EPA and are being challenged in a State District Court and a Contested Case Hearing in the State Office of Administrative Hearings. Due to the industrial expansion, the City of Corpus Christi has also applied for Permits to construct desalination facilities presumably to sustain residential and commercial water supply knowing full well that a Hydrogen Hub will deplete any new supply intended for residential use. Competing applications for desalination permits has caused POCCA and the City to be at odds with each other over desalination efforts for the past several years and they continue to publicly disagree on these facilities.

Any Hydrogen Hub and its related components can only be achieved if POCCA receives its Permits for desalination. **It makes no sense to create a purported clean energy source that in turn destroys an entire ecosystem, threatens other economies reliant upon a healthy bay system, and usurps the water supply for residents throughout the Region.**

We are not privy to any timeline(s) which must be met in deliverables or specific goals to be achieved in the Application. But it is important for the decision-makers to know that if POCCA manages to overcome the legal challenges and EPA objections to these Permits, given they are not going to design, build or operate the facility, the earliest possible date a drop of that newly acquired freshwater will be available for any Hydrogen Hub will be 2032.

POCCA's Community Benefits Plan

Because there has been no Community engagement in developing the Hydrogen Hub Application, we can only make educated guesses on how POCCA will respond to this section of the Application. We ask that we be supplied a copy of POCCA's Application to better determine its accuracy and respond accordingly. We anticipate POCCA's assertions will be disingenuous at best.

One assertion by POCCA will likely be the amount of funds it has provided to multiple non-profit and community organizations including the Buccaneer Days Commission, Mission 911, Del Mar College Foundation, Mission of Mercy, Corpus Christi Symphony, the Coastal Bend Bays and

Estuaries Program, and a host of others. The Port is very clear in its objectives in awarding these grants⁷, specifically:

*The Port budgets part of its revenues to any activity or matter incidental to the **advertising, development, or promotion of the district or its ports, waterways, harbors, or terminals**; furthering the general welfare of the district and its facilities; or the betterment of the district's relations with steamship and rail lines, shippers, consignees of freight, governmental officials, or others interested or sought to be interested in the ports, waterways, harbors, or terminals.*

The Selection Criteria used in awarding grants is set forth as follows:

*The applicant must clearly demonstrate how Port funds will be used to:
Support the Port of Corpus Christi Pillars of Success;
Help inform and educate the public about the Port of Corpus Christi;
Promote the Port's maritime and commercial interest and development; and/or
encourage environmental stewardship;
Funding will **not** be awarded to charitable organizations **that have no direct relationship/benefit to the Port/maritime industry.***

To ensure the recipient promotes the Port's activities, it is important to note these grants come with notable conditions depending upon the recipient and the amount of funds provided to the recipient. For instance, smaller grants contain a provision that requires a public thank you to be issued to the Port. This practice was evident at the Port's most recent Commission Meeting conducted on March 21 when, during Public Comment, four recipients thanked the Port for its recent funding and included in their remarks language that was tailored to the Community Benefits portion of POCCA's application for the Hydrogen Hub, noting the funds helped the poor and disenfranchised. In the case of larger grant awards, a recipient is required to actively support Port projects and are further prohibited from opposing Port projects.

One case in point is the 2022 grant to the Coastal Bend Bays and Estuaries Program. The grant document includes the Scope of Services to be provided by the recipient, including:

The services and benefits to be provided to the Port by the Provider...shall include the following:

Support the Port's legislative issues in Washington, D.C through letters of support and testimony for community grants and infrastructure funds for projects benefitting the Port and its customers such as the I-69 Highway Project, the La Quinta Terminal Project, and the Corpus Christi Ship Channel Improvement Projects, and any and all other lawful activities which tend to aid, assist, or otherwise encourage the economic development of the Port's port and waterways.

While CAPE organizations support the Port's efforts in providing funding to organizations in need of these dollars to provide vital services to communities in need, we do not endorse the

⁷ <https://portofcc.com/community-funding/>

restrictive measures included with that support that stifles free and full engagement by those organizations to question any Port activity.

In addition to stifling any criticism or opposition by community organizations, the Port has also bullied municipalities into supporting its projects. When the city of Port Aransas challenged Port activities on land within the City's jurisdiction, POCCA threatened to terminate a marina lease that is vital to the economy of the city. As reported in one local media outlet the City's attorney stated the Port "is holding the marina hostage as a bargaining chip to force the city's acquiescence to the (Port's) will," seeking to forego any municipal oversight "to develop its industrial jungle on Harbor Island."⁸ Ultimately however, to avoid protracted expensive litigation, the city was forced by the Port to withdraw all opposition to the Port's Plans in order to maintain its marina.

In another instance, the Port also threatened the City of Portland with termination of a lease to a pier that has been a mecca for fishing for more than 30 years.⁹ The Port insisted the lease would only be granted if the City agrees to support all future economic development projects of Authority in San Patricio County, Texas; as well as in the waters of Corpus Christi Bay.

The City of Portland has been critical of Port activities and refused to agree to this onerous provision. Because of public outcry against the Port's bullying tactics, the provision was withdrawn from the lease agreement.

The above and foregoing is intended to illustrate that any assertion by the Port that it proactively engages with communities is disingenuous. The Port has held a few community forums wherein it speaks to the science of hydrogen production and carbon capture sequestration, but revealed no conceptual designs on the Port's plans to develop the hub, i.e., they have not sought or solicited input on the projects concepts, design, or location that will impact local communities. While POCCA has also undertaken meetings to "enlighten" local elected officials on the science, there has been no meaningful engagement in the planning process for a Hydrogen Hub. We can only therefore conclude that the Port views involvement with the community as burdensome and a waste of time. In preparation of its submission for the Hydrogen Hub, the Port conducted two presentations to local elected officials in the waning days of March. When members of the Public tried to attend, they were turned away. Members of the Public were told a presentation would be made to members of the public. That never happened.

For the past 4 to 5 years, the Port's attitude toward elected leaders has been dismissive and disrespectful. POCCA moves forward with its projects without input. This has been POCCA's pattern with community-based organizations as well.

It is our understanding that no elected official or any organization representing the interest of communities that would be impacted by the Hydrogen Hub project has been invited to be engaged in the planning of this massive undertaking that will impact public health and an entire ecosystem.

Employment Claims

⁸ <https://www.ccbiznews.com/news/this-time-port-aransas-sues-port-corporus-christi>

⁹ <https://www.kristv.com/news/indian-point-pier-where-do-negotiations-stand>

It is important to understand that fossil fuel exports are POCCA's ONLY significant cargo. "The Port of Corpus Christi is the largest in the nation in terms of total revenue tonnage and is a major exporter of domestically produced energy with more than 200 tenants and customers."¹⁰ Claims that "The Port of Corpus Christi supports more than 98,000 jobs in the South Texas Coastal Bend region in various fields"¹¹ need to be carefully scrutinized. POCCA's often-repeated claims of good job creation can likely be tied back to a 2015 methodology (before the lifting of the oil export ban) that is still being used to estimate direct, indirect, and induced jobs attributable to POCCA. That study claimed that "Of the 76,377 jobs [in Texas], 13,770 direct jobs are generated by the marine cargo and vessel activity at the Port of Corpus Christi" (p. 5). However, among the 18 employers listed as the Corpus Christi Regional Economic Development Corporation's "Top Industries in the Coastal Bend" neither POCCA nor any marine cargo-related companies appear.¹² The handful of oil companies near the bottom of the list employ only about 2,300 people combined.

Very worrisome to the local economy is POCCA's aggressive efforts as the self-proclaimed "Energy Port of the Americas." This singular focus increasingly prevents the flourishing of other environmentally friendly job sectors (e.g., hospitality and tourism) and coastal commercial activities, including tourism, oyster farming, and fishing. The 2021 Coastal Bend Council of Governments Comprehensive Economic Development Strategy acknowledged that manufacturing is declining and "employment in the region's oil and gas extraction industry has shrunk by about 30% since 2011" (p.9), while the tourism industry "is the region's third largest industry and a significant portion of the economic in some counties" (p. 6). A newly-released study commissioned by the Indigenous Peoples of the Coastal Bend asserts that "workers employed in petroleum and coal manufacturing make up less than 2 percent of Nueces County's total workforce" (p. i).¹³ Yet POCCA continues to try to lure fossil fuel companies to the region – at great risk and expense. A 2022 Tax Abatement Study commissioned by CAPE revealed that the "Average cost [to create a single] job within the industry amounts to \$953,294" in tax abatements (p. 6).¹⁴

Other Considerations

The Port's assertions in any Benefits Plan that is submitted must be viewed with skepticism and requires additional inquiry by the reviewer. For example:

- **Background and Experience:** Hillcrest Residents Association will attest that POCCA does not have a positive track record with communities of color.¹⁵ The environmental justice community of Gregory (San Patricio County) is also being sacrificed due to POCCA-led petrochemical expansion and the proposed Hydrogen Hub that will include

¹⁰ <https://www.jsg.utexas.edu/news/2023/03/texas-port-partners-with-ut-scientists-to-store-its-greenhouse-gas-emissions/>

¹¹ <https://portofcc.com/the-port-of-corpus-christi-expands-educational-opportunities-with-new-port-able-learning-lab/>

¹² <https://www.ccredc.com/index.php?submenu=DataCenter&src=gendocs&ref=TopIndustriesintheCoastalBendRegion&category=Main>

¹³ <https://aeclinic.org/publicationpages/2023/3/20/impact-of-refinery-row-on-the-city-of-corpus-christi>

¹⁴ https://www.wepaytheyprofit.com/files/ugd/62ab5a_2898254d8d784e4a995256d8663d7e94.pdf

¹⁵ <https://www.texasobserver.org/corpus-christi-hillcrest-pollution-lawsuits/>

facilities that are already seeking to locate in areas that will completely surround this environmental justice community.

- **Community History and Dynamics:** The City of Corpus Christi, as the regional water supplier, opposes POCCA's efforts to get into the industrial water supply business;¹⁶ the San Patricio County Judge is critical of POCCA's purchasing county property, making it tax exempt, and then leasing it to industry;¹⁷ the EPA is investigating POCCA's desalination plant applications and Texas' oversight of Clean Water Act permits.¹⁸ A deadly explosion,¹⁹ oil spill,²⁰ 85-hour fire,²¹ and very large crude carrier collision²² by petrochemical customers of POCCA portend worsening dangers.
- **Stakeholder Analysis:** We seriously doubt that POCCA will identify as stakeholders in its DOE grant application CAPE allied organizations and residents of Refinery Row (Dona Park, Hillcrest), Corpus Christi Bay's north shore (Gregory, Portland), the Live Oak Peninsula (Ingleside on the Bay, Ingleside, Aransas Pass) and the region's tourist center at Port Aransas.
- **Existing Community Support:** We do not know exactly where POCCA plans to build multiple facilities (POCCA's CEO states there will be 24 hydrogen related facilities) and have not been offered the chance to comment, but over the last few years CAPE allies have filed numerous comments and called for public meetings against various permit applications by POCCA and its industrial customers. Concerns about industrial activity are frequent topics in the media.²³
- **Engagement Implementation Strategies, Methods, and Timeline:** A sincere community engagement plan should include many (if not all) of the organizations signing on to this letter.

You should know that, **with little to no community or elected leader involvement**, POCCA has already taken the following aggressive steps to position itself to pursue lucrative DOE Clean Energy funding opportunities:

- POCCA purchased approximately 2,600 acres surrounding San Patricio County's McCampbell Porter Airport. This complements other purchases made by POCCA that encompass hundreds of additional acres in San Patricio County over the past several years.
- On 2/9/23, POCCA submitted a U.S. Army Corps permit application (SWG-2021-00163) to fill in wetlands to create an 1,800-acre solar farm surround the McCampbell-Porter Airport to supply power to "new and existing industrial off

¹⁶ <https://www.caller.com/story/news/2022/06/15/city-council-voices-concerns-port-ports-ceo-heated-meeting/7621937001/>

¹⁷ https://www.mysoutex.com/san_patricio_county/news/features/strawbridge-talks-growth-and-future-of-global-energy/article_29457fe6-fca4-11ec-929a-b7d1ac118869.html

¹⁸ <https://www.caller.com/story/news/local/texas/2023/02/18/epa-conducting-investigation-into-texas-enforcement-of-water-quality/69876410007/>

¹⁹ <https://www.wrdw.com/2020/08/24/bodies-found-of-remaining-2-missing-in-texas-port-explosion/>

²⁰ <https://www.kiiitv.com/article/news/local/christmas-eve-oil-spill-spreads-to-parts-of-north-beach/503-d89c5eb1-7fac-40d0-aacf-ea731648401a>

²¹ <https://www.caller.com/story/news/local/2023/01/11/tceq-is-investigating-november-valero-plant-fire-heres-what-we-know/69797359007/>

²² <https://gcaptain.com/tug-grounds-near-corpus-christi-after-reported-collision-with-bulk-carrier/>

²³ <https://capetx.com/newsroom/>

takers” – without even consulting with the Airport. The solar farm will threaten 1,800 acres of wildlife habitat.

- On 2/14/23, POCCA entered into a Memorandum of Understanding with Howard Energy and Talos to lease “all or any portions of the geologic formation(s), reservoirs, saline aquifers, and pore space” beneath the 13,561.57 acres of upland and submerged land it owns in Nueces and San Patricio Counties, Texas.
- On 3/13/23, proudly proclaimed six “record-breaking years” because of eight new crude facilities, and being in late stages of the permitting process for the largest desalination facility in the United States [that] will significantly enhance the port's position in the hydrogen value chain, since "Hydrogen is extremely water intensive."²⁴

Legislative Initiatives

It is worth noting that local elected county and city leaders have enlisted local Senators and Representatives to file several Bills in the current legislative session intended to rein in the Port's activities. They include a Sunset Bill to review the Port's actions; a Bill to change the composition of the Commission; and a Bill to change the manner of Port Commissioner selection. In turn, the Port has sought the assistance of a Representative of a south Texas District to expand the Port's authority in the areas of economic development and eminent domain authority. This Bill is being opposed by those same local elected officials seeking to rein in POCCA. CAPE is joining in this opposition.

In summary, we ask that these comments be included in the materials to be reviewed by the DOE examiners who are evaluating POCCA's Application and welcome any additional inquiries at the DOE's convenience. Most important, while we understand the competitive nature of these Applications and assertions of confidential or proprietary information, we believe the POCCA Application should be released to the public for our own review and analysis.

Thank you for your sensitivity to our concerns,

Errol Summerlin, Coastal Alliance to Protect Our Environment

Isabel Araiza, For the Greater Good
Eduardo Canales, South Texas Human Rights Center
Elida Castillo, Chispa Texas
James King, Port Aransas Conservancy
James Klein, Coastal Bend Sierra Club
Neil McQueen, Texas Coastal Bend Chapter Surfrider Foundation
Patrick Nye, Ingleside on the Bay Coastal Watch Association
Juan Parras, Texas Environmental Justice Advocacy Services
Robin Schneider, Texas Campaign for the Environment
Lamont Taylor, Citizens Alliance for Fairness & Progress
Rev. Henry Williams, Hillcrest Residents Association
Robyn Cobb, Coastal Bend Audubon Society

²⁴ <https://sports.yahoo.com/americas-biggest-oil-shipping-port-calls-for-record-breaking-2023>