

## FINANCIAL BRIEFING NOTE

# High-Risk Project: Galveston LNG Bunker Port (GLBP)

The Galveston LNG Bunker Port (GLBP) project is located at Shoal Point, Texas City, with plans for the proposed facility to supply Liquefied Natural Gas (LNG) fuel to ships. It is a joint venture of Seapath and Pilot LNG. This project has not yet received its Final Investment Decision (FID) as it represents a major financial risk to investors.

On behalf of over 40 civil society organizations, a formal letter [[English](#) | [Japanese](#)] was sent to financial institutions. They are being urged not to finance the Galveston LNG Bunker Project and publicly commit not to invest in LNG bunker port projects.

### **Why the GLBP Project is a High-Risk Investment:**

#### 1. Financial & Market Analysis

- Project Owners: Seapath and Pilot LNG are start-up companies with limited staff, no reported revenue, and no track record of actively operating projects. There is also a conflict of interest on the Pilot LNG Board that connects this project to a pro-LNG lobby coalition.
- LNG Demand: the International Energy Agency (IEA) shows global gas demand will drop by 18% by 2030; the U.S. Institute for Energy Economics and Financial Analysis (IEEFA) provides a global outlook of LNG demand showing increasing LNG prices and reduced Europe gas consumption; and East Daley Analytics underscores recent US LNG export capacity limits, with U.S. LNG projects having issues securing international buyers.
- Stranded Assets: LNG infrastructure cannot be repurposed for future zero-emissions fuels, such as hydrogen. Experts cite high costs, technical challenges, differing gas properties, and lengthy construction delays.
- Climate Costs: the Texas Gulf Coast is a vulnerable area to hurricanes and rising sea levels. This increases risks of dangerous leaks, explosions, and spills at the proposed GLBP facility.

#### 2. Regulatory & Legal Framework

- International Recommendations: the World Bank advises countries against investment in LNG infrastructure, stating LNG “is likely to play a limited role in the decarbonization of the shipping sector”.

- **New Shipping Rules:** the International Maritime Organization (IMO) now includes methane (LNG) in its Greenhouse Gas Strategy and requires fuels to have a full life cycle assessment. This means:
  - The cost of compliance for using LNG fuel (\$ per tonne) is projected to rise steeply by the end of this decade.
  - Incoming regulations will apply to methane-based fuels, including fossil, bio-, and e-LNG.
- **Legal Delays:** maritime LNG facilities are facing legal challenges. Multiple recent U.S. Federal Court decisions rejected LNG facilities in the Texas Gulf Coast.
- **Public Opposition:** In 2024, over 100 residents and advocates submitted a formal letter to federal and state authorities opposing the project, citing its harmful impacts on public health, the environment, and local livelihoods.

### 3. Health, Environmental and Livelihood Impact

- **Local Economy:** Galveston Bay annually supports a commercially harvested shrimp industry valued at \$42.2 million and a \$10.4 million shrimp processing industry. It also supports a recreational fishing industry, with trip spending by recreational spends valued at \$152.1 million annually. These industries provide over 2,500 jobs.
- **Endangered Species:** more ship traffic will impact local biodiversity like endangered manatees and sea turtles with increased pollution and boat strikes.
- **Environmental Injustice:** residents near the GLBP project already experience some of the lowest life expectancy rates in the U.S. Specifically, they are exposed to high levels of ground-level ozone, which is a pollutant directly exacerbated by the methane emissions from LNG.
- **Tax-Payer Burden:** not only would the GLBP project unfairly burden nearby residents, it would also increase costs for U.S. taxpayers to support increasing healthcare needs.

### **Request:**

Financial institutions are requested to read the full letter [[English](#) | [Japanese](#)] and respond by June 16, 2025. They are urged to:

1. Publicly commit to exclude all financial services—including but not limited to project finance, corporate lending, and advisory services—for new LNG bunker port projects; and
2. Make a specific commitment to not finance the Galveston LNG Bunker Port Project.