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POWERLNG

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Power LNG LLC
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U.S. Department of Energy
Office of Fossil Energy & Carbon Management
Office of Regulation, Analysis and Engagement
fergas@hq.doe.gov
P.O. Box 44375
Washington, D.C. 20026-4375

Subject: Semi-Annual Progress Report: Power LNG LLC, DOE/FECM ORDER NO. 4994

Dear Members of the Office of Regulation, Analysis and Engagement:

By DOE/FECM Order No. 4994, the U.S. Department of Energy Office of Fossil Energy (DOE) authorized Power LNG LLC (PLNG) to proceed with the design, construction, and financing of its liquefied natural gas (LNG) project in accordance with specified conditions. This Semi-Annual Progress Report is submitted pursuant to the requirements outlined in the aforementioned order.

Project Design, Construction, and Financing:

During this period, PLNG made a strategic decision to adopt Cryosys' Liquefaction Technological solution following extensive research and evaluation. This solution was chosen for its exceptional efficiency, resulting in a substantial reduction of our build and implementation timeline. Notably, our LNG output has increased from 240,000 gallons per day to 380,000 gallons per day with minimal additional costs. The implementation of Cryosys' solution underscores our commitment to scalability and cost-effectiveness.

Moreover, considerable progress has been achieved in Front-End Engineering and Design (FEED) engineering, with FEL1 engineering currently underway and the remaining FEED engineering scheduled for completion by November 2024. The selection of EPC Primoris Services Corporation and Cryosys marks a pivotal step towards ensuring efficient, cost-effective, and punctual project delivery.

Permitting and Regulatory Activities:

While the air permitting process with the Texas Commission on Environmental Quality (TCEQ) has not yet commenced, we have outlined plans to initiate this process in Q3 of 2024. We

remain unwavering in our commitment to regulatory compliance and are actively engaging in the necessary preparations to meet all requirements.

Commercial Negotiations:

PLNG has achieved significant milestones in commercial negotiations, including the successful execution of a Letter of Intent (LOI) with PIC USA LLC. Negotiations for binding offtake terms are progressing positively, with expectations to finalize the agreement by fall 2024.

Conclusion:

The past six months have seen exceptional progress for the Power LNG project. Successful negotiations with financing parties, advancements in project engineering, and strategic initiatives in regulatory compliance have positioned PLNG firmly on course towards a Final Investment Decision (FID).

For any further inquiries or updates pertaining to this report, please direct correspondence to Dean Wallace, Managing Member, at dwallace@power-lng.com.

Thank you for your continued interest and support.

Sincerely,



Dean M. Wallace
Managing Member
Power LNG LLC

cc: Austin Terry, Managing Member