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April 19, 2017

Via Email

Larine A. Moore  
Docket Room Manager  
Division of Natural Gas Regulation  
Office of Regulation and International Engagement  
Office of Fossil Energy  
U.S. Department of Energy  
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Washington, D.C. 20585  
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Re: Rio Grande LNG, LLC Semi-Annual Progress Report LNG for Docket 15-190-LNG

Dear Ms. Moore:

Pursuant to Ordering Paragraph J of the U.S. Department of Energy Office of Fossil Energy's Order No. 3869 in FE Docket No. 15-190-LNG, please find attached Rio Grande LNG, LLC's Semi-Annual Progress Report.

Should you have any questions about this filing, please feel free to contact the undersigned at (202) 339-8494.

Respectfully submitted,  
/s/ Erik Swenson

Erik Swenson  
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## Semi-Annual Progress Report

**DOE Docket/Order :** FE #15-190-LHG/Order 3869

**Reporting Period:** Through March 30, 2017

**Authorization Holder:** Rio Grande LNG, LLC (RG LNG)

**Order Type:** Long Term Authorization (Free Trade Agreement Countries)

**Preparer of Report:** Shaun Davison

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### Project Status (Overview):

RG LNG's May 5<sup>th</sup> application to the Federal Energy Regulatory Commission (FERC) for authorization under Section 3 of the Natural Gas Act (NGA) (FERC Docket No. CP16-454-000 remains pending, along with the associated Rio Bravo Pipeline Company, LLC (RB Pipeline) application to FERC for a Section 7 NGA approval (FERC Docket No. CP16-455-000). RG LNG continues to actively pursue FERC approval. During the six month period ending on March 31, 2017, RG LNG and RB Pipeline (collectively, RG Developers) have:

- 1) submitted to FERC a copy of RG LNG's Application for Department of the Army Permit under Section 10 of the Rivers and Harbors Act and Section 404 of the Clean Water Act covering RG LNG's proposed LNG Export Terminal;
- 2) responded to FERC's September 22, 2016 Environmental and Engineering Information Request regarding various aspects of the RG Developers' May 5, 2016 application, as supplemented;
- 3) responded to FERC's September 30, 2016 Engineering Information Request regarding RG LNG's proposed LNG Export Terminal;
- 4) responded to FERC's October 18, 2016 Engineering Information Request regarding the proposed RB Pipeline facilities;
- 5) submitted to FERC a copy of information previously filed with the Department of Transportation's Pipeline and Hazardous Materials Administration (PHMSA);

- 6) submitted to FERC supplements to the May 5 application on November 1 and December 29, 2016, as well as February 2 and February 24, 2017;
- 7) submitted to FERC, on November 14, 2016, the RG Developers' Field Survey Addendum Report No. 3: Noise Survey – Revision 1;
- 8) submitted to FERC, on November 22, 2016, the Hazardous Analysis Report for RG LNG's proposed LNG Export Terminal;
- 9) issued a Request for Proposals to potential third-party contractors to assist FERC with its analysis of possible siting concerns posed from potential failed rocket launches from the Space Exploration Technology Corporation's (SpaceX) Texas launch facilities; and updated FERC on same;
- 10) submitted to FERC the RB Pipeline Hydraulic Study on February 14, 2017;
- 11) responded to Item 1 of FERC's October 27, 2016 Engineering Information Request regarding SpaceX matters;
- 12) submitted to FERC a copy of RB Pipeline's Application for Department of the Army Permit under Section 10 of The Rivers and Harbors Act and Section 404 of the Clean Water Act covering RB Pipeline's proposed pipeline facilities;
- 13) submitted to FERC, on March 7, 2017, Revision 1 of the RG Developers' Texas Coastal Management Program Consistency Statement; and
- 14) responded to Items 2, 3 and 4 of FERC's October 27, 2016 Engineering Information Request regarding SpaceX matters.

In addition, comments were filed by the U.S. Environmental Protection Agency, and PHMSA with FERC regarding the RB Developers' May 5, 2016 application. Further, FERC selected Millenium Engineering and Integration Company as a third-party contractor with respect to SpaceX matters.

RG LNG also has pending applications with the Texas Commission on Environmental Quality (TCEQ) and United States Army Corp of Engineers (USACE) for related permits needed to proceed with RG LNG's proposed LNG export facility. All required permits and regulatory approvals are estimated to be issued by the end of the second quarter of 2018.

**Anticipated Facility Operational Date:**

Subject to the timing of key project milestones including amongst others, securing long term LNG sale contracts and gas supply, FERC approval and financing, we are targeting an operational start date in the first quarter of 2022.

**Status of long term LNG sale contacts**

As reported previously, RG LNG has publicly indicated that it has 27+ Mtpa of non-binding Heads of Agreements with multiple off-takers. Firm/binding long term Sale & Purchase Agreements (SPAs) for LNG

supply (or other relevant off-take agreements) are expected to be concluded for the project once the FERC regulatory process has advanced further.

**Status of long term gas supply contracts**

The project has initiated meetings with gas producers and gas marketers. However, no long-term gas supply contracts were under negotiation or concluded during the applicable reporting period.

**Ownership**

No reportable changes in control/ownership took place during the reporting period. However, as widely reported by the energy industry media, NextDecade, LLC (RG LNG's parent company) is currently working on a transaction, which if consummated, would result in NextDecade merging with Harmony Merger Corp. NextDecade, LLC would be the surviving merger entity, but Harmony Merger Corp.'s investors would acquire a 13.4% stake in NextDecade, LLC and possibly trigger the need for Change-In-Control filings with the Office of Fossil Energy (OFE). The merger is not expected to occur before the third quarter of 2017, and RG LNG will make any appropriate filings, in accordance with the OFE's November 5, 2014 Notice of Procedures, upon completion of the merger arrangements.