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By Docket Room at 2:17 pm, Oct 01, 2020



October 1, 2020

U.S. Department of Energy
Office of Fossil Energy
Natural Gas Regulatory Activities
P.O. Box 44375
Washington, D.C. 20026-4375
Attention: Ms. Larine Moore, Docket Room FE-34

**Re: ECA Liquefaction, S. de R.L. de C.V.
(formerly Energía Costa Azul, S. de R.L. de C.V.)
ECA Mid-Scale Project
DOE/FE Order Nos. 4317, 4364, 4317-A, 4364-A
FE Docket No. 18-144-LNG
Semi-Annual Report**

Dear Ms. Moore,

On January 25, 2019, in DOE/FE Order No. 4317, the U.S. Department of Energy, Office of Fossil Energy (“DOE/FE”), granted to Energía Costa Azul, S. de R.L. de C.V. (“Energía Costa Azul”) a long-term, multi-contract authorization to export natural gas to Mexico and to re-export liquefied natural gas (“LNG”) from its proposed ECA Mid-Scale Project to nations that have free trade agreements with the United States requiring national treatment in the trade of natural gas (“FTA countries”). On March 29, 2019, in DOE/FE Order No. 4364, the DOE/FE granted to Energía Costa Azul a long-term, multi-contract authorization to export natural gas to Mexico and to re-export LNG from the ECA Mid-Scale Project to Non-FTA countries. On October 7, 2019, in DOE/FE Order Nos. 4317-A and 4364-A, the DOE/FE approved the transfer of the authorizations granted in DOE/FE Order Nos. 4317 and 4364 from Energía Costa Azul to its affiliate, ECA Liquefaction, S. de R.L. de C.V. (“ECA Liquefaction”). One of the conditions of the DOE/FE’s authorizations, as transferred to ECA Liquefaction, is that ECA Liquefaction file semi-annual written reports (on or before April 1 and October 1 of each year) describing the progress of the planned ECA Mid-Scale Project. ECA Liquefaction hereby submits the semi-annual report covering the period April 1, 2020 through September 30, 2020.

ECA Liquefaction now has in place all necessary key federal Mexican environmental authorizations to construct and operate the liquefaction terminal facilities for the ECA Mid-Scale Project and is awaiting the issuance of a final long-term export permit from Mexico. In addition, ECA Liquefaction has continued to progress permitting, commercial and marketing activities. Substantial progress has been made in the commercial development of the ECA Mid-Scale Project. Specifically, on April 30, 2020, ECA Liquefaction entered into LNG sale and purchase agreements (“LNG SPAs”) with Total Gas & Power Asia Private Limited and

Mitsui & Co., Ltd. for annual LNG offtake of 88 million MMBtu (equivalent to 1.7 million tons per annum) and 41.6 million MMBtu (equivalent to 0.8 million tons per annum), respectively. The LNG delivery term of each LNG SPA is 20 years from the date of first commercial LNG deliveries from the ECA Liquefaction facility, which is expected to occur in the second half of 2024. The effectiveness of both LNG SPAs is conditional upon satisfaction or waiver of certain conditions precedent, including receipt of relevant Mexican export permits and ECA Liquefaction taking a final investment decision, which ECA Liquefaction aims to reach by the fourth quarter of 2020. Accordingly, the obligation for ECA Liquefaction to supply LNG to the LNG SPA parties and for the LNG SPA parties to purchase LNG from ECA Liquefaction under the LNG SPAs is not yet legally binding upon the parties. ECA Liquefaction intends to file the LNG SPAs when the contracts become fully binding upon the parties or as otherwise directed by the DOE/FE.¹

Please contact me with any questions regarding this filing.

Respectfully submitted,

/s/ Jerrod L. Harrison
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On Behalf of ECA Liquefaction, S. de R.L. de C.V.

cc: Benjamin Nussdorf

¹ Pursuant to Section 590.202(c) of the Department of Energy's regulations and DOE/FE's conditioning authority under the Natural Gas Act, the DOE/FE has required authorization holders to file "relevant long-term commercial agreements" pursuant to which the authorization holder exports LNG "once those agreements have been executed." However, somewhat less clear is the scope of the "relevant long-term commercial agreements" required to be filed, as well as the timing for filing such agreements. To clarify these matters, DOE/FE has issued a proposed interpretive rule ("PIR") that would clarify, among other things, that an export authorization holder must file relevant agreements associated with the export of LNG, including agreements for the sale and purchase of LNG, within 30 days of the "execution" of such agreements. U.S. Department of Energy, Filing of Contracts and Purchase Agreements Associated With the Export of Natural Gas, Proposed Interpretive Rule, 83 Fed. Reg. 65,111 (Dec. 19, 2018). The PIR further clarifies that a relevant agreement is "executed" when "all parties to a long-term commercial agreement have signed the agreement, regardless of whether conditions precedent have been met, **and that such an agreement is binding upon all parties to the transaction.**" *Id.* n.13 (emphasis added). ECA Liquefaction notes that on January 18, 2019, its affiliate filed comments in the PIR proceeding addressing, among other things, the timing for filing commercial agreements. ECA Liquefaction will comply with the directive of the DOE/FE arising from that proceeding or otherwise.