

RECEIVED

By Docket Room at 2:00 pm, Apr 01, 2021

K&L GATES

David Wochner
david.wochner@klgates.com

T +1 202 778 9014
F +1 202 778 9100

April 1, 2021

U.S. Department of Energy
Office of Fossil Energy
Office of Natural Gas Regulatory Activities
P.O. Box 44375
Washington, DC 20026-4375
Attention: Natural Gas Reports

**Re: Rio Grande LNG, LLC – Semi-Annual Progress Report
DOE/FE Docket No. 15-190-LNG**

To: Office of Natural Gas Regulatory Activities:

Pursuant to Ordering Paragraph J of DOE/FE Order 3869 and Ordering Paragraph M of DOE/FE Order 4992, please accept the following progress report for Rio Grande LNG, LLC (“Rio Grande LNG” or the “Project”). This report covers the period from October 1, 2020 through March 31, 2021.

- On October 6, 2020, Rio Grande LNG announced plans to achieve carbon-neutrality with the development of proprietary processes to reduce carbon dioxide equivalent (“CO₂e”) emissions from the Project by approximately 90%.
- On October 9, the Federal Energy Regulatory Commission (“FERC”) issued a notice denying by operation of law (“October 9 Notice”) the September 8, 2020 request for rehearing by several organizations of FERC’s August 13, 2020 order, which approved the proposed design changes reducing the number of liquefaction trains from six to five and increasing the liquefaction capacity of each of the five remaining trains from 4.5 MTPA to 5.4 MTPA, while keeping the total export capacity of 27 MTPA (“Design Changes”) (such order, the “August 13 Design Change Order”).
- On October 15, 2020, the U.S. Department of Transportation’s Pipeline and Hazardous Materials Safety Administration (“PHMSA”) determined that the Design Changes, comply with the Federal Pipeline Safety Standards. As previously reported, FERC approved these Design Changes on August 13, 2020.
- On October 21, 2020, the DOE approved Rio Grande LNG’s request to amend its non-Free Trade Agreement order to extend its current export term through December 31, 2050.
- On November 17, 2020, Rio Grande LNG’s parent company NextDecade Corporation (“NextDecade”) announced it finalized a Dredge and Disposal Construction Agreement with Great

Lakes Dredge & Dock Corporation to perform essential improvements to the Brownsville Ship Channel.

- On December 7, 2020, Sierra Club *et al.* filed an appeal of the August 13 Design Change Order and the October 9 Notice with the U.S. Court of Appeals for the D.C. Circuit, *Vecinos para el Bienestar de la Comunidad Costera, et al.*, v. FERC, no. 20-1491.
- On January 19, 2021, FERC issued an order sustaining its denial of Sierra Club *et al.*'s request for rehearing of the Design Change Order.
- On February 3, 2021, the U.S. Court of Appeals for the D.C. Circuit granted Rio Grande LNG's motion for leave to intervene in *Vecinos para el Bienestar de la Comunidad Costera, et al.*, v. FERC, no. 20-1491.
- On March 8, 2021, NextDecade announced a pricing refresh on the engineering, procurement, and construction agreements ("EPC Agreements") with Bechtel Oil, Gas, and Chemicals, Inc. for the first three trains in the Rio Grande LNG project. The EPC Agreements pricing is valid until December 31, 2021, and the validity of the EPC Agreements is extended until July 31, 2022.
- On March 9, 2021, in the proceeding, *Shrimpers and Fishermen of the RGV v. U.S. Army Corps of Engineers*, no. 20-60281, the U.S. Court of Appeals for the Fifth Circuit found that the petition is not ripe for review and held the proceeding in abeyance pending further action by the Army Corps of Engineers.
- On March 10, 2021, the U.S. Court of Appeals for the Fifth Circuit denied the Sierra Club and Defenders of Wildlife's petition in the proceeding, *Sierra Club v. U.S. Dep't of the Interior*, no. 20-60299, thereby upholding the U.S. Fish & Wildlife Service's review of the Project pursuant to Section 7 of the Endangered Species Act.
- On March 18, 2021, NextDecade announced the sale of \$24.5 million of Series C Convertible Preferred Stock, the proceeds of which will be used in part to finalize commercial agreements needed to achieve a final investment decision on the Project in 2021.
- On March 18, 2021, NextDecade announced the formation of NEXT Carbon Solutions, LLC, which will develop a carbon capture and storage project to reduce permitted CO₂ emissions at the Project by more than 90%.
- On March 23, 2021, the U.S. Court of Appeals for the District of Columbia Circuit held oral arguments in the proceeding, *Vecinos para el Bienestar, et al. v. FERC*, no. 20-1045, an appeal by several organizations of FERC's November 22, 2019 authorization of the Rio Grande LNG project and the associated Rio Bravo Pipeline.
- On March 25, 2021, NextDecade announced the execution of a term sheet with Oxy Low Carbon Ventures, a subsidiary of Occidental, for the offtake, transport, and permanent underground geologic storage of CO₂ captured from the Project.
- On March 29, 2021, NextDecade announced the sale of \$10 million of Series C Convertible Preferred Stock in a private placement to OGCI Climate Investments Holdings LLP.

Consistent with Ordering Paragraph J, Rio Grande LNG will continue to file semi-annual reports with DOE. If you have any questions regarding this filing, please contact me at (202) 778-9014 or at david.wochner@klgates.com.

Best regards,

A handwritten signature in black ink, appearing to read "D. L. Wochner". The signature is fluid and cursive, with the first name "D" being particularly large and stylized.

David L. Wochner
Counsel for Rio Grande LNG, LLC