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**U.S. Department of Energy**

Magnolia LNG LLC

FE Docket Nos. 12-183-LNG, 13-131-LNG, and 13-132-LNG

DOE/FE Order Nos. 3245, 3406, and 3909

Semi-Annual Report for the Period Ending March 31, 2022

Pursuant to Ordering Paragraph I of DOE/FE Order 3245, Ordering Paragraph J of DOE/FE Order 3406, and Ordering Paragraph O of DOE/FE Order 3909, below is the semi-annual progress report for Magnolia LNG LLC covering the period October 1, 2021, through March 31, 2022.

**Background**

Magnolia LNG LLC (“Magnolia LNG”) filed its formal application to site, construct and operate an LNG export facility pursuant to Section 3 of the Natural Gas Act with the Federal Energy Regulatory Commission (“FERC”) on April 30, 2014, after completing FERC’s mandatory pre-filing process for LNG facilities. FERC issued its Order Granting Authorization Under Section 3 of the Natural Gas Act and Granting Certificates approving the Magnolia LNG project and related KMLP pipeline facilities on April 15, 2016 (the “April 15 Order”). FERC denied a request for rehearing on November 23, 2016. FERC authorized Magnolia LNG to commence initial site preparation on May 4, 2017.

**Regulatory Status – FERC**

Since the last semi-annual report, there are no new FERC-related regulatory developments.

**Regulatory Status – DOE**

Magnolia LNG submitted an application to the Department of Energy on December 31, 2018, to amend DOE/FE Order Numbers 3245, 3406, and 3909 to seek an increase of the authorized export volume from 8.0 MTPA to 8.8 MTPA, or approximately 1.23 billion cubic feet per day consistent with the earlier FERC approval of this increased production capacity under Docket Number CP19-19 approved June 18, 2020. DOE issued an order on March 21, 2019, authorizing the increased export volumes to free trade agreement (“FTA”) nations. The request to increase the export volumes to 8.8 MTPA to non-FTA nations remains pending. DOE issued an order on December 10, 2020 extending the export term for authorizations to non-FTA nations through December 31, 2050.

**Regulatory Status - U.S. Army Corps of Engineers**

On February 01, 2022, the Department of the Army, U.S. Army Corps of Engineers, New Orleans District, Regulatory Division, Western Evaluation Branch granted Magnolia LNG’s request for an extension of Permit No. MVN-2014-01380-WII extending the validity to January 31, 2025. This permit authorizes activity pursuant to Section 10 of the Rivers and Harbors Act of 1899 (33 U.S.C. 403) and Section 404 of the Clean Water Act (33 U.S.C. 1344).

## **Commercial Developments**

Since the last semi-annual report, there have been no new commercial developments.

## **Status of Long-Term LNG Offtake Agreements**

Current global energy market conditions have extended the time necessary to obtain additional binding LNG offtake agreements required to underpin the construction program. Consequently, Magnolia LNG has not commenced construction on any of its four trains at this time and Magnolia LNG does not plan to commence any construction activities until it achieves a Final Investment Decision.

Magnolia LNG is actively engaged in discussions with third parties for the offtake of LNG from the Project. Recent global events have led to a rekindling of European interest in U.S.-sourced natural gas, and Magnolia LNG is in active discussions with major European buyers as well as continuing to develop other opportunities in Latin America and Asia. Magnolia LNG will file a copy of any long-term contracts, including long-term supply contracts, within 30 days of execution in accordance with DOE/FE Orders 3245, 3406, and 3909.