## **RECEIVED** By Docket Room at 9:27 am, Apr 01, 2022



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April 1, 2022

U.S. Department of Energy Office of Fossil Energy and Carbon Management 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, 2021 through March 31, 2022.

- On November 17, 2021, Rio Grande LNG filed an application with the Federal Energy Regulatory Commission ("FERC") for a Limited Amendment to its existing Natural Gas Act ("NGA") Section 3 Authorization to enable the facility to incorporate carbon capture and sequestration systems into the FERC-approved design and operation of the Rio Grande LNG Terminal.
- On November 18, 2021, the Shrimpers and Fisherman of the RGV, Sierra Club, and Save RGV from LNG filed in the United States Court of Appeals for the Fifth Circuit a petition for review of the United States Army Corps of Engineers Clean Water Act section 404 permit, SWG-2015-00114, as modified and reinstated September 22, 2021, issued to Rio Grande LNG, LLC and Rio Bravo Pipeline, LLC.
- On March 9, 2022, FERC posted (to docket CP22-17-000 for the Limited Amendment Application to incorporate Carbon Capture and Sequestration ("CCS") Systems at the Rio Grande LNG Terminal) an updated Letter of Determination ("LOD") from the Pipeline and Hazardous Materials Safety Administration ("PHMSA") Engineering & Research Division, dated March 8, 2022, which indicates the proposed CCS Project does not impact PHMSA's previous determinations of the Rio Grande LNG Terminal's compliance with the Part 193, Subpart B, Siting requirements.
- On March 24, 2022, Rio Grande LNG's parent company NextDecade Corporation ("NextDecade") announced the execution of a binding Heads of Agreement ("HOA") with Guangdong Energy Group

Natural Gas Co., Ltd. ("Guangdong Energy") for the long-term supply of liquefied natural gas ("LNG") for 20 years from the Rio Grande LNG export project. The HOA provides that Guangdong Energy will purchase up to 1.5 million tonnes per annum of LNG indexed to Henry Hub. The formal sale and purchase agreement will be completed in the second quarter of 2022. Rio Grande LNG will file that agreement with DOE once it is executed consistent with regulatory requirements.

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 <u>david.wochner@klgates.com</u>.

Best regards,

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David L. Wochner Counsel for Rio Grande LNG, LLC