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March 31, 2023

U.S. Department of Energy Office of Fossil Energy and Carbon Management Natural Gas Regulatory Activities P.O. Box 44375 Washington, D.C. 20026-4375

Attention: Ms. Natalie Wood, Docket Room FE-34

Re: ECA Liquefaction, S. de R.L. de C.V.

(Originally issued to 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. Wood,

On January 25, 2019, in DOE/FE Order No. 4317, the U.S. Department of Energy, Office of Fossil Energy and Carbon Management ("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, multicontract 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"). On December 10, 2020, in DOE/FE Order Nos. 4317-B and 4364-B, the DOE/FE extended natural gas export authorizations to Non-free Trade Agreement Countries through the year 2050. 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 from October 1, 2022 through March 31, 2023.

ECA Liquefaction remains in compliance with all federal, state, and local Mexican authorizations necessary to construct and operate the liquefaction terminal facilities for the ECA Mid-Scale Project.

ECA Liquefaction, S. de R.L. de C.V. Semi-Annual Report FE Docket No. 18-144-LNG

There are no changes to the executed LNG sale and purchase agreements with Total Gas & Power, Asia Private Limited and Mitsui & Co., Ltd., which have been filed with the DOE/FE. ECA Liquefaction took a final investment (FID) decision in November 2020 which marked the start of the construction phase of the project.

During the reporting period, all engineering and procurement related activities remain on schedule and continued supporting construction activities taking place at the project site which since the start of project to date has accumulated over five million workhours. In construction, the focus has been on vertical construction as key foundations for equipment have been poured and cured allowing the installation of structural steel and equipment. Supporting the installation is the arrival of material and equipment to the Port of Ensenada which is the starting point for heavy-haul activities of oversized and/or over dimensioned components with the authorization and coordination of local authorities from the Federal, State and Municipal levels. Some of these oversized/over dimension components include the ethane storage, mercury absorber, warm mixed-refrigerant, compressor suction drum and the precooler heat exchanger.

Based on the current project schedule, ECA Liquefaction estimates that it will begin exports from the ECA Mid-Scale Project as soon as 2025.

ECA Liquefaction notes that its parent company is a founding partner of GTI Energy's Veritas program, which has developed a standardized, science-based, technology neutral, measurement-informed approach to calculating and reporting methane emissions, consistent with the Department of Energy's vision for a methane measurement framework.<sup>1</sup>

Please contact me with any questions regarding this filing.

Respectfully submitted,

/s/ Jerrod L. Harrison
Jerrod L. Harrison
Sempra LNG, LLC
488 8<sup>th</sup> Avenue
San Diego, CA 92101
(619) 696-2987
jharrison@sempraglobal.com
On Behalf of ECA Liquefaction, S. de R.L. de C.V.

<sup>&</sup>lt;sup>1</sup> See https://www.gti.energy/veritas-a-gti-methane-emissions-measurement-and-verification-initiative/