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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: Port Arthur LNG Phase II, LLC
DOE/FECM Order No. 4562
FE Docket No. 20-23-LNG
Semi-Annual Report**

Dear Ms. Wood,

On July 14, 2020, in DOE/FECM Order No. 4562, the U.S. Department of Energy, Office of Fossil Energy and Carbon Management ("DOE/FECM"), granted to Port Arthur LNG Phase II, LLC ("PALNG Phase II") a long-term, multi-contract authorization to export liquefied natural gas ("LNG") to nations that have free trade agreements with the United States requiring national treatment in the trade of natural gas ("FTA countries"). One of the conditions of DOE/FECM authorizations is that PALNG Phase II file semi-annual written reports (on or before April 1 and October 1 of each year) describing the progress of the planned liquefaction facility from which PALNG Phase II will export LNG ("Liquefaction Project"). PALNG Phase II hereby submits the semi-annual report covering the period October 1, 2022, through March 31, 2023.

On February 19, 2020, PALNG Phase II filed an application with the Federal Energy Regulatory Commission ("FERC") requesting authorization under sections 3 of the Natural Gas Act authorizing PALNG Phase II to site, construct, and operate the Liquefaction Project. On January 15, 2021, the FERC issued an environmental assessment associated with the application of PALNG Phase II. On January 27, 2023, the FERC issued a notice to prepare a supplemental environmental assessment for the PALNG Phase II Liquefaction Project that will be issued on April 28, 2023. With the Port Arthur LNG Phase I liquefaction project fully subscribed with long-term LNG sales and purchase agreements and a positive final investment decision on March 20, 2023, marketing and commercial activities for PALNG Phase II have increased significantly. On November 15, 2022, Sempra Infrastructure the parent company of

PALNG Phase II (“Sempra Infrastructure”) entered into a heads of agreement with Williams for the purchase of approximately 3 million tonnes per annum (Mtpa) of LNG in the aggregate from PALNG Phase II and Cameron LNG Phase 2 projects. On November 30, 2022, Sempra Infrastructure and INEOS Energy Trading Ltd. entered into a heads of agreement for the long-term supply of LNG from PALNG Phase II Liquefaction Project. Engineering is advancing with geotechnical analysis completed and front-end engineering and design ongoing with the expectation of negotiating the engineering, procurement, and construction agreement in the second half of 2023. As stated above, Phase II continues to progress permitting, commercial and marketing activities. Based on the anticipated timing of receipt of necessary authorizations and the current project schedule, PALNG Phase II currently estimates that it could begin exports from the Liquefaction Project as soon as 2028.

PALNG Phase II 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.¹

Please contact me with any questions regarding this filing.

Respectfully submitted,

/s/ Jerrod L. Harrison
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On Behalf of Port Arthur LNG Phase II, LLC

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