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Port Arthur LNG

September 29, 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: Docket Room FE-34

**Re: Port Arthur LNG, LLC
DOE/FECM Order Nos. 3698, 4372
FE Docket Nos. 15-53-LNG, 15-96-LNG
Semi-Annual Report**

Dear FERGAS Staff,

On August 20, 2015, in DOE/FECM Order No. 3698, the U.S. Department of Energy, Office of Fossil Energy and Carbon Management (“DOE/FECM”), granted to Port Arthur LNG, LLC (“Port Arthur LNG”) 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”). On May 2, 2019, in DOE/FECM Order No. 4372, the DOE/FECM granted Port Arthur LNG long-term, multi-contract authorization to export LNG to Non-FTA countries. On October 28, 2020, in DOE/FECM Order Nos. 3698-B and 4372-A, the DOE/FECM extended natural gas export authorizations to Non-Free Trade Agreement Countries through the year 2050. One of the conditions of DOE/FECM authorizations is that Port Arthur LNG 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 Port Arthur LNG will export LNG (the “Liquefaction Project”). Port Arthur LNG hereby submits this semi-annual report covering the period April 1, 2023 through September 29, 2023 (the “Reporting Period”).

On April 18, 2019, the Federal Energy Regulatory Commission (“FERC”) issued an order granting authorization under Section 3 of the Natural Gas Act, authorizing Port Arthur

LNG and PALNG Common Facilities Company, LLC (“PCFC”) to site, construct, and operate the Liquefaction Project. On October 30, 2019, Port Arthur LNG and PCFC were granted authorization by delegated letter order from FERC staff to commence site preparation associated with the Liquefaction Project. Site preparation associated with the Liquefaction Project is ongoing.

On July 28, 2022, Port Arthur LNG filed a request before FERC for an extension of time until June 18, 2028, to complete construction and to make the Liquefaction Project available for service, and on October 13, 2022 FERC issued an order granting Port Arthur LNG’s request to extend to June 18, 2028 the date by which Port Arthur LNG must complete construction of and make available for service the Liquefaction Project. Construction activities continued for the Liquefaction Project during the Reporting Period. Key progress included: (i) clearing, grubbing, stripping, soil stabilization; (ii) dredging of the marine berth area; (iii) started pile driving program including installation of piles for the marine facilities; (iv) ongoing maintenance of erosion control devices; and (v) continued construction of the future Entergy Substation.

Port Arthur LNG has made significant progress on securing long-term LNG sales and purchase agreements for the liquefaction project, including: (i) an agreement with ConocoPhillips signed on November 22, 2022 for approximately 5 million tonnes per annum Mtpa; (ii) an agreement with INEOS Energy Trading Ltd. signed on November 30, 2022 for approximately 1.4 Mtpa; (iii) an agreement with Engie S.A. signed on December 5, 2022 for approximately 0.875 Mtpa; (iv) an agreement with RWE Supply & Trading signed on December 22, 2022 for approximately 2.25 Mtpa; and (v) a agreement with Polskie Koncern Naftowy Orlen S.A. (“PKN Orlen”), formerly Polskie Górnictwo Naftowe i Gazownictwo Spółka Akcyjna (“PGNiG”), signed on January 25, 2023, replacing a prior agreement from 2018, for approximately 1 Mtpa. With these agreements, the long-term contractable capacity for the Liquefaction Project is fully subscribed.

On March 20, 2023 a positive final investment decision for the Liquefaction Project was reached, full notice to proceed was issued to the engineering, procurement and construction contractor and financing was secured. On the same date, an affiliate of ConocoPhillips closed on the purchase of a 30% ownership interest in the upstream owner of the project. On September 12, 2023, KKR closed on the purchase of a 42% indirect, non-controlling interest in Port Arthur LNG. The project currently estimates that it will begin exports from the project in 2027.

Port Arthur LNG 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

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

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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, LLC