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VIA EMAIL

Ms. Larine A. Moore
Docket Room Manager, Office of Fossil Energy and Carbon Management (FE-34)
Office of Regulation, Analysis, and Engagement
U.S. Department of Energy
1000 Independence Avenue, SW
Washington, DC 20585

**Re: Mexico Pacific Limited LLC
FE Docket Nos. 18-70-LNG and 22-167-LNG
October 2024 Semi-Annual Report**

Dear Ms. Moore:

Pursuant to Ordering Paragraph J of DOE/FE Order No. 4248,¹ Ordering Paragraph N of DOE/FE Order No. 4312,² and Ordering Paragraph J of DOE/FECM Order No. 4995,³ I submit to the Department of Energy's ("DOE") Office of Fossil Energy and Carbon Management ("DOE/FECM") on behalf of Mexico Pacific Limited LLC ("MXP") this semi-annual report describing the progress MXP has made in the development and commercialization of its proposed LNG production and storage facility to be located in the State of Sonora, Mexico (the "Saguaro Energía LNG Facility"). MXP has made significant progress in advancing the project since MXP filed its April 2024 Semi-Annual Report, as detailed herein.

MXP continues to work closely with Mexican federal, state, and municipal governments to advance the Saguaro Energía LNG Facility. The Saguaro Energía LNG Facility has received all federal, state, and municipal permits necessary to commence construction, including a renewed environmental impact assessment issued by the *Agencia de Seguridad, Energía y Ambiente* (ASEA) in October 2023 and a series of social impact assessments for the Saguaro Energía LNG Facility and associated pipelines issued by *Secretaría de Energía* (SENER) in November 2023, among others. Both *Secretaría de Economía* and *Secretaría de Hacienda y Crédito Público* identify MXP's project as representing the ideal model for developing large-scale infrastructure the right way in Mexico, in a manner that respects and prioritizes the environment, communities, and indigenous populations. MXP has worked collaboratively with President Andrés Manuel López Obrador to advance the Saguaro Energía LNG Facility over the last several years, and MXP already has engaged with President Claudia Sheinbaum, whose commitment to the well-being of the country and its people, along with the development of cleaner energy sources, aligns with MXP's vision for responsible energy infrastructure. The Saguaro Energía LNG Facility in Sonora and MXP's associated projects in northern Mexico together comprise the largest foreign private investment in Mexico; these projects are a foundational pillar of the *Sonora Plan*.⁴ The MXP projects are equally recognized as critically important to the U.S.-Mexico bilateral relationship, with 2.8 Bcf/day of associated natural gas supply from the U.S. Permian Basin exported to global markets, enabling a significant reduction in coal-fired power generation and corresponding emissions in Asia.

¹ *Mexico Pacific Limited LLC*, DOE/FE Order No. 4248 (Sept. 19, 2018).

² *Mexico Pacific Limited LLC*, DOE/FE Order No. 4312 (Dec. 14, 2018).

³ *Mexico Pacific Limited LLC*, DOE/FECM Order No. 4995 (Apr. 28, 2023).

⁴ As detailed in MXP's October 2023 Semi-Annual Report, the *Sonora Plan* is a clean energy infrastructure and nearshoring initiative announced by the Mexican government in 2023 at the North American Leaders' Summit held among Mexican President López Obrador, U.S. President Joe Biden and Canadian Prime Minister Justin Trudeau. The *Sonora Plan* seeks to promote clean energy development, investment, and economic prosperity for the benefit of Sonora and Mexico.

On June 19, 2024, MXP announced that it executed an agreement with affiliates of Comisión Federal de Electricidad (“CFE”), Mexico’s state-owned natural gas and power utility (the “Social Investment Agreement”), under which MXP will make unprecedented social investments in the Mexican States of Sonora and Chihuahua. The Social Investment Agreement establishes mechanisms for the creation of dedicated trusts governed by representatives of MXP, CFE, and State governments, to allocate and implement the social investments. MXP also is focused on skilled workforce development via training and apprenticeship programs to ensure that local communities have access to the job opportunities the company is creating for the long term. MXP enhanced this initiative through an agreement with a construction industry association, Cámara Mexicana de la Industria de la Construcción, signed in Hermosillo, Sonora, Mexico on May 2, 2024.


In the last six months, MXP affiliate Mexico Pacific LNG Markets, LLC (“MXP Markets”) has entered into a Sale and Purchase Agreement with Posco International Corporation (“Posco”) for the sale and purchase of 0.7 million tonnes per annum (mtpa) of LNG from the Saguaro Energía LNG Facility. Posco is Korea’s largest energy trading company. Collectively, as of October 1, 2024, MXP and its affiliates have entered into contracts providing for the sale of approximately 13 mtpa of LNG produced in the Saguaro Energía LNG Facility to third parties. These agreements evidence strong market demand for the LNG to be supplied from the Saguaro Energía LNG Facility.

As MXP has said in prior filings submitted to DOE/FECM, MXP anticipates that it will receive U.S.-sourced natural gas for liquefaction in the Saguaro Energía LNG Facility through both existing and newbuild gas transmission pipeline systems.⁵ The U.S. portion of one such newbuild pipeline system will be developed and constructed by Saguaro Connector Pipeline, L.L.C. (“Saguaro Connector”). The route of the Saguaro Connector pipeline will originate in the vicinity of the Waha Hub in west Texas and will terminate at a border crossing pipeline facility to be constructed at the International Boundary between the U.S. and Mexico in the Rio Grande River in Hudspeth County, Texas. The Federal Energy Regulatory Commission (the “Commission”) granted Saguaro Connector a Presidential Permit and authorization pursuant to section 3 of the Natural Gas Act (“NGA”), Part 153 of the Commission’s regulations, and Executive Order Nos. 10485 and 12038 to site, construct, and operate a natural gas pipeline and related facilities for the export of natural gas at the International Boundary. *Saguaro Connector Pipeline, LLC*, 186 FERC ¶ 61,114 (Feb. 15, 2024). On July 10, 2024, the Commission issued an order addressing arguments raised on rehearing, and the Commission upheld the grant to Saguaro Connector of a Presidential Permit and authorization pursuant to section 3 of the NGA. *See Saguaro Connector Pipeline, LLC*, 188 FERC ¶ 61,029 (2024). Those decisions are currently the subject of a petition for review which has been filed with the U.S. Court of Appeals for the District of Columbia Circuit in *Sierra Club, et al v. FERC*, D.C. Cir. No. 24-1199. Briefing in this action is to be completed in February 2025.

MXP is currently in discussions with prospective lenders that will provide financing for the MXP project. Through its financial advisors, each of which has significant experience in North American infrastructure financing, MXP is engaging with international commercial banks, Mexican development banks, and several countries’ export credit agencies. MXP expects to achieve debt and equity financing and to proceed with a positive final investment decision for the Saguaro Energía LNG Facility in 2025. It expects to commence construction of the Saguaro Energía LNG Facility shortly thereafter.

If you have any questions regarding this submission, please contact me at (713) 589-7508.

Sincerely,



George E. (Ned) Crady
General Counsel and Corporate Secretary
Mexico Pacific Limited LLC

⁵ See, e.g., Supplement to Application of Mexico Pacific Limited LLC for Additional Long-Term, Multi-Contract Authorization to Export Natural Gas to Mexico and to Re-export Liquefied Natural Gas to Free Trade Agreement and Non- Free Trade Agreement Nations – Supplemental Information on Available Pipeline Transportation Alternatives, Docket No. 22-267-LNG (Jan. 24, 2023).