

RECEIVED

By Docket Room at Tue 10/1/2024 3:59 PM



October 1, 2024

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

Dear FERGAS Staff,

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 from April 1, 2024 through September 30, 2024.

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 April 28, 2023, the FERC issued a supplemental environmental assessment for the PALNG Phase II Liquefaction Project. On September 21, 2023, the FERC

authorized the siting, construction, and operation of the PALNG Phase II Liquefaction Project (“FERC Authorization”).

On June 26, 2024, PALNG Phase II announced the execution of a non-binding Heads of Agreement (“HoA”) with a subsidiary of Saudi Aramco, one of the world's leading integrated energy and chemicals companies, for a 20-year sale and purchase agreement (“SPA”) for LNG offtake of 5.0 million tonnes per annum (Mtpa) from the Liquefaction Project. This represents almost 50% of the Liquefaction Project’s exportable capacity. The HoA further contemplates Aramco’s 25% participation in the Liquefaction Project. The parties to the HoA are currently working to finalize and execute a binding LNG SPA and definitive equity agreements based on the terms of the HoA, subject to a number of conditions to effectiveness, including, without limitation, the receipt from DOE/FECM of a long-term, multi-contract authorization to export LNG to Europe, Japan and other nations that do not have free trade agreements with the United States requiring national treatment in the trade of natural gas, and a final investment decision by PALNG Phase II to construct the Liquefaction Project.

On July 18, 2024, PALNG Phase II and Bechtel Energy announced the execution of a fixed-price engineering, procurement and construction (EPC) contract for the Liquefaction Project. As part of the EPC contract, Bechtel will perform the detailed engineering, procurement, construction, commissioning, startup, performance testing and operator training activities for the Liquefaction Project. The scope of the agreement also includes the ability for PALNG Phase II to elect to conduct certain pre-final investment decision work that could support project cost and schedule certainty.

Please contact me with any questions regarding this filing.

Respectfully submitted,

/s/ Jerrod L. Harrison_____

Jerrod L. Harrison

Sempra Infrastructure

488 8th Avenue

San Diego, CA 92101

(619) 696-2987

jharrison@sempraglobal.com

On Behalf of Port Arthur LNG Phase II, LLC