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LATHAM & WATKINS LLP

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U.S. Department of Energy
Office of Fossil Energy and Carbon Management
Office of Regulation, Analysis, and Engagement
fergas@hq.doe.gov
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Attention: Delfin LNG, LLC, FE Docket Nos. 13-129-LNG and 13-147-LNG
Order No. 4028, Order Condition O, and Order No. 3393, Order Condition J
Semi-annual progress report

Dear Staff of the Office of Regulation, Analysis, and Engagement:

Delfin LNG, LLC (“Delfin”) hereby submits this semi-annual progress report in compliance with ordering paragraph O of Order No. 4028 issued by the Department of Energy (“DOE”) in Docket No. 13-147-LNG on June 1, 2017, as well as ordering paragraph J of Order No. 3393 issued in Docket No. 13-129-LNG on February 20, 2014. Order No. 4028 authorizes Delfin to export domestically produced LNG by marine vessel from its proposed floating liquefaction project to be located in the Gulf of Mexico (the “Project”) to countries with which the United States does not have a Free-Trade Agreement requiring the national treatment of natural gas (“FTA”). Order No. 3393 authorizes Delfin to export LNG from the Project to countries with which the United States does have, or in the future will have, an FTA.

a) Progress of the Project:

As explained in Delfin’s prior semi-annual reports, and in its request to DOE for an extension of time to commence LNG exports (which was recently granted, as noted further below), Delfin has been diligently working for years with the Maritime Administration (“MARAD”) to satisfy the conditions for final License issuance of the Project under the Deepwater Port Act (“DWPA”) established in the “Secretary’s Decision on the Deepwater Port License Application of Delfin LNG, LLC,” issued in 2017 in Docket USCG-2015-0472 (the Record of Decision or “ROD”).

The Executive Order entitled *Unleashing American Energy* issued on January 20, 2025, in its Section 8(b) – (d) addressed “any proposed deepwater port for the export of liquefied

555 Eleventh Street, N.W., Suite 1000
Washington, D.C. 20004-1304
Tel: +1.202.637.2200 Fax: +1.202.637.2201
www.lw.com

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natural gas (project) for which a favorable record of decision (ROD) has previously been issued pursuant to the Deepwater Port Act of 1974 (DWPA).”¹ Delfin is the only such project.

On January 27, 2025, Delfin submitted to MARAD an update to facilitate its review of the Project, including a description of refinements to the Project and their probable environmental impacts as detailed in a revised and updated Environmental Impact Assessment. MARAD publicly announced on March 21, 2025, that it has issued a license authorizing Delfin to own, construct, operate, and eventually decommission its deepwater port Project.²

Delfin’s Project refinements include the reduction in the number of Delfin’s Floating LNG Vessels (“FLNGVs”) and related mooring locations from four to three while maintaining the same natural gas throughput. Thus, Delfin’s project now will consist of three FLNGVs that, in the optimized design or peak scenario, can each process approximately 633 million standard cubic feet per day of feed gas to produce approximately 4.4 million tonnes per annum (“mtpa”) of LNG for export. Thus, the three FLNGVs together will be capable of producing and exporting the same 657.5 billion cubic feet per year of natural gas, equivalent to 13.2 mtpa of LNG, previously authorized by both the MARAD ROD and Delfin’s export authorizations, with one fewer vessel than previously planned.

On March 10, 2025, shortly before MARAD issued Delfin its DWPA license, DOE issued its order amending Delfin’s export authorizations as requested by Delfin.³ That order recognized that Delfin satisfied both prongs of DOE’s term extension policy statement⁴ and found good cause to extend the condition requirement to commence commercial non-FTA exports until June 1, 2029, as requested by Delfin, finding that to be “a necessary and reasonable period of time based on the evidence presented.”⁵

While Delfin is gratified by DOE’s issuance of that extension, it will file soon a request for a further amendment of its export authorizations requesting a relatively short additional extension of time based on developments since it filed its extension request on March 1, 2024. That filing will also ask DOE to reflect in Delfin’s export authorizations the Project refinements resulting from the MARAD process.

¹ Exec. Order No. 14,154 of January 20, 2025, Unleashing American Energy, Section 8(b) – (d), 90 Fed. Reg. 8353, 8357-58 (Jan. 29, 2025), available at: <https://www.govinfo.gov/content/pkg/FR-2025-01-29/pdf/2025-01956.pdf>.

² MARAD Press Release, “The Maritime Administration Issues the License for the Delfin LNG, LLC Deepwater Port Application” (March 21, 2025), available at: <https://www.maritime.dot.gov/newsroom/maritime-administration-issues-license-delfin-lng-llc-deepwater-port-application>.

³ *Delfin LNG LLC*, DOE/FECM Order Nos. 3393-C/4028-D, issued in Docket Nos. 13-129-LNG and 13-147-LNG (March 10, 2025). *See also* DOE Press Release, “DOE Issues Extension to Delfin LNG Project,” available at: <https://www.energy.gov/articles/doe-issues-extension-delfin-lng-project>.

⁴ *See* DOE/FECM Order Nos. 3393-C/4028-D at 19-21 (applying the Policy Statement on Export Commencement Deadlines in Authorizations to Export Natural Gas to Non-Free Trade Agreement Countries, 88 Fed. Reg. 25,272 (April 26, 2023)).

⁵ *See* DOE/FECM Order Nos. 3393-C/4028-D at 23.

As a final update on regulatory developments, Delfin notes that in late October 2024, it filed with Region 6 of the Environmental Protection Agency (“EPA”) a revised application for the air emissions permit for Delfin’s offshore operations with the refined approach of three, larger FLNGVs, while also responding to EPA questions regarding the Project’s emissions control technologies. That air permit application remains pending with EPA.

b) Status of the long-term contracts associated with the long-term export of LNG and any long-term supply contracts:

Delfin has entered into five binding, long-term LNG Sales and Purchase Agreements (“SPAs”) for a total of 3.3 mtpa of the Project’s LNG export capacity (some of which may not be sourced from the first FLNGV). As described in previous semi-annual reports and filings of the contracts with DOE, those SPAs are with: Centrica LNG Company Limited (1.0 annum MTPA for 15 years); Vitol Inc. (0.5 MTPA for 15 years); Hartree Partners Power & Gas Company (UK) Limited (0.6 MTPA for 20 years); Gunvor Group Ltd. (0.6 MTPA for 20 years); and Chesapeake Energy Company (0.6 MTPA for 20 years).

On March 25, 2025, Delfin signed a “heads of agreement” with the German state-owned company Securing Energy For Europe GmbH (“SEFE”) for long-term supply of 1.5 mtpa of LNG by Delfin for at least 15 years.⁶ Delfin also is in active negotiation with potential customers for additional LNG offtake agreements, focusing on its second and third FLNGVs. Delfin will file the SEFE agreement once finalized as a definitive agreement and executed, as well any additional long-term, binding contracts associated with the export of LNG from its facility, in accordance with the requirements of its export authorizations.

Delfin also remains in discussion regarding its gas supply strategy and contracting. Delfin has not entered into any long-term gas supply contracts to date, but will file all long-term, gas supply contracts once executed, in accordance with the requirements of its export authorizations.

c) Date the Project is expected to be operational:

As a modular project consisting of three separate FLNGVs, with the ability and long-standing plan to develop its FLNGVs sequentially, Delfin has sufficient contractual commitments to support a positive FID to proceed with construction of its first FLNGV. With the recent resolution of its regulatory issues, Delfin is on-track for FID on its first FLNGV during the third quarter of 2025, with FID for the second FLNGV likely to follow soon after that. With that expectation, Delfin expects to start of commercial operations of its first FLNGV in 2030.

⁶ See SEFE Press Release, “Delfin to supply SEFE with 1.5 million tonnes of US LNG per year,” (March 25 2025), available at: https://www.sefe.eu/en/newsroom/press-releases/delfin-to-supply-sefe-with-1-5-million-tonnes-of-us-lng-per-year?utm_source=substack&utm_medium=email

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We hope this update provides you with sufficient detail regarding the status of the Delfin Project in compliance with Order Nos. 4028 and 3393. Please feel free to contact the undersigned counsel for Delfin if you have any questions or require additional information.

Sincerely,

/s/ J. Patrick Nevins

J. Patrick Nevins
Latham & Watkins LLP
Patrick.Nevins@LW.com
D (202) 637-3363

*Counsel to
Delfin LNG, LLC*