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August 23, 2017

Mr. John Anderson
Office of Fossil Energy
U.S. Department of Energy
Docket Room 3E-052
Forrestal Building
1000 Independence Avenue, SW
Washington, D.C. 20585

Orrick, Herrington & Sutcliffe LLP
Columbia Center
1152 15th Street, N.W.
Washington, DC 20005-1706
+1 202 339 8400
orrick.com

Erik Swenson

E eswenson@orrick.com
D +1 202 339 8494
F +1 202 339 8500

Re: In the Matter of Rio Grande LNG, LLC
FE Docket No. 15-190-LNG
Statement of Change in Ownership and Notice of Amendment to Pending Non-FTA
Export Application

Dear Mr. Anderson:

Rio Grande LNG, LLC (“Rio Grande LNG”), applicant in the above-captioned docket, hereby notifies the U.S. Department of Energy (“DOE”), Office of Fossil Energy (“DOE/FE”) of a change the ownership interests of Rio Grande LNG. Consistent with DOE regulations¹ and DOE/FE’s change-in-control procedures,² Rio Grande LNG is providing the following information regarding the transaction and requesting that DOE/FE amend the export authorization in DOE/FE Order No. 3869 and pending application in FE Docket No. 15-190-LNG, accordingly.

I. Background

On December 23, 2015, as amended June 7, 2016, in FE Docket No. 15-190-LNG, Rio Grande LNG filed an Application³ seeking DOE/FE authorization to export liquefied natural gas (“LNG”)

¹ 10 C.F.R. Part 590 (2017).

² Procedures for Changes in Control Affecting Applications and Authorizations to Import or Export Natural Gas, 79 Fed. Reg. 65,541 (Nov. 5, 2014).

³ *Rio Grande LNG, LLC*, Application for Long-term, Multi-contract Authorization to Export Domestically Produced LNG to Free Trade Agreement & Non-Free Trade Agreement Countries, FE Docket No. 15-190-LNG



in an amount up to 1.318 trillion cubic feet per year (or 27 million tonnes per annum) from its proposed LNG project in Brownsville, Texas to (i) any nation that currently has or develops the capacity to import LNG via ocean-going carrier and with which the United States currently has, or in the future enters into, a Free Trade Agreement (“FTA”) requiring the national treatment for trade in natural gas and LNG (“FTA Countries”); and (ii) any nation (a) with which the U.S. does not have an FTA requiring the national treatment for trade in natural gas and LNG; (b) that has, or in the future develops, the capacity to import LNG via ocean-going carrier; and (c) with which trade is not prohibited by U.S. law or policy (“Non-FTA Countries”).

Specifically, Rio Grande LNG requested authorization to export LNG (i) to FTA Countries for a 30-year term, to commence the earlier of (a) the date of first commercial exports from the Project, or (b) 10 years from the date of issuance of the export authorization order and (ii) to Non-FTA Countries for a 20-year term to commence the earlier of (a) the date of first commercial exports from the Project, or (b) 7 years from the date of issuance of the export authorization order.

On August 17, 2016, in DOE/FE Order No. 3869, DOE/FE granted Rio Grande LNG’s request for authorization to export to FTA Countries.⁴ The portion of the Application requesting authorization to export to Non-FTA Countries is currently pending before DOE/FE.

II. Description of the Relevant Transaction

DOE regulations specify that “[a]uthorizations...to import or export natural gas shall not be transferable or assignable, unless specifically authorized by the Assistant Secretary [of Energy for Fossil Energy].”⁵ Similarly, an applicant seeking authorization for the export of natural gas or LNG “shall amend or supplement [their] application whenever there are changes in material facts or conditions upon which [their] proposal is based.”⁶ Rio Grande LNG does not believe the change

(Dec. 23, 2015); *Rio Grande LNG, LLC*, Amendment of Application for Long-term, Multi-contract Authorization to Export Liquefied Natural Gas, FE Docket No. 15-190-LNG (June 7, 2016).

⁴ *Rio Grande LNG, LLC*, Order Granting Long-Term, Multi-Contract Authorization to Export Liquefied Natural Gas by Vessel from the Proposed Rio Grande LNG Terminal in Brownsville, Texas, to Free Trade Agreement Nations, DOE/FE Order No. 3869 (August 17, 2016).

⁵ 10 C.F.R. § 590.405.

⁶ *Id.* § 590.204(a). To this end, applicants are required to provide “[i]dentification of all the participants in the transaction, including the parent company, if any, and identification of any corporate or other affiliations among the participants.” *Id.* § 590.202(b)(3).



in facts, as reported here, has a material effect on the ultimate ownership and control of Rio Grande LNG. However, Rio Grande LNG submits the following information regarding a recent transaction involving changes to ownership in order to ensure the accuracy of the information on file with DOE with respect to Rio Grande LNG's pending application and to allow DOE to make its own determination in light of the insertion of NextDecade Corporation into Rio Grande LNG's ownership structure.

When the Application was filed, and as described therein, Rio Grande LNG was 100% owned by NextDecade, LLC, with 100% of NextDecade, LLC's upstream ownership divided among Kathleen Eisbrenner, certain Halcyon entities, certain Valinor entities and certain York entities (collectively, the "Original Owners").

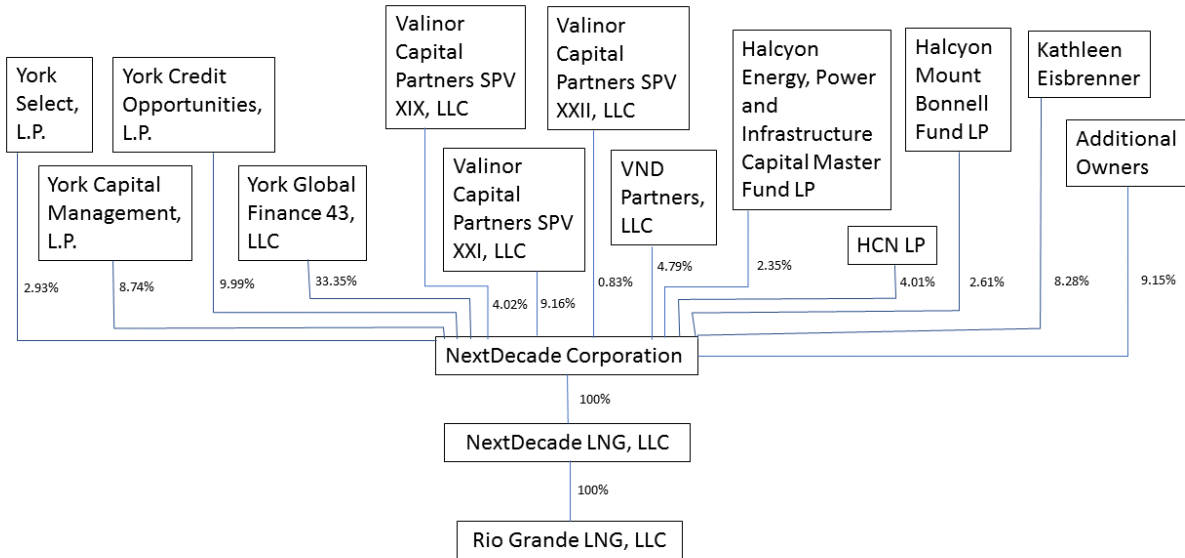
On April 17, 2017, NextDecade, LLC entered into an Agreement and Plan of Merger (the "Merger Agreement") with, *inter alia*, Harmony Merger Corp. ("Harmony"), a publicly listed special purpose acquisition company listed on the Nasdaq stock exchange. The Merger Agreement provided that NextDecade, LLC would merge with and into Harmony with the resulting majority stockholders being comprised of former members of NextDecade, LLC. On July 24, 2017 (the "Closing Date"), the business combination was completed, with the following consequences for the direct ownership of NextDecade, LLC and the indirect ownership of the Rio Grande LNG:

- a) On the Closing Date, all membership interests of the Original Owners in NextDecade, LLC were cancelled and exchanged for common stock of Harmony.
- b) Harmony was then renamed as "NextDecade Corporation" and now trades on the NASDAQ Stock Market (symbol: NEXT and NEXTW). The Original Owners directly own 90.85% of NextDecade Corporation, which owns 100%, of NextDecade, LLC (renamed NextDecade LNG, LLC on August 11, 2017). NextDecade LNG, LLC still owns 100% of Rio Grande LNG.
- c) As a result of the Merger, and as of the Closing Date, the Original Owners now indirectly own 90.85%, rather than 100%, of Rio Grande LNG. The remaining 9.15% is owned by a combination of the prior owners of Harmony and other public stockholders (collectively,



the “Additional Owners”). None of the Additional Owners, either individually or collectively hold stock or have voting control of 10% or more of NextDecade Corporation.

The following diagram summarizes the ownership of Rio Grande LNG as of the Closing Date:



Rio Grande LNG will remain the holder of the authorization to export to FTA Countries and the applicant in the pending portion of the Application for exports to Non-FTA Countries.

Rio Grande LNG respectfully submits that the revised facts described herein are not material for the purposes of DOE/FE’s public interest determination under Section 3 of the NGA.

III. Contact Information

All communications and correspondence concerning the instant request, including all service of pleadings and notice, should be directed to the following persons:

Mr. John Anderson
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Shaun Davison
Senior Vice President –
Development & Regulatory Affairs
Rio Grande LNG, LLC
3 Waterway Square Place, Suite 400
The Woodlands, Texas 77380
Telephone & Facsimile: +1 (832) 403-3040
Email: shaun@next-decade.com

Erik J.A. Swenson
Partner
Orrick, Herrington & Sutcliffe LLP
Columbia Center
1152 15th Street, N.W.
Washington, D.C. 20005-1706
Telephone: (703) 448-0899
Email: eswenson@orrick.com

Krysta De Lima
General Counsel
Rio Grande LNG, LLC
3 Waterway Square Place, Suite 400
The Woodlands, Texas 77380
Telephone & Facsimile: (832) 403-2198
Email: krysta@next-decade.com

Should you have any questions about the foregoing, please feel free to contact the undersigned at (202) 339-8494.

Respectfully submitted,

/s/ Erik J.A. Swenson
Erik J.A. Swenson
Orrick, Herrington & Sutcliffe LLP
Attorneys for
Rio Grande LNG, LLC

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list in this proceeding.

Dated at Washington, D.C. this 23rd day of August, 2017.

/s/ Jeanna Harnden _____

Jeanna Harnden

Orrick, Herrington & Sutcliffe LLP

Columbia Center

1152 15th Street, N.W.

Washington, DC 20005-1706

Tel: (202) 339-8538