

# **RECEIVED**By DOE at 11:34 am, Oct 02, 2017

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U.S. Department of Energy (FE-34) Office of Fossil Energy Office of Natural Gas Regulatory Activities Attn: Natural Gas Reports P.O. Box 44375 Washington, D.C. 20026-4375

# SEMI-ANNUAL REPORT October 2017 Report

Re: Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC,

and FLNG Liquefaction 3, LLC

FE Docket Nos. 12-06-LNG, 10-161-LNG, 11-161-LNG and 16-108-LNG

DOE/FE Order Nos. 3066, 3282-C, 3357-B and 3957 Freeport LNG Terminal, Quintana Island, Texas

To: Office of Natural Gas Regulatory Activities

In accordance with the conditions of DOE/FE Order Nos. 3066 (issued February 10, 2012), 3282-C (issued November 14, 2014), 3357-B (issued November 14, 2014) and 3957 (issued December 19, 2016), Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC, and FLNG Liquefaction 3, LLC (collectively, "FLEX"), do hereby submit this semi-annual report as required by Ordering Paragraphs I, M, M and N of such Orders, respectively, describing the progress of the proposed liquefaction facility project at the Freeport LNG Terminal on Quintana Island, Texas (the "Liquefaction Project").

Any questions concerning this filing should be addressed to the undersigned at (979) 415-8728.

Respectfully Submitted,

Wellers

Freeport LNG Expansion, L.P.

FLNG Liquefaction, LLC

FLNG Liquefaction 2, LLC

FLNG Liquefaction 3, LLC

By: Michael Stephenson

Its: Superintendent of Regulatory Affairs

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Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC and **FLNG Liquefaction 3, LLC** 

FE Docket Nos. 12-06-LNG, 10-161-LNG, 11-161-LNG and 16-108-LNG; DOE/FE Order

Nos. 3066, 3282-C, 3357-B and 3957

Semi-Annual Report: April 2017

### **Facility Progress Report**

On July 30, 2014, the Federal Energy Regulatory Commission ("Commission") issued an order in Docket No. CP12-509-000 approving the Liquefaction Project. FLEX will utilize the Liquefaction Project in connection with the export authorization granted under DOE/FE Order Nos. 2913, 3066, 3282-C, 3357-B and 3957.

Commission review of the Liquefaction Project is ongoing. Initial site preparation activities for the Liquefaction Project were commenced on November 3, 2014 and construction is in progress.

FLEX anticipates the first train of the Liquefaction Project will complete commissioning and commence commercial operations in late 2018. The second train is expected to commence commercial operations approximately five months after the first train, and the third liquefaction train is expected to commence commercial operations approximately six months after the second train. Overall, Train 1 and the common facilities for Trains 1 and 2 are approximately 70% complete. Overall, Train 2 is approximately 67% complete. Overall, Train 3 is approximately 58% complete.

#### **Status of Long-Term LNG Export Contracts**

FLEX has executed long-term liquefaction tolling or LNG purchase and sale agreements with JERA Co., Osaka Gas Co., Ltd., BP Energy Company, Toshiba Corporation, SK E&S LNG, LLC, and Kansai Electric Power Co., Inc., under which FLEX will export LNG as agent for those counterparties from the Liquefaction Project. The required Summary Reports of the major provisions of each of these long-term contracts have been filed with DOE/FE and those Summary Reports have been filed in the referenced DOE/FE dockets, as well as in DOE/FE Docket Number 10-160-LNG.

#### **Status of Long-Term Gas Supply Contracts**

FLEX has not entered into long-term gas supply contracts associated with this project.

## Date Facility is Expected to Be Operational

The Liquefaction Project expected to commence commercial operations in late 2018.