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By Docket Room at 11:57 am, Sep 30, 2021

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September 30, 2021

By Electronic Mail

U.S. Department of Energy
Office of Fossil Energy & Carbon Management
Office of Oil and Gas Global Security and Supply
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Washington, D.C. 20026-4375

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 Members of the Office of Oil and Gas Global Security and Supply:

Delfin LNG, LLC (“Delfin”) hereby submits this semi-annual progress report in compliance with ordering paragraph O of Order No. 4028 issued in FE Docket No. 13-147-LNG on June 1, 2017, as well as ordering paragraph J of Order No. 3393 issued in FE 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) Regulatory Updates:

On March 19, 2021, Delfin filed a request with DOE’s Office of Fossil Energy to correct and amend the export authorization orders issued to Delfin so as to fully and correctly identify the location of its project. As the result of an inadvertent error, the authorizations identified only one of the six West Cameron Blocks in the Gulf of Mexico where the project will be located. DOE issued an Order on May 18, 2021 granting Delfin’s request to correct and amend the locations of its proposed floating liquefaction facilities.

As noted in Delfin’s prior reports, the Executive Director of the Maritime Administration (“MARAD”), acting pursuant to authority delegated by the Secretary of Transportation, authorized the issuance, subject to certain conditions, of a License for the Port Delfin Project under the

Deepwater Port Act of 1974 as amended on March 13, 2017. “Secretary’s Decision on the Deepwater Port License Application of Delfin LNG, LLC,” Docket USCG-2015-0472. Delfin continues to work to satisfy the conditions for a License set forth in that Decision. There are ongoing communications with both MARAD and the U.S. Coast Guard on these matters.

As also noted in Delfin’s prior reports, the Federal Energy Regulatory Commission (“FERC”) on September 28, 2017, issued an order that (1) granted Delfin a certificate of public convenience and necessity to construct, operate, and maintain the proposed onshore facilities for the Project and (2) authorized High Island Offshore System, LLC (“HIOS”) authority to abandon FERC-jurisdictional services on its off-shore pipeline facilities and instead use the facilities solely to transport gas for Delfin. *Delfin LNG LLC*, 160 FERC ¶ 61,130 (2017), *reh'g denied*, *High Island Offshore System, LLC*, 163 FERC ¶ 61,040 (2018). Pursuant to a request that Delfin made to FERC, on July 15, 2020, FERC granted Delfin a one-year extension to construct those facilities and make them available for service.

On June 30, 2021, Delfin made a new request to FERC for an additional one-year extension to construct these onshore facilities and make them available for service. FERC’s response to that request is pending.

On April 5, 2019, the Louisiana Department of Natural Resources approved an extension of the Coastal Use Permit for Delfin’s deep water port and the associated offshore and onshore facilities. Subject to certain specified conditions, the Coastal Use Permit authorizes the initiation of the approved coastal use for four (4) years from the date of the original permit, which was June 13, 2017. On April 28, 2021, Delfin submitted an application to the Louisiana Department of Natural Resources to reissue the Coastal Use Permit authorization for the Delfin LNG deepwater port project. This request is pending.

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

Delfin has had discussions with both onshore pipeline companies and gas producers to evaluate the capacity and commercial terms for the transport of natural gas to Station 44 to supply feed gas to the Project. Delfin is confident it will be able to secure supply agreement(s) once initial offtake agreements are entered into.

Delfin LNG is increasingly confident about the prospect of entering into long-term sales and purchase agreements necessary to make a final investment decision. The LNG marketplace has improved significantly in the past six months, making U.S. based LNG projects increasingly attractive to LNG buyers. Beginning in late 2020, Delfin began to see improvements in the prospects for commercial agreements of LNG export volumes from North America. LNG spot

prices have increased significantly, and there is now a large spread between international gas prices and US domestic gas prices. This is further strengthening a robust long-term demand for LNG. Delfin is involved in advanced negotiations with several potential LNG offtake customers. Delfin is optimistic that these discussions will progress to firm offtake agreements needed to allow Delfin to make a final investment decision.

Once executed, Delfin will file all long-term, binding contracts for the export of LNG from its facility in accordance with the requirements of DOE/FE Order No. 3393.

c) Status of Project Design and Construction:

In early 2020, Delfin commenced the Newbuild Front End Engineering Design (“FEED”) for the Project’s liquefaction vessels as an additional option to the existing Conversion FLNGV design. The Newbuild FEED work has been executed by Black & Veatch (Kansas City) in cooperation with Samsung Heavy Industries (Korea) and was successfully completed in the second half of 2020. Delfin continues to cooperate with the contractors to further develop design and contracts in preparations for a final investment decision. As noted above, a final investment decision is dependent on executing final offtake contracts, which Delfin anticipates could happen this calendar year.

Respectfully submitted,

A handwritten signature in cursive script that reads "Mary Anne Sullivan".

Mary Anne Sullivan
Counsel for Delfin LNG, LLC