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April 1, 2022

By Electronic Mail

U.S. Department of Energy
Office of Fossil Energy and Carbon Management
Office of Regulation, Analysis and Engagement
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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 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 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:

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 further request to FERC for an additional one-year extension to construct these onshore facilities and make them available for service. On January 1, 2022, FERC granted that request, through September 28, 2022, noting:

Delfin has made progress regarding the engineering design of the export terminal and continues to make efforts to secure long-term offtake contracts with prospective customers. Delfin continues to demonstrate interest in the project and has made a good faith effort to meet the previous deadline. The unforeseeable impacts of the COVID-19 pandemic combined with Delfin's continued interest in the project satisfy the Commission's good cause inquiry.

Delfin LNG LLC, 178 FERC ¶ 61,031, P. 23 (2022),

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 deep water port project. On October 25, 2021 the Louisiana Department of Natural Resources reissued Delfin's Coastal Use Permit/Consistency Determination for the project for a new term of five years.

In February 2022, Delfin submitted an application to the U.S. Army Corps of Engineers (Corps) to reauthorize the wetlands and waterbody construction permit (Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act) for Delfin's deep water port and the associated offshore and onshore facilities. The prior authorization was received June 21, 2019 and authorized Delfin's wetland and waterbody construction activities subject to compliance with Corps Nationwide Permit Nos. 8 and 12. The current submission requests that the Corps renew authorization for Delfin's Project on the same terms and conditions as the original permit. 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 has commenced commercial negotiations for gas transportation and gas sales services, and Delfin is confident it will be able to secure firm supply agreement(s) once initial offtake agreements are in place.

Delfin is 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 over the past year. Furthermore, the latest developments in Europe make U.S. based LNG projects increasingly attractive and necessary to LNG buyers and European end-users.

In addition to the strong interest from LNG buyers, Delfin has increased its collaboration with U.S. gas producers, who will play an increasingly important role in the LNG value chain. Delfin is in advanced negotiations with several potential LNG offtake and liquefaction capacity customers for binding agreements. Delfin is confident that these discussions will progress to the firm offtake and/or capacity agreements that will 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 Nos. 3393 and 4028.

c) Status of Project Design and Construction:

In early 2020, Delfin commenced the Newbuild Front End Engineering and 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. In 2021, Delfin commissioned contractors to execute additional optimization and engineering work with the objective of enhancing and advancing the FLNG Vessel design. This work was completed in the first quarter of 2022. Of particular note, the refined design of the FLNGV reduces greenhouse gas emissions. Delfin continues to work with the contractors to further develop the design and negotiate 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 black ink that reads "Mary Anne Sullivan". The signature is written in a cursive style with a large initial 'M' and a decorative flourish at the end.

Mary Anne Sullivan
Counsel for Delfin LNG, LLC