# RECEIVED

By Docket Room at 9:05 am, Oct 01, 2024



October 1, 2024

## VIA ELECTRONIC MAIL TO: fergas@hq.doe.gov

U.S. Department of Energy, Office of Fossil Energy and Carbon Management Office of Regulation, Analysis and Engagement Attn: Natural Gas Reports P.O. Box 44375 Washington, D.C. 20026-4375

# **SEMI-ANNUAL REPORT** October 2024 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, 16-108-LNG and 21-98-LNG

DOE/FE Order Nos. 3066, 3282-C, 3357-B, 3957 and 4961

Freeport LNG Terminal, Quintana Island, Texas

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), 3957 (issued December 19, 2016) and 4961 (issued March 3, 2023), Freeport LNG Expansion, L.P., FLNG Liquefaction, LLC, FLNG Liquefaction 2, LLC, and FLNG Liquefaction 3, LLC (collectively, "FLEX") hereby submit this semi-annual report as required by Ordering Paragraphs I, M, M, N and I 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,

Michael Stephenson Michael Stephenson

Director of Regulatory Affairs

U.S. Department of Energy Office of Fossil Energy and Carbon Management Office of Regulation, Analysis and Engagement October 1, 2024 Page 2 of 2

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, 16-108-LNG and 21-98-LNG

DOE/FE Order Nos. 3066, 3282-C, 3357-B, 3957 and 4961

**Semi-Annual Report: October 2024** 

### **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 utilizes the Liquefaction Project in connection with the export authorization granted under DOE/FE Order Nos. 2913, 3066, 3282-C, 3357-B and 3957.

Commencement of commercial operations of the first and second trains was achieved during the fourth quarter of 2019 and first quarter of 2020, respectively. The third train commenced commercial operations in the second quarter of 2020.

Due to an incident that occurred at the facility in June 2022, the liquefaction trains were not operational for portions of 2022 and 2023. All three trains recommenced operation in the first quarter of 2023 utilizing two of the facilities' three LNG storage tanks and one of its two marine berths. The second marine berth was returned to service in the fourth quarter of 2023. The return to service of the facility's third LNG storage tank is anticipated in the fourth quarter of 2024.

FLEX and its affiliates maintain a website (<a href="www.freeportlng.com">www.freeportlng.com</a>) where up-to-date relevant information is available to stakeholders and members of the community. In particular, a link to the company's annual Sustainability and Community Investment Report can be found on its home page, which provides detailed information regarding the company's ongoing community engagement activities, environmental initiatives and corporate governance profile.

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

FLEX has executed long-term liquefaction tolling agreements with JERA Energy America LLC, Osaka Gas Trading and Export LLC, BP Energy Company, LAI LNG, LLC and TotalEnergies Gas & Power North America, Inc. It also has liquefaction tolling agreements with its affiliate Freeport LNG Marketing, LLC ("FLNGM"), and FLNGM has long-term LNG purchase and sale agreements with Kansai Electric Power Co., Inc. and Trafigura PTE LTD. Under the aforementioned agreements, FLEX will export LNG from the Liquefaction Project for itself or as agent for those counterparties. The required Summary Reports of the major provisions of each of these long-term contracts have been filed with DOE/FE.

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

FLEX has entered into long-term gas supply contracts with (i) NextEra Energy Marketing, LLC and (ii) jointly, Kinder Morgan Tejas Pipeline LLC and Kinder Morgan Texas Pipeline LLC associated with this project. These gas supply contracts have been provided to DOE in accordance with the above-referenced Orders.

# **RECEIVED**

By Docket Room at 9:05 am, Oct 01, 2024



October 1, 2024

# VIA ELECTRONIC MAIL TO: fergas@hq.doe.gov

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 2024 Report

Re: Freeport LNG Expansion, L.P., FLNG Liquefaction 4, LLC

FE Docket No. 18-26-LNG

Freeport LNG Terminal, Quintana Island, Texas

To: Office of Natural Gas Regulatory Activities

In accordance with the conditions of DOE/FE Order No. 4374 issued May 28, 2019 (the "Order"), Freeport LNG Expansion, L.P. (Freeport Expansion), and FLNG Liquefaction 4, LLC (FLIQ4), (collectively, "FLEX4"), hereby submit this semi-annual report as required by Ordering Paragraph M of the Order describing the progress of the Train 4 Project at the Freeport LNG Terminal on Quintana Island, Texas.

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

Respectfully Submitted,

Michael Stephenson

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

By: Michael Stephenson

Its: Director of Regulatory Affairs

Freeport LNG Expansion, L.P.

333 Clay Street, Suite 5050 • Houston, Texas 77002-4173 Phone: 713-980-2888 • Fax: 713-980-2903 U.S. Department of Energy (FE-34) Office of Fossil Energy Office of Natural Gas Regulatory Activities October 1, 2024 Page 2 of 2

Freeport LNG Expansion, L.P., FLNG Liquefaction 4, LLC Freeport LNG Terminal, Quintana Island, Texas FE Docket No. 18-26-LNG Order No. 4374 Semi-Annual Report: October 2024

#### **Facility Progress Report**

On May 17, 2019, the Federal Energy Regulatory Commission ("FERC") issued an order in Docket No. CP17-470 approving the siting, construction and operation of the Train 4 Project. FLEX4 will utilize the Train 4 Project in connection with the export authorization granted under DOE/FE Order No. 4374 Docket Number 18-26-LNG.

Construction of the Train 4 Project has not yet commenced in earnest beyond continued soil sampling and geotechnical analysis. On May 9, 2023, FLEX engaged Kiewit as the Engineering, Procurement, and Construction ("EPC") contractor for the Train 4 Project after a competitive selection process that began in August 2020. FLEX's original EPC contractor withdrew in June 2020, requiring FLEX to conduct a second competitive selection process.

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

FLEX is in the process of commercializing the Train 4 Project. No long-term export contracts have been finalized as of the date of this filing, but FLEX continues to engage in discussions with potential offtakers.

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

FLEX has not entered into long-term gas supply contracts associated with the Train 4 Project. The Train 4 Project is structured as a tolling facility, and accordingly offtakers of the Train 4 Project can be expected to enter into most, if not all, of the long-term gas supply contracts associated with the Train 4 Project.

# **Date Facility is Expected to Be Operational**

FERC has set an in-service deadline of August 1, 2028. FLEX is actively working to commercialize the Train 4 Project and place it in service. However, FLEX does not at this time have a projected operational date for the Train 4 Project.