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February 3, 2020

Ms. Amy R. Sweeney
Director, Division of Natural Gas Regulation
U.S. Department of Energy
Office of Fossil Energy
1000 Independence Avenue, SW
Washington, DC 20595

Re: Rio Grande LNG, LLC – Updates to Existing FTA Authorization and Pending Non-FTA Application, DOE/FE Docket No. 15-190-LNG

Dear Ms. Sweeney:

Rio Grande LNG, LLC (“Rio Grande LNG”), hereby notifies the U.S. Department of Energy, Office of Fossil Energy (“DOE/FE”) of an update to the description of its ownership structure and requests that:

1. its existing export authorization to free trade agreement (“FTA”) countries be amended;¹ and
2. its pending application in FE Docket No. 15-190-LNG be amended in accordance with the information herein to ensure a complete and accurate record.

This filing amends and updates the filing made on behalf of Rio Grande LNG on November 26, 2019.

Background

On November 22, 2019, the Federal Energy Regulatory Commission (“FERC”) authorized Rio Grande LNG and its affiliate, Rio Bravo Pipeline Company, LLC, to construct and operate the Rio Grande LNG Terminal and the associated Rio Bravo Pipeline (the “FERC Order”).² On January 23, 2020, FERC denied rehearing of the FERC Order.³

On November 26, 2019, Rio Grande LNG filed with DOE/FE an update describing certain changes to the corporate structure of its parent NextDecade.

¹ In DOE/FE Order No. 3869, DOE/FE granted Rio Grande LNG’s request for authorization to export liquefied natural gas (“LNG”) to any nation with which the United States currently has, or in the future enters into, an FTA requiring national treatment for trade in natural gas and LNG. *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 (Aug. 17, 2016).

² *Rio Grande LNG, LLC et al.*, 169 FERC ¶ 61,131 (2019).

³ *Rio Grande LNG, LLC et al.*, 170 FERC ¶ 61,046 (2020).

In the instant filing, to ensure a complete and accurate record as DOE/FE reviews Rio Grande LNG's pending Non-FTA application, Rio Grande LNG provides the following updates to its application.

Updates to Equity Ownership Structure

NextDecade LNG, LLC continues to own 100% of the equity of Rio Grande LNG. NextDecade Corporation ("NextDecade") continues to own 100% of NextDecade LNG, LLC. NextDecade's common stock ("Common Stock") remains listed on the Nasdaq Stock Market ("Nasdaq") under the symbol NEXT, although its series of warrants issued in connection with NextDecade, LLC's merger with Harmony Merger Corp., previously listed on Nasdaq under the symbol NEXTW, were delisted in February 2018 due to an insufficient number of round lot holders, and are now quoted on The OTC Pink Market. A total of 12,081,895 such warrants remain outstanding and exercisable for shares of Common Stock.

As described in Rio Grande LNG's October 2018 Semi-Annual Progress Report filed with DOE⁴, NextDecade has issued two classes of preferred stock, Series A Convertible Preferred Stock ("Series A Preferred Stock") and Series B Convertible Preferred Stock ("Series B Preferred Stock" and, together with the Series A Preferred Stock, "Preferred Stock"). The terms of each class of Preferred Stock are substantially similar. The shares of Preferred Stock are convertible into Common Stock and accrue dividends that are payable quarterly in cash or in-kind, at NextDecade's option. Shares of Preferred Stock are entitled to a number of votes equal to the number of shares of Common Stock into which such shares of Preferred Stock, including accrued and unpaid dividends with respect to such shares of Preferred Stock, are convertible as of the record date for such vote.

As a publicly traded company and consistent with the Securities Exchange Act of 1934, as amended, NextDecade does not have information on all holders of its common stock and their respective voting power. The ownership information below, therefore, only covers the stockholders that hold more than 5% of the common stock, and have reported their holdings to the SEC as required by SEC regulations, as well as those stockholders that otherwise are known to NextDecade (e.g., its executive officers and Rio Grande LNG's EPC contractor, Bechtel).

October 2018 Ownership

As of the date of the October 2018 filing, based on information available to NextDecade:

Common Stock

- Funds managed by York Capital Management Global Advisors, LLC ("York") owned approximately 53.0% of outstanding Common Stock;
- Funds managed by Valinor Management, L.P. ("Valinor") owned approximately 17.9% of outstanding Common Stock;
- Funds managed by Bardin Hill Investment Partners LP (formerly Halcyon Capital Management LP) ("Bardin Hill") owned approximately 8.7% of outstanding Common Stock; and

⁴ On October 3, 2018, Rio Grande LNG submitted its Semi-Annual Progress Report & Change of Address to DOE/FE pursuant to Order Paragraph J of DOE/FE Order 3869.

- NextDecade's executive officers and directors collectively owned approximately 10.7% of outstanding Common Stock.

Preferred Stock

- Outstanding Series A Preferred Stock, representing an aggregate 5.7% of voting power, was owned 70.0% by HGC NEXT INV, LLC ("HGC"), 19.9% by York, 6.8% by Valinor, and 3.3% by Bardin Hill.
- Outstanding Series B Preferred Stock, representing an aggregate 3.3% of voting power, was owned 100.0% by funds managed by BlackRock Financial Management, Inc. ("BlackRock").

Voting Power

Based on the number of shares of Common Stock and Preferred Stock owned as of the date of the October 2018 filing, as described above,

- York held approximately 49.3% of the voting power in NextDecade;
- Valinor held approximately 16.7% of the voting power in NextDecade;
- Bardin Hill held approximately 8.1% of the voting power in NextDecade;
- HGC held approximately 4.0% of the voting power in NextDecade;
- BlackRock held approximately 3.3% of the voting power in NextDecade; and
- NextDecade's executive officers and directors collectively held approximately 9.7% of the voting power in NextDecade.

November 2019 Ownership

As described in the November 2019 update filing, following the October 2018 filing NextDecade completed several financing transactions and equity issuances, which do not have a material effect on the ultimate ownership and control of Rio Grande LNG. After these transactions and as of the November 26, 2019 filing, based on information available to NextDecade:

Common Stock

- York owned approximately 47.9% of outstanding Common Stock;
- Valinor owned approximately 16.2% of outstanding Common Stock;
- Mubadala owned approximately 8.3% of outstanding Common Stock;
- Bardin Hill owned approximately 7.9% of outstanding Common Stock;
- Raymond Eisbrenner owned approximately 7.2% of outstanding Common Stock;⁵
- Bechtel owned approximately 1.8% of outstanding Common Stock; and
- NextDecade's executive officers and directors collectively owned approximately 2.0% of outstanding Common Stock.

⁵ On May 9, 2019, Ms. Kathleen Eisbrenner, then NextDecade's Chairman of the Board and a director, passed away. As reported on the Schedule 13G filed by Mr. Eisbrenner with the Securities and Exchange Commission on October 31, 2019, his beneficially owned shares of Common Stock include those owned by Ms. Eisbrenner's estate.

Preferred Stock

- Outstanding Series A Preferred Stock, representing an aggregate 5.7% of voting power, was owned 69.9% by HGC, 20.0% by York, 6.8% by Valinor, and 3.3% by Bardin Hill.
- Outstanding Series B Preferred Stock, representing an aggregate 5.5% of voting power, was owned 60.0% by BlackRock, 14.6% by HGC, 9.6% by York, 9.6% by Valinor, and 6.3% by Bardin Hill.

Voting Power

Based on the number of shares of Common Stock and Preferred Stock owned as of November 26, 2019, as described above,

- York holds approximately 43.9% of the voting power in NextDecade, a decrease of 5.4% since the October 2018 filing;
- Valinor holds approximately 15.2% of the voting power in NextDecade, a decrease of 1.5% since the October 2018 filing;
- Bardin Hill holds approximately 7.5% of the voting power in NextDecade, a decrease of 0.6% since the October 2018 filing;
- Mubadala holds approximately 7.3% of the voting power in NextDecade, an increase of 7.3% since the October 2018 filing;
- Mr. Eisbrenner holds approximately 6.4% of the voting power in NextDecade, a decrease of 0.9% since the October 2018 filing;
- HGC holds approximately 5.2% of the voting power in NextDecade, an increase of 1.2% since the October 2018 filing;
- BlackRock holds approximately 3.2% of the voting power in NextDecade, a decrease of 0.1% since the October 2018 filing;
- Bechtel holds approximately 1.5% of the voting power in NextDecade, an increase of 1.5% since the October 2018 filing; and
- NextDecade's executive officers and directors collectively hold approximately 2.0% of the voting power in NextDecade, a decrease of 7.7% since the October 2018 filing.

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

If you have any questions regarding this filing, please contact me at (202) 778-9014 or at david.wochner@klgates.com.

Best regards,



David Wochner
Counsel for Rio Grande LNG, LLC