How LNG Projects Really Get to FID and What it Takes to Be Part of the Gulf Coast Wave

Lisa Shidler : 13-17 minutes

The U.S. LNG industry has experienced monumental growth in the past decade, with winter feedgas demand averaging around 18.75 Bcf/d and expected to nearly double by 2030. But there's also a hefty slate of additional projects somewhere along the path to a final investment decision (FID), each with its own hurdles and timelines. Getting across that FID finish line is anything but simple, and not all companies have the same criteria to get there. In today's RBN blog, we'll walk through the North American LNG projects in various stages of commercial and financial commitment and discuss what it really takes to reach FID.

First, let's offer a refresher. We're at the 10-year anniversary of Lower 48 LNG exports, and since that time LNG has become the fastest growing outlet for U.S.-sourced natural gas supply. The U.S. has around 17 Bcf/d of export capacity, and we're on a path to about 30 Bcf/d by 2030, driven by projects already under construction. U.S. LNG experienced a record-breaking 2025, as feedgas demand climbed from around 14 Bcf/d in January to 18.75 Bcf/d at the end of the year, and it will likely hit 20 Bcf/d by the end of this year.

Six new LNG projects across five terminals reached FID in 2025. Of those, there are two new terminals plus expansions of several projects that took FID during the last major wave in 2022-23. Cheniere has two projects that reached FID in 2025 under construction at its Corpus Christi Liquefaction (CCL) facility in Gregory, TX (see light-blue diamond below): CCL Stage 3, which includes seven Midscale trains, and CCL Midscale Trains 8 & 9, which is essentially an expansion of Stage 3. Rio Grande LNG (dark-blue diamond) and Port Arthur LNG (green diamond) are continuing their projects. They both moved forward during the last major wave in 2022-23. Rio Grande LNG is moving ahead with Trains 4 and 5. Port Arthur LNG has sanctioned a Phase 2 expansion that will add Trains 3 and 4, one additional storage tank and another marine berth. Venture Global's CP2 (pink diamond) and Woodside Energy's Louisiana LNG (orange diamond toward the top) have both started construction.

With those additions, the U.S. will add more than 60 million tons per annum (MMtpa; about 8 Bcf/d) of LNG export capacity by early next decade. But there are still a handful of additional projects realistically eyeing FID in 2026 and 2027, including those from industry heavy hitters Cheniere and Venture Global, as well as smaller players. Additionally, developers want to capitalize on the Trump administration's pro-LNG stance by securing permits for new LNG capacity, even if construction appears to be years away.

Let's note that all companies approach FID differently based on their size and business strategy. Some firms start construction without announcing a "formal" FID. One outlier is Woodfibre LNG in Canada, which is under construction but has never undergone an official FID. On occasion, firms can even dive into an FID without securing what we'd consider full commercial backing. We track the progress of these projects in our LNG Voyager Quarterly Report.

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U.S. LNG Feedgas Demand Rebounds

U.S. LNG feedgas demand bounced back sharply last week as several Gulf Coast terminals returned to peak operations following short-lived disruptions.

What 'Getting to FID' Really Means

FID is, in practical terms, a trigger-pulling decision that locks in billions of dollars to spend on an LNG terminal. There are three categories that we use as measuring sticks to determine the progress toward FID, a topic of discussion during our recent GasCon 2026 conference. But keep in mind, each one of these categories can be viewed differently by each company.

On the **regulatory** side (left side of Figure 1 below), projects need approvals in hand before anyone commits billions for construction. For most U.S. onshore LNG terminals, that starts with authorization from the Federal Energy Regulatory Commission (FERC) and export licenses from the Department of Energy (DOE) that are required to ship U.S.-sourced gas abroad — including to LNG terminals in Mexico supplied with U.S. gas. Offshore projects fall under the U.S. Maritime Administration (MARAD), while Canadian and Mexican terminals follow their own national and cross-border reviews.

During the 2024 DOE export permit pause, U.S. developers went months without new non-FTA approvals and only a handful of long-term sales and purchase agreements (SPAs) were signed. As a result, project activity shifted toward Canadian and Mexican proposals not caught in the same political crossfire. The return of a more energy-friendly Trump administration (see Brand New Day) has reset the regulatory outlook and triggered a new wave of applications.

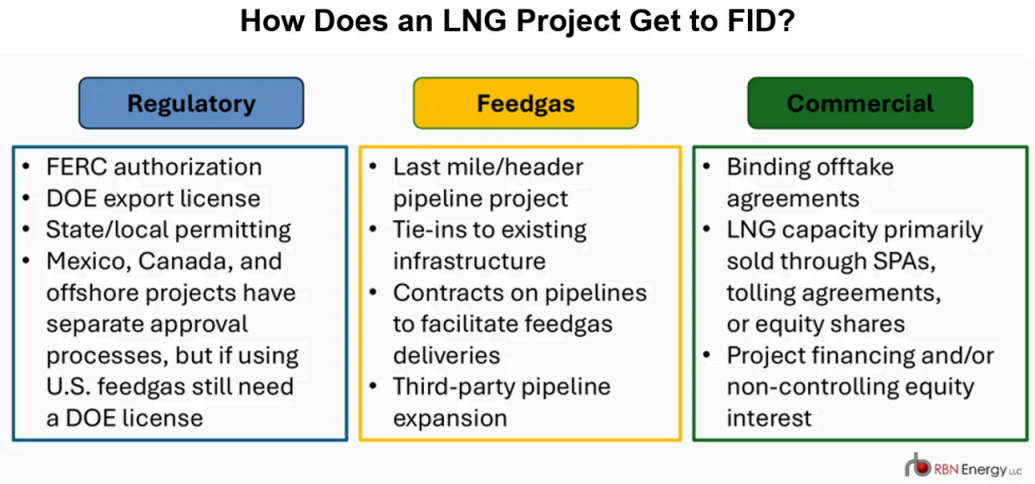

Figure 2. How Does an LNG Project Get to FID? Source: RBN

Feedgas requirements (middle) have become just as important as liquefaction hardware because without reliable supplies, even a fully permitted and contracted LNG plant cannot operate at nameplate capacity. In today's world, where most new LNG demand is clustered along the Gulf Coast and late-stage projects there alone could pull more than 40 Bcf/d of gas, developers need more than a simple pipeline connection, especially in tight markets like Louisiana. Developers must secure multiple firm transportation paths rather than rely on a single pipeline connection.

Over the next several years, significant new capacity is expected to support this demand and eastbound capacity out of the Permian will increase by 9 Bcf/d from a number of pipelines, including the Gulf Coast Express expansion, Blackcomb and Hugh Brinson, and the Eiger pipeline, along with expansions and coastal connectors planned through the late 2020s. Even with these additions, LNG developers typically must secure firm transportation equal to about 1.2-1.4 times their feedgas requirement to ensure sufficient supply from multiple basins and avoid the bottlenecks that have delayed or derailed projects elsewhere. In fact, some proposed projects in places like Mexico and Eastern Canada have stalled, slipped, or even been abandoned because companies could not demonstrate a convincing path to securing sufficient upstream supply and transport capacity to keep the plants full. They need a clear, credible plan to secure supply and move it from multiple basins to the dock.

Commercial requirements (right side) have changed a bit. Historically, U.S. projects leaned heavily on tolling models, but Cheniere broke the mold with its long-term SPA-based strategy and, over time, the industry has largely followed suit, making SPAs the go-to structure for locking in revenue. By the time a project crosses the FID line, it is generally considered "fully commercialized" when it is essentially sold out — typically 90% or more. That means that most of the nameplate capacity is backed by SPAs and other long-term offtake and/or equity arrangements that support cash flows for decades. U.S. LNG export projects typically won't pull the trigger until they have at least that level of coverage in place. We've seen firms take an FID long before the project is considered

commercialized, but we understand there could be other contractual reasons that would push an FID. Woodside Energy's FID in April 2025 on the $17.5 billion Louisiana LNG terminal was a stunner because the company sanctioned a 16.5-MMtpa (2.2-Bcf/d) project with only 1 MMtpa under contract (see I'm Back).

Two projects are the closest to reaching FID.

Venture Global said it plans to take FID on Phase 2 of the **CP2 LNG** terminal in the first half of 2026 after taking FID and beginning construction on Phase 1 in July 2025. The full terminal will have 18 liquefaction blocks and a nameplate capacity of around 20 MMtpa (2.6 Bcf/d), although its peak capacity will be much higher. The project has all the necessary regulatory approvals, although Venture Global recently filed with FERC to increase the terminal's peak capacity to 31 MMtpa (4.1 Bcf/d). Venture Global has announced a number of deals in support of Phase 2 since the end of last year, the most recent of which was with South Korea's Hanwha Aerospace. In February, the companies signed a 1.5-MMtpa (0.2 Bcf/d) SPA beginning in 2030 and running for 20 years. The entire CP2 terminal is secured under more than 90% of long-term agreements. The project will be fed by the CP Express header pipeline, which runs from Jasper County, TX, to the terminal in Louisiana. It has connections with multiple pipelines to source gas, including existing area infrastructure, recent expansions like CJ Express, and the under-construction Blackfin Pipeline.

Texas LNG is a single-train, 4-MMtpa (0.5 Bcf/d) terminal located in South Texas, near the under-construction Rio Grande Terminal. The project faced significant regulatory hurdles during its development due to a lawsuit (which also affected Rio Grande LNG) that triggered additional FERC review but now has all the approvals it needs. The project is fully commercialized, having secured all of its capacity in binding offtake agreements. It has recently signed two additional binding SPAs. It signed a 20-year, 0.5-MMtpa (0.07 Bcf/d) agreement with Macquarie Energy in December and a 20-year, 1-MMtpa (0.13 Bcf/d) agreement with RWE in January. Developer Glenfarne is working to finalize its project financing ahead of taking FID. The project expects to move forward this year. Earlier this month, Glenfarne announced that Kiewit would be the project's engineering, procurement and construction (EPC) partner and said in the announcement that it was "one of the final steps required for Texas LNG before making a final investment decision." The project will receive feedgas from an expansion of Enbridge's Valley Crossing Pipeline, which extends from the Agua Dulce Hub to the Port of Brownsville area. Because of the terminal's small size, a less extensive buildout was needed than for some other projects. The expansion includes a 10-mile lateral and compression on the existing pipeline.

Several more projects look promising but still have more work to do.

Commonwealth LNG is a 9.5-MMtpa (1.3 Bcf/d) terminal under development by Caturus (formerly Kimmeridge Energy) near Cameron, LA. The project has all the needed regulatory approvals, although in October 2025 it requested a 4-year extension from FERC to complete its project. Extension requests like this are not atypical for the industry.

It is sited in a region already seeing significant feedgas buildout. It says it can be fed via a 3-mile pipeline that will be interconnected with two major systems in the area. In terms of commercial commitments, Commonwealth has nearly sold out capacity after signing additional 1-MMtpa (0.13 Bcf/d), 20-year SPAs with Aramco Trading and Mercuria Energy in February. Public disclosures indicate about 7 MMtpa (0.9 Bcf/d) of secured capacity, but Caturus says the project has 8 MMtpa sold.

Cheniere is considering an expansion of the U.S.'s largest terminal with its **Sabine Pass Liquefaction expansion project.** The company is looking at phasing in three new trains totaling 20 MMtpa (2.6 Bcf/d), starting with Train 7 and boil-off gas (BOG) reliquefaction later this year, with FID expected in early 2027. Train 7 is fully commercialized but pending FERC authorization and DOE export license. Cheniere expects to complete the permitting process by the end of this year.

Cheniere has also filed with FERC for its larger **Corpus Christi Stage 4 project,** which includes up to four new large-scale trains, two tanks and an additional dock, but that's a longer-term plan. The project is expected to implement a phased approach similar to the SPL expansion, with an FID on the first phase (one train) targeted for late 2027 or early 2028. As we discussed in We Three Kings, Cheniere is part of the "Big Three" developers that have the supply chains, balance sheets, and economies of scale to move projects like these faster than most rivals and quickly add capacity that can leapfrog smaller competitors still trying to reach FID.

Finally, we need to mention **Lake Charles LNG.** After a long, uphill regulatory slog and multiple false starts, Energy Transfer suspended development in December to focus on pipeline projects, even though the 16.5-MMtpa (2.2 Bcf/d) terminal had more than 70% of its capacity sold under long-term contracts and all its permits in place. The project was hit hard by the DOE's denial of an export license extension and the Biden administration's subsequent pause on new permits, and while it finally regained its export authorization, Energy Transfer decided not to move ahead. The company said in a Securities and Exchange Commission (SEC) filing that it is "unlikely" to commit capital to the terminal going forward but remains open to discussions with third parties that might want to take it over. On the company's Q4 2025 earnings call, executives also emphasized that they are exploring alternative uses for the site, including potential NGL or crude export service. The company suggested it would be willing to sign long-term pipeline transportation deals to supply feedgas if another LNG sponsor steps in, leaving a decent chance that someone else will eventually revive the project.

[Note that there are many more terminals not enumerated here that have come and gone, or are not currently as far along as those mentioned here, and will have to be saved for a later blog.]

In closing, some of these projects still face significant red tape before reaching FID, but that hasn't slowed companies down. The real hurdles lie in securing permits, navigating regulatory requirements, locking in commercial agreements, and ensuring reliable feedgas

supply. At the same time, the ones that do clear those hurdles by locking down approvals, long-term offtake and rock-solid supply plans could reshape U.S. gas balances and global LNG trade in a big way over the next decade.