

July 2, 2020

Secretaria de Energía de México
Ing. Normal Rocío Nahle García
Av de los Insurgentes Sur 890
Col del Valle Centro
Ciudad de México, C.P. 03100
Mexico

Re: U.S. Western States Governors and Tribal Support for Sempra LNG and IEnova's Energía Costa Azul LNG Project 20-Year Export Permit

Dear Secretaria Nahle Garcia,

The Governors and Tribal Chair of the member jurisdictions of the Western States and Tribal Nations Natural Gas Initiative (WSTN) write in support of the 20 Year Export Permit Application for the Sempra LNG and IEnova's Energía Costa Azul LNG project in Baja California, Mexico.

The WSTN is a collaborative effort between multiple stakeholders to develop markets for natural gas resources from the western U.S. states and tribal lands of Utah, Colorado, Wyoming, and New Mexico. The State of Baja California, Mexico is an MOU signatory and standing member of WSTN.

U.S. western states' natural gas production is the logical first choice to supply any western North American LNG export project due to the region's inherent advantages in predictable production of close to 500 Tcf of natural gas, cost and price security, and immediately available production-to-market pipeline infrastructure.

With additional infrastructure investment, natural gas from the western U.S. could be utilized in Mexico's energy market and exported to Asian markets.

Mexico has the capacity to become a major North American west coast energy export hub to Asian economies with several key strategic deep water ports that could connect with natural gas pipelines for LNG exports.

Energy demand is soaring in Asia, led by China, Japan, South Korea, Taiwan, and India due to manufacturing and economic growth. Natural gas-produced energy will play a critical role in meeting these energy demands and in providing reliable, cleaner baseload power for integrating increasing renewable energy on global electricity grid systems. China and India are using more natural gas as a fuel for power generation to meet the demands of growing populations. They are also using it to mitigate air pollution in the generation of electricity. All of these countries are using natural gas as a way to decrease their greenhouse gas emissions.

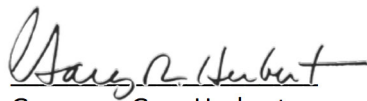
One of the most promising LNG export facilities on the Pacific Coast primed for Asian LNG exports is Sempra LNG and IEnova's Energía Costa Azul project proposed for Ensenada, Baja California, Mexico.

Sempra LNG and IEnova's planned expansion of the Energia Costa Azul facility is showing encouraging momentum for development of facilities (Phase One and Phase Two) that can serve Asian markets, even as many LNG projects are being delayed due to factors associated with the COVID-19 pandemic.


Energia Costa Azul LNG recently signed 20-year agreements with units of Total S.A. and Mitsui & Co. for about 2.5 million tonnes per annum (MTPA) or 0.33 billion cubic feet per day (bcfd) of natural gas and is expected to make the Final Investment Decision (FID) for Phase One of its development in the second quarter of 2020.

At your convenience, and at the appropriate juncture in these current challenging times, we would like to bring a delegation of western states stakeholders to meet with you and your staff to discuss areas of collaboration that would mutually benefit both the energy industries and economies of the U.S. western states and tribal nations and Mexico.

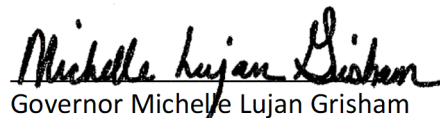
Best Regards,



Governor Gary Herbert
State of Utah



Governor Mark Gordon
State of Wyoming



Governor Michelle Lujan Grisham
State of New Mexico



Chairman Luke Duncan
Ute Indian Tribe

