

LA Storage – Hackberry Storage Project FAQ

LA Storage (LAS) is committed to seeking feedback and addressing any questions regarding our Hackberry Storage Project. In August 2020, the company hosted a number of community outreach activities and presentations in the communities of Calcasieu and Cameron Parishes in Louisiana.

Provided below is information addressing the most frequently asked questions (FAQ's) about our LAS – Hackberry Storage Project.

About The LAS – Hackberry Storage Project

LA Storage (LAS), LLC. is a subsidiary of Sempra LNG. Sempra LNG has several operational facilities in Southwest Louisiana including majority ownership of the Cameron LNG liquefaction terminal in Hackberry, compressor stations in both Sulphur and Ragley, the Cameron Interstate Pipeline (CIP) and the LA Storage Pipeline (LASP).

In March 2020, LAS began outreach efforts in support of its proposed Hackberry Storage project, which will be located in Cameron and Calcasieu Parishes. LAS is proposing to construct, own and operate a new high-deliverability natural gas salt dome storage facility and associated compression and piping facilities.

The storage facility will be located in Hackberry adjacent to the Strategic Petroleum Reserve. The storage facility will involve the conversion of three existing salt dome caverns to natural gas storage, as well as the development of one new salt dome cavern on a 160-acre parcel owned by LAS since 2006. LAS will also construct and operate on-site compression facilities and other ancillary facilities related to natural gas storage and transportation, as well as six water supply wells.

The project will include two 42-inch diameter natural gas pipelines. One pipeline segment will be approximately 11.4 miles long and extend from the storage facility north to an interconnection with the Port Arthur Louisiana Connector Pipeline. A second pipeline will be approximately 5.2 miles in length and extended north from the storage facility to interconnect with Cameron Interstate Pipeline. A 6.6-mile pipeline will also be constructed to connect the storage facility with 4 proposed brine (salt water) injection wells.

Once completed, Hackberry Storage is expected to have a total gas storage capacity of approximately 26 billion cubic feet (Bcf), providing a significant amount of high-deliverability storage capacity in the Gulf Coast region capable of serving the needs of LNG exports, electric generation facilities, and other customers in the region.

Additional information about this project is available at the project website at:

<https://sempralng.com/la-storage-hackberry/>

Project Benefits

Sempra and its family of companies continue to grow its investment in Louisiana. Some of the benefits of the Hackberry Storage project will include the following:

- Creation of new design, engineering and construction jobs, including an estimated 300 jobs at the peak of construction activities for the storage facility and pipelines
- Up to 10 permanent positions to operate and maintain the facilities
- Opportunities for local providers of services, materials and equipment through contracts to support the project
- Generation of new tax revenues to include an estimated \$5 million in taxes during the construction period for the local parishes and state
- Continued and enhanced involvement in the community through our charitable giving and employee engagement efforts benefitting nonprofits, schools and business advocacy organizations such as chambers and economic development associations

Safety & Preparedness

As part of the Sempra Energy family of companies, safety is not only a top priority, it is part of our culture. As this project is designed, constructed and operated, LAS is committed to maintaining the highest standards of safety, utilizing construction and operational procedures that exceed already stringent industry regulations.

Safety & Integrity Management plans are critical to the success of our operations. These documents are not public because they contain safety sensitive critical infrastructure information, however they are reviewed by federal and state agencies responsible for overseeing the safety of our facilities. The underlying regulations from which these plans are developed, are public and can be found on the following website: <https://www.phmsa.dot.gov/phmsa-regulations>

Compressor stations, pipelines and natural gas storage facilities are also designed with extensive emergency systems. In the event of a leak or pipe failure, the station will automatically shut down appropriate equipment. Additionally, the Hackberry Storage Facility will have employees on-site to oversee operations on a 24/7 basis.

Noise, Lighting & Aesthetics

In building a project like this, there are state and federal regulations in which the company must comply with regarding noise, lighting and other project aesthetics. LAS is committed to meeting and/or exceeding these regulatory requirements and is working with its neighbors during project development to ensure the design minimizes noise, lighting and aesthetic impacts to the area.

Noise: Per federal regulation, the operational noise attributed to a new compressor station and associated equipment must not exceed an average noise level of 55 decibels at the nearest noise sensitive area. This is equivalent to the sound of a household dishwasher. The project will meet or exceed this Federal Energy Regulatory Commission (FERC) decibel requirement. Detailed maps and tables documenting noise studies will be provided in the Hackberry Storage Project FERC application in Resource Report 9. The project team will also continue to look at additional design features that may further mitigate any potential noise impacts.

Lighting: With keeping safety for the community and our employees as a top priority, LAS will commit to utilizing down-lighting to minimize impacts of lighting needed for the safe operations of the compressor station and supporting facilities.

Salt Water Injection Wells

As part of the Hackberry Storage project, the company is planning to construct four salt water (brine) injection wells on property owned by Cameron LNG (CLNG). Sempra has a majority ownership of the CLNG liquefaction terminal and the proposed injection wells will be located on a parcel at the most northern part of the CLNG property, near the Ellender Bridge in Hackberry.

For the Hackberry Storage Project, brine or salt water will be created in a process called cavern leaching which allows the project to create caverns of the size and dimension suitable for natural gas storage. This salt water will then be transported via a 16-inch, 6.6-mile pipeline and inserted into four salt water injection wells.

Existing landowner water wells in the area are typically fairly shallow (200 feet deep or less) and draw their water from the shallowest aquifer. The Hackberry Storage Project's injection wells will be vertical and the brine (salt) water will be deposited in formations between 6,000 to 8,000 feet below land surface. The significant depth of the Project's injection wells is designed to help safeguard the local freshwater aquifers. LAS will be installing freshwater protection steel casing as well as placing cement around the casing as a further measure in safeguarding the freshwater aquifers in the areas around the injection wells. Injection wells – which are also known more commonly in the local area as “brine disposal wells” -- are also subject to stringent regulatory requirements at the state and federal levels.

Brine (salt) is most commonly known for its use as a preservation in meat-packing and pickling. In refrigeration and cooling systems, brines are also used as a heat-transfer media because of their low freezing temperatures. During the winter when road freezing may occur on bridges and overpasses, municipalities may spray a brine and sand mixture to minimize icing on the road surfaces. Locally, brine and brine production that will occur during construction of the LAS – Hackberry Storage caverns is similar to existing operations on the dome.

Property Value & Insurance

The project's storage facility will be located in Cameron Parish, where there are currently existing industrial facilities, single family residential homes and farmland. The Hackberry Storage Project's most immediate industrial neighbors include the Strategic Petroleum Reserve, Targa and Texas Petroleum. In addition, LAS has existing infrastructure at the project site including three salt dome caverns and one water test well.

There are several studies that have been published about property value impacts from natural gas pipelines and storage facilities which include: *The Effect of Natural Gas Pipelines on Residential Value*, Driskin 2011 and *A Study of Natural Gas Compressor Stations and Residential Property Values*, LPC 2016. These reports indicate that there is no identifiable or consistent link between the presence of natural gas pipeline easements or compressor stations and residential property values.

In addition, and something to note as far as property value is concerned, traditionally landowners in this area who have granted property use for natural gas pipelines running through their properties receive compensation for these easements.

Land & Pipeline Right-of-Way Acquisition

In March 2020, LAS began reaching out to landowners along the proposed pipeline routes to request survey permission. As part of the Project's pre-filing process, environmental and cultural surveys are being completed, as well as addressing any landowner questions. This information will be included in the Project's application to the FERC when it is filed in January 2021.

In addition, LAS will also be purchasing property for two meter sites and for two injection well sites. Each of these sites will be approximately three acres in size.

Traditionally landowners in this area who have granted right-of-way (ROW) easements – use of their property -- for natural gas pipelines receive a payment for these easements.

Construction & Operations

Construction is expected to commence in the first quarter of 2022, following approval from federal and state agencies, with the storage facility becoming operational in the second quarter of 2024. All contractors and construction workers will be required to adhere to stringent safety standards, which will include participation in a Drug & Alcohol Program with pre-employment and random testing.

Construction is expected to take place largely during daylight hours. LAS anticipates a work schedule of six days a week, for 10 hours per day. If there is a need for construction outside of daylight hours, then safety lighting will be provided in the area along with safety personnel to oversee and monitor.

Once the project is complete, LAS is projecting between 7 to 10 full-time employees will operate this facility. The station would have staffing 24 hours a day, 7 days a week. All employees at this facility would be included in a Drug & Alcohol Education Program and subject to pre-employment and random testing. Additionally, employees are required to participate in an Operator Qualification Program. This program requires operations staff performing “covered work” – tasks pertaining to the operation and maintenance of a pipeline – to be periodically evaluated on tasks they perform.

Project Timeline

Outreach efforts on the LAS project began in March 2020 with letters being sent to landowners along the proposed pipeline route for survey permission. Additionally, all impacted landowners were sent a letter from LAS to provide detailed information about the project, which included the dates and times for the Community Informational Meetings in August. LAS is planning to file its project application with the Federal Energy Regulatory Commission (FERC) in January 2021. The FERC review process will take several months, and LAS will continue to provide information to the FERC on the Project as requested. The FERC certificate process is further explained in the Commission’s pamphlet ***An Interstate Natural Gas Facility on My Land – What Do I Need To Know?*** This pamphlet is available on the FERC website at: <https://www.ferc.gov/sites/default/files/2020-04/AnInterstateNaturalGasFacility.WhatYouNeedToKnow.pdf>

Construction in the area is expected to commence in the first quarter of 2022, with the storage facility becoming operational in the second quarter of 2024.

Project Information Available Through FERC

The project was initiated on July 15, 2020, when LAS received approval from the Federal Energy Regulatory Commission (FERC) to use the Commission’s pre-filing process. The pre-filing process will be used for the next several months to develop the permit application. During this time, LAS will be working with Federal, State and Parish representatives, Tribes, landowners and other stakeholders to secure authorizations and permits necessary for the Project and developing the permit application that will be filed with the FERC.

The Commission assigns a docket number as a reference for all filings and other communications in this proceeding. The docket number assigned to the LAS-Hackberry Storage Project is PF20-5-000. Items posted to this docket can be accessed using the Commission’s electronic library (ELibrary) at: <http://www.ferc.gov/docs-filing/ferconline.asp>. Additional information can be found on the Commission’s website at: www.ferc.gov including a “Landowner Topics of Interest” located at the following address: <https://www.ferc.gov/industries-data/natural-gas/landowner-topics-interest>.

Project Contacts

For general questions about the Hackberry Storage Project, contact Michael Taylor, Environmental Permitting & Compliance manager at MTaylor@sempraglobal.com.

Additional information is available on-line at sempralng.com/la-storage-hackberry including a project overview PowerPoint presentation and maps of the Project's storage facility and pipeline routes.

For **landowner questions related to surveys** regarding the Hackberry Storage Project – please contact information is as follows:

- Phone: 337-930-5382
- Email: info@sempralng.com

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