Western States and Tribal Nations Overview
March 5, 2021
What Is WSTN?

Western States and Tribal Nations is a unique, trans-national initiative led by sovereign tribal nations, states and counties focused on creating rural economic development, advancing tribal self-determination and a reducing global emissions through the export of clean natural gas from western North American basins to international markets.
Unique Collaborative Structure

- WSTN began as a bipartisan effort under the auspices of the energy offices of former Colorado Gov. John Hickenlooper and Utah Gov. Gary Herbert. Now it works with state governments from the U.S. and Mexico, sovereign tribal nations, and county governments to collaborate on developing markets for natural gas resources from the western U.S. states and tribal lands of Utah, Colorado, Wyoming, and New Mexico.

- WSTN’s unique public-private structure allows it to convene stakeholders and drive a high-level dialogue that positions North American LNG as an essential part of the global environmental and geopolitical future.
WSTN’s Foundation

Western States and Tribal Nations was founded on the following pillars:

• Advancing rural economic development by advocating for new markets for Western North American natural gas resources that currently have inadequate market access.
• Advocating for tribal self-determination for sovereign tribal nations that have natural gas resources
• Improving the global environmental footprint by creating the most cost-effective route to bring a lower-emitting fuel source to Asian economies that are using and building new coal-fired generation.

WSTN believes that western North America can play an important role in reducing global GHG emissions by capitalizing on the geographic and economic advantages it offers Asian nations that rely on less expensive but higher-emitting fuels.
WSTN Board of Directors

• The Ute Indian Tribe represented by Devin Pehrson *(Treasurer)*

• The State of Utah (Utah Governor’s Office of Energy Development) represented by Jeff Hartley *(Vice Chair and Governmental Liaison)*

• The State of Wyoming (Wyoming Energy Authority) represented by Bobby Rolston *(Vice Chair and Industry Liaison)*

• The State of Baja California, Mexico (Ministry of Tourism and Economic Development) *(Vacant)*

• The State of New Mexico (Energy, Minerals and Natural Resource Department) represented by Jason Sandel *(Chair)*

• The Western Colorado counties of Garfield, Mesa, Moffat and Rio Blanco represented by Duane Zavadil *(Treasurer)*
WSTN Membership

- State of Utah-Governor’s Office of Energy Development – MOU Member
- Ute Indian Tribe-MOU Member
- State of Wyoming – Wyoming Energy Authority-MOU Member
- Garfield County, CO – MOU Member
- Moffat County, CO – MOU Member
- Mesa County, CO – MOU Member
- Rio Blanco County, CO – MOU Member
- State of New Mexico –Energy, Minerals & Natural Resources Dept. – MOU Member
- State of Baja California, Mexico, Dept. of Economic Development and Tourism – MOU Member
- Duchesne County, UT
- Uintah County, UT
- Seven County Infrastructure Coalition, UT
- Dominion Energy/Wexpro – UT, WY
- Caerus Energy
- Laramie Energy
- Terra Energy
- Converse County, WY
- Sempra LNG
- Wyoming Coalition of Local Governments (Lincoln, Sublette and Sweetwater Counties of Wyoming)
- TYR Group
- BlackHawk Energy
- Three Crowns Petroleum
WSTN 2021 Priorities

• Continued work with Sempra LNG and the Government of Mexico to position Rockies Natural Gas for export through Energía Costa Azul and Vista Pacifico LNG

• Continue work with Pembina/Jordan Cove and establish working relationships focused on Canadian/British Columbia LNG export projects

• Work to establish the GHG Technical Baseline for Rockies Natural Gas under Environment, Social, Governance principles

• Develop forums to promote Rockies Natural Gas in terms of ESG, Geopolitics of Climate Change and Energy Security

• Continued member recruitment including additional Tribal Members

• Look at Western State “bundled” trade missions to Asian Nations (Q4)
Rockies Natural Gas to Energía Costa Azul

- ECA Phase 1: ~0.5 Bcf/d load will be sourced from a portfolio of western supply basins utilizing existing and expanded transportation infrastructure.

- ECA Phase 2: ~2+ Bcf/d feedgas demand will likely necessitate a greenfield pipeline to ensure it can fulfil its load and operational requirements.

- Evaluating cost / risks / benefits of different routes.

- Magnitude of Permian resource & credit-worthiness of key stakeholders make it a candidate for the primary source of feed gas supply but is largely associated gas.

![Map showing gas flow from Rockies to Energía Costa Azul LNG terminal.](image)

Source: WoodMac H1 2019
Rockies Natural Gas to Energía Costa Azul
Rockies Natural Gas to Energía Costa Azul

Substantial existing processing and pipeline (intrastate/interstate) infrastructure provide major outlets from Rockies Basins.

This transportation infrastructure provides significant optionality to move Rocky Mountain Gas sourced from west of the Continental Divide in multiple directions to multiple markets:

- Kern River has carried 400 mmcf/d into the short term market for some time
- Interconnect North Baja with Mojave (approx. 60 miles) to get Kern gas into Sempra project. Incremental transport can be procured via expiring contracts
- Kern could add incremental capacity via Vegas loop
- Transcolorado to/from Piceance Basin to/from San Juan Basin (Meeker Hub to Blanco/Ignacio Hub)
- Southern Trails originating in San Juan Basin could be put back in service offering 60 mmcf/d. ROW should allow for new construction via existing pipe in the ground

Current utilization of 50% or less of system capacity; can absorb large production volume increases utilizing existing facilities/compression. Resource development attributable to Western States and Tribal Nations member assets will fuel production growth to increase system utilization
Pipeline Capacity: WSTN Members Bonding Authority

• Wyoming Energy Authority (WEA)
  • WEA may issue and have outstanding bonds to finance energy transmission facilities and related infrastructure, pipeline and other transportation and distribution projects which may be located within or without the state of Wyoming
  • Not to exceed $3 billion
• Utah Inland Port Authority
  • May issue bonds to finance the undertaking of any development objectives of the authority, including bonds for energy export infrastructure under the Utah Industrial Facilities and Development Act.
• State of New Mexico-State Highway Commission Transportation Bonds
  • "DEFINITION.--As used in Chapter 67, Article 3 NMSA 1978, "transportation system" means facilities used for the transportation of natural resources, manufactured products or passengers and includes communication and transportation structures and other facilities necessary for the operation of the transportation facilities."
ESG Green Fuels Certification - Western States and Tribal Nations/San Juan School of Energy Proposal Components

• Establish San Juan College of Energy as a “Center of Excellence” for the development of Environmental, Social, Governance (ESG) Standards for Rockies Natural Gas Industry

• Development of an ESG Green Fuels Certification Program that will:
  • Position Rockies Gas for LNG Exporters who are seeking to reduce, offset and eliminate carbon in the LNG value chain
  • Train and certify workers impacted by coal plant closures with a focus on workers from the Navajo Nation and other tribal communities

• Job creation-12 LOS from Rockies Upstream Producers including Sempra LNG, Navajo Nation Oil & Gas, and BlackHawk Energy

• Work with companies working to achieve net zero emissions

• Work with Sempra LNG and other LNG Exporters (Total, Mitsui) as they lower carbon content in the value chain including introducing Bio-Gas – longer term move from LNG, to Blue H2 to Green H2
Natural Gas Intelligence
11.11.20

Sempra Building Strong LNG Franchise in North America, Says CEO

Sempra Energy’s planned portfolio of liquefied natural gas (LNG) export facilities is among the most competitive in North America, according to CEO Jeffrey Martin, who on Thursday outlined progress on the three big projects in Louisiana, Texas and Mexico.

A joint venture between Sempra LNG and Infraestructura Energetica Nova, S.A.B. de C.V. (IEEPA) (BMV: IENOVA) has taken a final investment decision (FID) to develop, construct and operate the Enventia Costa Azul.

RigZone
11.18.20
WSTN Looking to Lead On the Issue of ESG Clean Fuel

- Asian Carbon Reduction Study
- NM ETAC “Green Certification” Program
- Cooperation with Blue & Green Hydrogen Advocates and Producers
- Major Companies Total, Sempra, Mitsui transitioning to H2 and lower carbon players

Mtoe=million tons of oil equivalent. Mt=million tons
ESG Green Fuels Certification Project - “This is the Price of Admission” - Rockies Producers and Operators MUST stack hands and get behind a “sustainable” “green” natural gas. This will put Rockies in business alignment with major LNG players – Sempra, Total, Mitsui as they transform to lower carbon players with a focus on bio-gas, Blue Hydrogen and Green Hydrogen for domestic use and international export.
Questions?
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