



**Questions and Answers of the Request for Proposals for Natural Gas Storage Service in South Texas Region | Updated version**

No.	Question	Answer
1	The RFP does not provides instructions on how to apply as a consortium. Is there any additional information required if a participant will develop the project with a partner?	Yes, please referred to the updated RFP main document.
2	If the Participant requires to work with a potential partner during the preparation of a Proposal, Does all related entities have to be registered with CFE International?	Yes, please referred to the updated RFP main document.
3	If the Participant requires to share confidential information with a potential partner during the preparation of a Proposal, Does all related entities need to have a confidentiality commitment letter with CFE International?	During the preparation of a Proposal, if the Participant needs to share confidential information with a potential partner, all related entities must have a confidentiality commitment letter with CFE International. Please referred to the updated RFP main document.
4	Once the Project Developer is selected, will CFE International enter into a multi-party Confidentiality Agreement with the Selected Participant and the potential partner so that information can be shared accordingly amongst the parties?	Yes, after the Project Developer selection, CFE International will enter into a multi-party Confidentiality Agreement with the Selected Participant and the potential partner to enable information sharing among the parties.
5	CFE International lists the required Interconnections for delivery into and out of the Storage Project. Please provide the receipt and delivery capacities requested at each of the Interconnections to allow for the appropriate design.	Please referred to the updated RFP main document.
6	Will CFE International provide a proposed draft for the Storage Services? If so will such draft be included as Exhibit of the RFP?	CFE International will conduct negotiations with the Selected Participant or Participants to define the final commercial, operational and legal terms. As a result of these negotiations, CFE International may or may not enter into a final agreement or agreements for the Project with a Selected Participant.
7	What should Participant provide as Trading Certificate?	This requirement, as well as the Articles of Association and Banking/Payment Instructions, are not mandatory for the dully filled-out of the Questionnaire Form.
8	Assuming an injection rate of 150,000 and a withdrawal rate of 300,000, how will the volumes be allocated between the various requested interconnects?	Please referred to the updated RFP main document.
9	Assuming an Agua Dulce area interconnection header, will CFE International have transport on a third party pipeline around Agua Dulce inorder to deliver gas to the Impulsora pipeline	Please referred to the updated RFP main document.
10	Does CFE International have a targeted storage services "In-Service Date".	Please referred to the updated RFP main document.
11	Is CFE expecting to contract for storage services that will operate under the NAESB nomination standards?	Yes, CFE International plans to contract storage services that comply with NAESB nomination standards.
12	Can you be more specific about the "Technical Solution" section, is it related to the reservoir and/or operational characteristics?	CFE International expects the Participant to provide an outline describing the proposed technical solution, including details related to the reservoir and operational characteristics.



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13	Can the storage services be provided from an existing and/or an expansion on an existing facility?	Please referred to the updated RFP main document.
14	Does CFE have a preferred location for the storage project? I.e. in the general area of Agua Dulce or the start of the Valley Crossing Pipeline?	Yes, please referred to the updated RFP main document.
15	Can the contract have threshold commitments that will allow for the storage project to be modified due to subsequent engineering and/or reservoir/salt design findings which as a result either allows for termination or modification of the agreement between CFE International and the storage project.	Yes, as long as this milestones does not modify: (i) the final Tariff Rate agreed by the parties, (ii) the accomplishment of the COD requirement in this RFP, and (iii) the operating conditions required in this RFP.
16	Will CFE commit to a binding precedent agreement or performance bond?	Yes, CFE International may to sign a precedent agreement or to offer a pre-operative Parent Company Guaranty, if the Storage Project terms include obligations or require CFE International's involvement to ensure full project completion.
17	What involvement does Sidley Austin, LLC have in the process	Sidley Austin LLP is CFE International's legal advisor.
18	Will additional questions be accepted past the March 18, 2024, due date indicated in the process table?	No, please adhere to the RFP Schedule.
19	Is each interconnect required to be bi-directional and capable to flow 500 MMBtu/day into each of the subject pipelines?	Please referred to the updated RFP main document.
20	What is the anticipated FID Date?	Please referred to the updated RFP main document.
21*	Will CFE be providing the first drafts on or prior to May 13, 2024, so negotiations can begin immediately?	CFE International will not provide draft agreements related to the development of the facilities, considering that the RFP allows for proposals for storage services from either in-development or existing storage facilities. The final agreement(s) will depend on the proposals submitted by the selected participant and will be tailored accordingly. <b>CFEi expects that the final service agreements are consistent with standard industry terms, provided in Exhibit A.</b>



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22*	If CFE is providing the first drafts, can CFE list which draft agreements CFE will be providing on May 13, 2024?	CFE International will not provide draft agreements related to the development of the facilities, considering that the RFP allows for proposals for storage services from either in-development or existing storage facilities. The final agreement(s) will depend on the proposals submitted by the selected participant and will be tailored accordingly. <b>CFEi expects that the final service agreements are consistent with standard industry terms, provided in Exhibit A.</b>
23*	Are there any draft agreements CFE expects the Participant(s) to provide on May 13, 2024, if yes, can CFE tell the Participant(s) which draft agreements CFE expects to be provided on May 13, 2024, by the Participant(s)? If there are multiple Participants selected on May 13, 2024, and Participants are expected to provide drafts to CFE on May 13, 2024, to begin negotiations, then Participants will need guidance from CFE on how a Participant should coordinate with other Participants prior to being selected on May 13, 2024, so the Participants can finalize drafts among themselves prior to the start of negotiations with CFE on May 13, 2024.	CFE International will not provide draft agreements related to the development of the facilities, considering that the RFP allows for proposals for storage services from either in-development or existing storage facilities. The final agreement(s) will depend on the proposals submitted by the selected participant and will be tailored accordingly. <b>CFEi expects that the final service agreements are consistent with standard industry terms, provided in Exhibit A.</b>
24	Is a newly constructed cavern mandatory or would CFE International consider storage at an existing cavern?	Please referred to the updated RFP main document.
25	Does CFE International require all capacity in a single storage cavern or are multiple caverns acceptable?	CFE International could accept Proposals that considers multiple caverns as long as it complies with the RFP requirements.
26	Does CFE International need a dedicated cavern or could third-party volumes be stored in the same cavern?	It would be preferable to have a dedicated cavern, but third-party storage is allowed as long as it complies with CFE International requirements and free access regulations. Additionally, acceptance is contingent upon guaranteeing the most favorable conditions for CFE International (most favored nation clause). In the event that third parties are involved, costs must be apportioned proportionally to the contracted capacity.



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27	Can the capacity be staged-in over time? If so, how much capacity would CFE International require within twelve months from FID and by what date would CFE International want all 10,000,000 MMBtu in-service?	Due to the nature of the current RFP, CFE International will not accept staged-in capacity overtime. However, participants should offer the entire working gas capacity by the COD.
28	All interconnections other than Impulsora are in close proximity to Agua Dulce ("AD"). Would CFE International be satisfied with a local physical connection at or near AD to a CFE International-selected pipeline if that connection would allow it to still transact on Impulsora?	Please referred to the updated RFP main document.
29	Since the Nueces Header connects to all named pipelines other than Impulsora, would a connection to the Nueces Header be sufficient to achieve desired interconnectivity (aside from the Impulsora conversation)?	Please referred to the updated RFP main document.
30	Please provide the desired injection and withdrawal capacities for each of the identified interconnections.	Please referred to the updated RFP main document.
31	Please provide the desired incremental wheeling capacity that CFE International would like to reserve on a firm basis.	Participant could offer the wheeling service in its Proposal as a benefit for CFE International, but it is not a mandatory requirement.
32	Does CFE International require no-notice or load-following service?	CFE International is interested in a service that offers the flexibility of intraday balancing, as the service will be directed towards its end clients, which are power plants.
33	Would CFE International consider pre-paying for any firm storage services? If so, would it consider paying multiple years in advance?	No, CFE International will not offer pre-payments.
34	Is CFE International willing to provide credit support for the 20-year contract? If so, what type of credit support would CFE International consider?	Yes, the credit support would be a Parent Company Guaranty from Comisión Federal de Electricidad.
35	In terms of participation, is CFE International interested in project-level equity or equity at the corporate level?	CFE International is interested in project equity or benefits.
36	In terms of Build Up, is CFE International more focused on a low gross fee or the lowest fee net of its equity interest?	CFE International will evaluate which offer brings the most benefit and less cost in terms of Net Present Value.

*The entire RFP process will be conducted entirely via the email address [proposals@CFE InternationalInternational.com](mailto:proposals@CFE InternationalInternational.com)  
Potential Bidders are not allowed to contact CFE International staff by any other means regarding the process.*