CFE International LLC
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Houston TX, March 22, 2024

REQUEST FOR PROPOSALS FOR NATURAL GAS STORAGE SERVICE IN SOUTH TEXAS REGION

I. Introduction

CFE International LLC ("**CFE International**") is an entity based in the United States of America ("**USA**") responsible for procuring natural gas in the USA to support power generation in Mexico and for third-party marketing. CFE International was established to assist in the development of strategic projects in the energy sector and is a key element in the value chain of *Comisión Federal de Electricidad* ("**CFE**"). CFE International is a wholly owned affiliate of CFE, a productive company of the Mexican State, which provides the generation, transmission, distribution, and supply of electricity, for and on behalf of the Mexican State, as well as import, export, transport, storage, and purchase of alternative fuels, and seeks the development and the execution of new projects and implementation of alternative energy sources.

Through this Request for Proposals ("**RFP**"), CFE International seeks proposals (the "**Proposals**") for:

- Developing a new natural gas storage project in the South Texas Region (the "**Storage Project**"). CFE International is open to receiving Storage Services at a storage facility, whether in-development or existing, provided that the Participant can comply with the terms described in this RFP.
- Providing natural gas storage services in the Storage Project (the "**Storage Services**") (together with the Storage Project, the "**Project**"),
- A Participation in the Project, as detailed in Section III, as consideration for CFE International's role as the anchor client of the Storage Project.

Participants interested (each an "**Participant**" and collectively "**Participants**") in participating in this RFP must successfully complete the requirements described in Section III herein.

Following its evaluation of the Proposals, CFE International may or, may not, select one or more Participants (each a "**Selected Participant**" and collectively "**Selected Participants**") with whom to negotiate the final commercial terms for the Project in its sole discretion. CFE International may, but shall not be obligated to execute definitive agreements with any Selected Participant.

This RFP is not legally binding for CFE International and does not create any obligations for CFE International to enter into any agreement, whatsoever. There shall not be a binding agreement with CFE International unless and until a formal and definitive agreement has been negotiated and approved by the appropriate corporate action by CFE International and the Selected Participant or Selected Participants and their legal counsel and executed and delivered by such parties.

CFE International may at any time, without prior notice, modify or amend the RFP, withdraw this invitation and may (i) take such decisions and/or adopt such procedures that it may deem appropriate, which may include, but is not limited to, requesting adherence to its internal onboarding procedure; (ii) terminate the RFP process for any reason at any time in CFE International's sole discretion; and/or (iii) negotiate such other terms and conditions with an Participant or Participants, or other third party, as it may deem appropriate.

As part of the RFP process, it is mandatory for participants, to be considered as Participants, to submit certain documentation and answer the Questionnaire Form, as further defined herein, for due diligence purposes. CFE International at its sole discretion may disregard Proposals inconsistent with the requirements herein. All decisions made by CFE International in connection with the RFP process shall be subject to its sole and absolute discretion and shall be final and non-appealable.

II. Exhibits

This RFP considers the following exhibits:

- Exhibit I: Registration Form
- Exhibit II: Confidentiality Commitment Letter
- Exhibit III: Questions Form

III. Work and Service Requested

Storage Project:

The Storage Project work requested under this RFP includes Participants being responsible for all work required to design, construct, commission, operate, and maintain the Storage Project, including the following:

- Design and construct the Storage Project, and related facilities, to storage natural gas as required herein. The Storage Project will comply with all applicable federal, state, county, local, and/or municipal laws, regulations, and standards, and will support a construction schedule that meets requirements for the testing, startup, and commissioning by the COD.
- Securing, obtaining, and repaying all financing necessary to develop, design, construct, maintain and operate the Storage Project, at its own cost and risk, without any recourse to CFE International.
- Obtain and preserve all federal, state, county, and/or municipal permits (including conditional use permits), authorizations, consents, registrations, variances, and other approvals required for the construction, operation, and maintenance of the Storage Project, together with any crossing or encroachment agreements for crossing state and county roads, other pipelines and power lines, canals, etc.
- Obtain and preserve the land tenure for the Storage Project, all in compliance with applicable federal, state, county, and/or municipal laws and regulations, including, if applicable, the National Environmental Policy Act, the National Historical Preservation Act, the Endangered Species Act, and the rules and regulations promulgated by the Federal Energy Regulatory Commission.
- Construct, startup, and commission the Storage Project according to its design, and the practices; methods; specifications; licensing requirements; standards of care, skill, diligence, safety, and performance; and acts generally engaged in or observed by recognized and experienced national construction companies operating nationally, as in effect from time to time, which are consistent with good judgment, applicable laws, rules, regulations, codes, and standards; reliability; safety; economy; efficiency; and expediency.
- Provide a plan for maintenance of the Storage Project in accordance with applicable laws, rules, regulations, and industry standards (the "**Maintenance Schedule**").
- Provide an outline of the technical solution, including the technical features and location of the Project.
- Provide a detailed construction schedule, considering the appropriate time to comply with the COD, and specifying the time for, including, but not limited to the following activities: (a) internal decisions; (b) obtention of land and permits; (c) engineering; (d) procurement, and (e) construction and commissioning (the "**Construction Schedule**"). The Construction Schedule should include milestones that are considered to be **Critical Events**. CFE International will monitor the milestones compliance, based on the Construction Schedule as provided pursuant this section, or otherwise as agreed to by CFE International and the Selected Participant or Participants.
- Provide a **Use of Funds Schedule**, which includes all Capital Expenditures, that shows all the monthly cashflows associated with the Construction Schedule and other project activities during the period before the COD ("**Pre-operational Period**").

- Provide a **Source of Funds Schedule** that shows the funding sources to be used on a monthly basis to meet the monthly cashflow needs for the project during the Pre-operational Period.

Storage Services:

Participants shall send their Proposals **considering** the operating terms listed below (the "**Operating Terms**"):

- **Service Period:** 20 years.
- **CFE International Working Gas Capacity:** 10,000,000 MMBtu.
- **Injection Rate:** between 150,000 MMBtu/day and 300,000 MMBtu/day.
- **Withdrawal Rate:** between 300,000 MMBtu/day and 500,000 MMBtu/day.
- **Interconnections:** Delivery into and out of the Storage Project should include means to use transportation on Southern Texas facilities, specifically the following:

Pipeline	Direction	Injection | MMBtu/d	Withdrawal| MMBtu/d
VCP System (Nueces Header or Brownsville Pipeline)	Bi-directional	Up to 300,000	Up to 500,000
NET Mexico Pipeline	Bi-directional	Up to 300,000	Up to 500,000

- **Gas Quality:** The storage facility must have a gas quality compatible with Nueces Header, Brownsville Pipeline and NET Mexico Pipeline.
- **Rapid cycling:** Indicate the rapid cycling with which the Storage Project would operate.
- **Base gas**: Participants must indicate the Base Gas required for the operation of the Storage Project. Consider that Participants will be responsible for the Base Gas required.
- **Fuel:** Indicate if there is fuel required.

Participants shall send their Proposals **improving** the economic terms listed below (the "**Economic Terms**"):

- **CFE International Build Up:** As consideration for CFE International's role as an anchor client for the Storage Project, CFE International seeks to have an incremental participation ("**Build Up**") with no capital injection. CFE International expects any or a combination of the following options: (i) a partnership of up to 49% through capital participation or benefits in the Storage Project, and/or (ii) a discount on the Tariff Rate (including, but not limited to, the fixed charge or injection/withdrawal charge). Participants must clearly indicate in their Proposals the proposed Build Up equity and percentage of participation and/or the discount on the Tariff Rate in percentage or in dollars per MMBtu. In case that Participant considers for its Proposal an in-development or existing storage facility, CFE International only expects a partnership of up to 49% through capital participation or benefits in the storage facility.
- **Commencement Operation Date ("COD"):** Regardless of the type of storage facility (i.e., new, in-development, or existing), the COD must be no later than September 1st, 2027.
- **Seed Money:** Participant will be responsible for incurring the necessary costs in seed money to begin the Storage Project development.

IV. Description of the RFP process

The entire RFP process will be carried out exclusively in English and communications will be conducted through the email address proposals@cfeinternational.com. **Participants are strictly prohibited from contacting CFE International staff through any other means in relation to the RFP process.**

The RFP process will be conducted according to the following schedule (the "**RFP Schedule**"), failure to comply with such may result in disqualification from the RFP process:

Process	Date/Deadline
CFE International publishes the RFP at its official website at www.cfeinternaitonal.com.	February 28, 2024 before 23:59 hrs US CT
Participants shall successfully send, via email, to proposals@cfeinternational.com the following documentation dully filled-out and, if applicable, signed by an authorized representative or signatory in PDF format: a. **Registration Form** (Exhibit I). b. **A Non-Binding Letter of Interest**. c. **Confidentiality Commitment Letter** (Exhibit II). In case that a Participant desires to apply to the RFP with another company or others companies (**"Partner"** or **"Partners"**) in a partnership (the "**Partnership**"), it shall be indicated in the Non-Binding Letter of Interest listing all the companies that constitute the Partnership. Also, each company in the Partnership must provide a dully filled-out Registration Form, and the Confidentiality Commitment Letter. Participant (s) must submit an official document that proves the Partnership is constituted. The information referred in this paragraph, must be provided no later than May 3, 2024, in case that the Participant does not have a Partner or Partners at March 11, 2024.	March 11, 2024 before 23:59 hrs US CT
Participants send questions to CFE International, using the Questions Form (Exhibit III).	March 18, 2024 before 23:59 hrs US CT
CFE International publishes, at its official website, the final version of the RFP, including the answers to the Participants' questions received on time.	March 22, 2024 up to 23:59 hrs US CT
Participants shall successfully: a. Complete the questionnaire form electronically available at the following link (the "**Questionnaire Form**"): Questionnaire Form. b. Send the following documentation in PDF format, or as otherwise specified, via email to proposals@cfeinternational.com: i. **Proposal.** The Proposal shall remain in force and effect until May 28, 2024, and it shall include the following documents: 1. The written Proposal signed by an authorized representative or signatory, which includes the Tariff Rate and the Operating Terms and indicates what Economic Terms listed in Section III herein are improved; 2. The financial scenarios in Microsoft Excel format; 3. The outline of the technical solution; 4. The Construction Schedule; 5. The Maintenance Schedule;	May 3, 2024 before 23:59 hrs US CT

Process	Date/Deadline
6. The Use of Funds Schedule, and 7. The Source of Funds Schedule. ii. **Copy of the Certificate of Incorporation** or the document that proves the incorporation of the Participant. In case Participants are incorporated outside the Unites States, the documents must be duly apostilled or legalized, as appropriate, along with a certified translation to English, if applicable; iii. **Certificate of Incumbency** or other such instrument as necessary to reflect that the representative or signatory is duly authorized and empowered to execute the Non-Binding Letter of Interest and the Confidentiality Commitment Letter. If that document has been issued outside of the United States, the document must be duly apostilled or legalized, as appropriate, along with a translation to English, if applicable; iv. **Copy of official identification of the signatory.** A valid passport or driver's license will be accepted. In the case of documents issued outside of the United States, only a valid passport will be accepted, and v. **Document proving the Participant's experience.** Participants must prove their experience in the development of similar projects by providing a list of natural gas storage facilities, at the time of this RFP, they have built and/or operated in the last ten (10) years. They must include, for each project: name, location, owner's name, and address. vi. **Bid Bond in benefit of CFE International.** Participants shall provide a Bid Bond in benefit of CFE International according with Section VI herein.	
CFE International informs Participants if their proposal has been Selected.	May 13, 2024 before 23:59 hrs US CT
CFE International conducts negotiations with the Selected Participant or Participants to define the final commercial, operational and legal terms.	From May 13 to May 24, 2024
Anticipated date of execution of the final agreement or agreements for the Project	May 28, 2024 before 23:59 hrs US CT

The omission of any of the above requirements may be cause for rejection of Participants. CFE International may, at its sole discretion, reject any Proposal from any Participant, without any liability to any party.

CFE International will accept questions from Participants in accordance with the RFP Schedule. **Participants must submit written questions using the Questions Form to the email address** proposals@cfeinternational.com. CFE International reserves the right to answer or not answer any question in its sole discretion. Failure to comply with the procedures herein may result in disqualification from the RFO process.

CFE International reserves the right to adjust the foregoing RFP Schedule as it deems necessary, revise the RFP as it deems convenient, and conduct additional meetings with Participants, provided all such modifications and meetings are nondiscriminatory and transparent. CFE International reserves the right to communicate with, comment or ask questions of Participants after the proposals are submitted. CFE International reserves the right to request clarification with respect to any item of the Proposal, which shall

be made in writing with a deadline for responding specified in such request. CFE International reserves the right to request additional information from any Participant as it deems necessary.

V. Selection Process

For the integration of the Proposals, Participants must consider the information and requirements contained in all the Sections of this RFP and its Exhibits. The Proposals shall be prepared with complete clarity to avoid misinterpretation and comply with all of the requirements listed in this RFP. The Proposals shall not be amended.

CFE International will evaluate the Proposal using the "**Best Value Analysis**", by considering the factors listed below, weighted at CFE International's discretion:

i. The reasonableness of the Proposal submitted by each Participant in comparison to the rest of the Proposal received from other Participants, as a whole;
ii. The proposed Tariff Rate, lower is better;
iii. The proposed equity participation of CFE International and/or Tariff Rate Discount;
iv. The Operating Terms, and
v. Other elements that CFE International may consider to be relevant.

CFE International may select one or more of the received Proposals which comply with this RFP's requirements and that have an appropriate balance of economic benefits and costs from the perspective and discretion of CFE International. The Participant or Participants who submitted such Proposal or Proposals will be the Selected Participant or Participants. CFE International will notify the Selected Participant or Participants in writing, via email, of their selection pursuant to the RFP Schedule. CFE International reserves the right to engage in discussions with Participants regarding the Proposals to clarify such Proposal(s).

Upon the notice to the Selected Participant or Participants of its selection, 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 (in such case, that Selected Participant shall be the "**Project Developer**"). CFE International may request a refresh of Proposals from one or more of the Participants in the event CFE International cannot reach an agreement with a Selected Participant or Participants.

Any Participant who incurs in false declarations shall be held responsible by CFE International and shall indemnify to it any damages that result from the falsity of its declarations or the withdrawal of their Proposal; provided that, in the event said Participant becomes a Selected Participant or a Project Developer, CFE International will not be obliged to enter into negotiations and/or a formal and definitive agreement and may demand payment under the Bid Bond, further referred to herein, of said Participant. CFE International reserves the right to negotiate price, scope, schedule, and other contract terms with the Selected Participant or Participants, prior to executing definitive agreements. CFE International has no obligation whatsoever to select a Participant or to enter into a definitive agreement with the Selected Participant or Participants.

CFE International will not be responsible or accountable for any expenses incurred by Participants in connection with the development of the Proposal, including, but not limited to, legal expenses, travel costs, and/or preparation of documents.

VI. Guaranty Terms

Participants shall provide a Bid Bond in benefit of CFE International in an amount equal to the lower of (i) 1% of the Project Value (Capital Expenditures) or (ii) USD $1,000,000. This guarantee ensures commitment to the Project and shall stay in place from May 3, 2024, until May 28, 2024. The Bid Bond shall be provided in the form of a Letter of Credit issued by a Qualified Institution. For purposes hereof, "Qualified Institution" means a major U.S. commercial bank or the U.S. branch office of a foreign bank that, in either case, (a) is "well capitalized" within the meaning of Section 38 of the Federal Deposit Insurance Act, as amended, or any successor statute, and any applicable regulations thereunder; (b) satisfies all regulatory capital requirements applicable to it (including any individual regulatory capital requirements); (c) maintains a rating

of at least (i) “A-” by S&P and “A3” by Moody’s if such entity is rated by both S&P and Moody’s; or (ii) “A-” by S&P or “A3” by Moody’s if such entity is rated by either S&P or Moody’s but not both; and (d) maintains a capital surplus of at least Ten Billion USD ($10,000,000,000).

Participants, and the further Selected Participant or Participants shall maintain in place the Bid Bond until the Project Developer are announced, in terms of Sections IV and V herein; in which case, once a formal and final agreement has been reached, the Bid Bond shall be replaced with a Performance Bond by the Project Developer. Project Developer shall provide a Performance Bond in Benefit of CFE International in amount equal to between 5% and 10% of the Project Value (Capital Expenditures) and it will be adjusted according to the achievement of agreed-upon milestones during project execution. The specific details of Performance Bond will be addressed once the Project terms are defined and based on the complexity and contract obligations of the Project.

VII. Confidentiality

Each of the Participants’ Proposals will be non-binding on CFE International. CFE International shall not be liable to or in any way responsible for any costs incurred by any Interested and/or further Selected Participant or Participants unless and until the completion and execution of legally binding formal and definitive agreements in the terms of such, provided, however, that obligations of confidentiality and acting in good faith shall be binding since the Participants completion and sending, or its attempt to, of the Registration Form. CFE International, Participants and, if applicable, further Selected Participants shall keep all submissions and proprietary materials confidential, pursuant to the executed Confidentiality Commitment Letter attached hereto as Exhibit II.

VIII. Miscellaneous

According to CFE International's Anti-Corruption and Bribery Policy, Participants are informed that requests or proposals or delivery of any type of gift or business attention or of a social nature to personnel at the service of CFE International, such as gifts, meals, entertainment, or travel expenses, including transportation, accommodation, or any type of personal expense, regardless of their amount or nature, are prohibited.

Nothing in this RFP or in any other document or statement made or delivered by or on behalf of CFE International in connection with the RFP (including any decision or action taken by or on behalf of CFE International), shall create any legal right or claim of any nature in favor of any Participant and/or Selected Participant, or its affiliates, against CFE International or any of its affiliates or any officer, director, employee, agent or other representative of CFE International or any of its affiliates; and each such Participant and/or further Selected Participant hereby waives any such legal right or claim; CFE International will not have any legal obligation with any Participant and/or further Selected Participant.

Each Participant, by submitting any documentation referred to in this RFP, regardless of such documentation submission resulting or not in the response to questions, evaluation, acceptance or selection of a Proposal or Proposals, waives any conflict that may arise from Sidley Austin LLP’s representation of CFE International or any of its affiliates, including its parent company, in connection with this RFP and all transactions resulting from it.

This RFP and any agreement shall be governed in accordance with the laws of the State of Texas.