

June 6, 2024

BLACK BAYOU GAS STORAGE: NOTICE OF NON-BINDING OPEN SEASON FOR FIRM STORAGE SERVICE FROM CAVERNS 1 AND 2

OVERVIEW

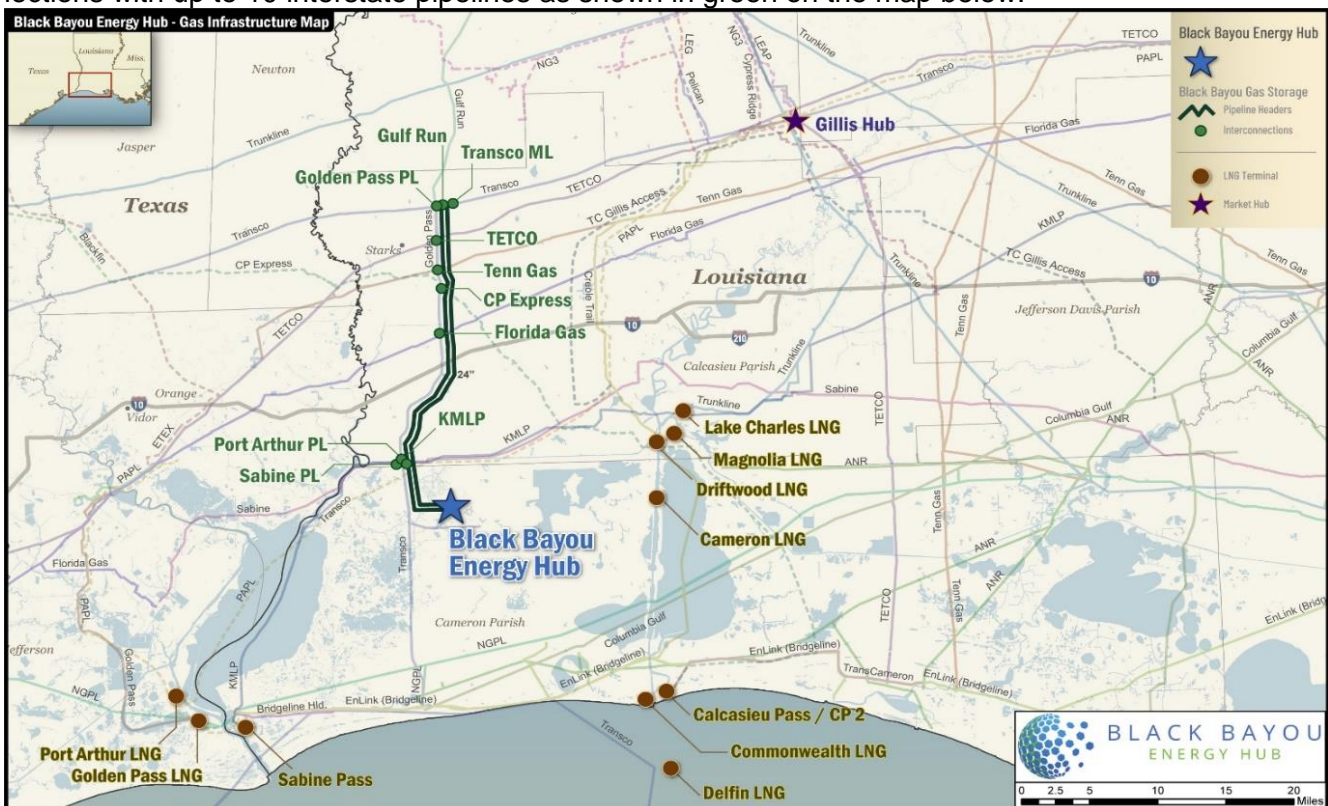
Black Bayou Gas Storage LLC (“Black Bayou”) is developing a FERC-regulated, interstate natural gas storage project in Southwest Louisiana (the “Project”). To support development of the Project, Black Bayou is soliciting non-binding bids for Firm Storage Service (“FSS Service”) through this Open Season for natural gas storage capacity, with a contemplated working gas capacity of up to 16 BCF in two underground natural gas salt dome storage caverns (“Cavern 1” and “Cavern 2”). Cavern 1 and Cavern 2 are expected to be available for Firm Storage Service on a phased basis commencing in April 2028 and July 2028, respectively.

Black Bayou may expand the project design to include incremental caverns to support market interest received in this Open Season. Such additional caverns would be available for FSS Service in 2030 or later. The anticipated in-service date of each cavern would be subject to change based on final project design and the receipt of necessary regulatory approvals for the Black Bayou project.

Interested bidders should fill in the Bid Form in this notice and email it to DCraig@BlackBayouEnergyHub.com by 7:00 PM, Central Daylight Time (CDT), on **Thursday, June 27, 2024**.

PROJECT DESCRIPTION

Black Bayou is developing a highly interconnected, high-turn interstate natural gas storage facility in the Black Bayou Salt Dome in Cameron and Calcasieu Parishes in Louisiana. Located near the Texas / Louisiana border in the heart of “LNG Alley” between growing upstream supply basins and downstream demand centers, Black Bayou will provide critical, flexible, and reliable balancing services to natural gas producers and consumers throughout the U.S. Gulf Coast. The Project will provide essential storage services to customers via connections with up to 10 interstate pipelines as shown in green on the map below.



OPEN SEASON PROCESS

This non-binding Open Season for FSS Service will commence on Thursday June 6, 2024 and conclude at 7:00 PM CDT **Thursday, June 27, 2024** (the “Bid Period”). As further detailed below, Black Bayou is soliciting non-binding bids for up to 16 BCF of Firm Storage Service to be provided under Rate Schedule FSS in the proposed Black Bayou FERC Gas Tariff.

After the close of this Open Season, Black Bayou will contact selected bidders to execute a confidentiality agreement and negotiate a binding Precedent Agreement (“PA”) in connection with its determination of steps with respect to the development and construction of the Project. Black Bayou anticipates finalizing PAs by August 31, 2024.

OPEN SEASON REQUIREMENTS

- **Primary Term (“Term”)**: Bids must have a minimum Term of at least 5 years. Unless otherwise noted in the bidder’s Bid Form, all bids will be assumed to be for capacity that may be served by both Cavern 1 and Cavern 2 on a phased basis, with partial service commencing on the Cavern 1 in-service date and increasing on the Cavern 2 in-service date.
- **Maximum Storage Quantity (“MSQ”)**: Black Bayou is soliciting non-binding bids for FSS Service, with a contemplated working gas capacity of up to 16 BCF of MSQ, with FSS Service beginning with the Commencement of Service from Cavern 1 and Cavern 2 anticipated for April 2028 and July 2028, respectively. Minimum bids of at least 0.5 BCF of MSQ are required. Maximum bids of 8.0 BCF of MSQ will be accepted.
- **Maximum Daily Injection Quantity (“MDIQ”)**: Bidders are requested to submit bids using an MDIQ ratio of 25,000 Dth/d per 1 BCF of MSQ
 - Non-conforming MDIQ ratio bids will be accepted and considered. Bidders wishing to bid for a non-conforming MDIQ ratio must detail such request in the notes section of the Bid Form.
- **Maximum Daily Withdrawal Quantity (“MDWQ”)**: Bidders are requested to submit bids using an MDWQ ratio of 35,000 Dth/d per 1 BCF of MSQ.
 - Non-conforming MDWQ ratio bids will be accepted and evaluated. Bidders wishing to bid for a non-conforming MDWQ ratio must detail such request in the notes section of the Bid Form.
- **Primary Receipt Point(s) and Primary Delivery Point(s)**: Bidders must specify desired Primary Receipt Point(s) and Primary Delivery Point(s) among the options specified in the Bid Form and must submit requested allocation of Maximum Daily Receipt Quantity (“MDRQ”) and Maximum Daily Delivery Quantity (“MDDQ”) rights among the desired Primary Receipt Point(s) and Primary Delivery Point(s). Bidders are requested to submit bids which do not allocate more than 40% of total MDRQ to any single Primary Receipt Point or more than 40% of total MDDQ to any single Primary Delivery Point.
- **Storage Reservation Charge (“Rate”)**: Bids must include a Rate in U.S. Dollars per Dth of MSQ per Month. Tiered or alternative pricing structures will be accepted and evaluated. Bidders should clearly define any non-conforming pricing mechanisms in the notes section of the Bid Form.
- **Ratchets, Fuel Reimbursement, and Storage Injection and Storage Withdrawal Charges**: Bidders are requested to submit bids that include the specified Ratchets, Fuel Reimbursement percentage, Storage Injection Charge, and Storage Withdrawal Charge listed in the Bid Form. Bidders wishing to bid for non-conforming Ratchets, Fuel Reimbursement percentages, Storage Injection Charges, or Storage Withdrawal Charges must detail those parameters in the notes section of the Bid Form.
- **Creditworthiness**: Bidders will be required to demonstrate creditworthiness or provide a credit alternative acceptable to Black Bayou. Bidders must be willing to provide additional credit information or evidence of creditworthiness requested by Black Bayou.

FOUNDATION CUSTOMER STATUS

A customer will be defined as a Foundation Customer if that customer participates in the Open Season and executes a binding PA with Black Bayou for FSS Service that: (A) has an MSQ of at least 4 BCF, (B) has a minimum primary term of at least ten (10) years, (C) includes that FSS Service may be provided by both Caverns 1 and 2 on a phased basis, with partial service commencing on the Cavern 1 in-service date and increasing on the Cavern 2 in-service date, and (D) has a Rate that is acceptable to Black Bayou for the economic viability and development of the Project. One Foundation Customer has executed a binding PA prior to this Open Season for 8 BCF of FSS Service for a 10-year term.

Foundation Customer benefits will include certain rights such as: term extension rights; exclusion from capacity allocation, except within the Foundation Customer class; most favored nation rate status with respect to certain qualifying non-Foundation Customer agreements; and the right to request that Black Bayou make additional storage capacity available in future caverns on a not unduly discriminatory basis.

BID EVALUATION PROCEDURES

Upon completion of the Open Season, Black Bayou will determine the order of priority among bids based on the highest economic value of each bid to Black Bayou and enter into negotiations to execute binding PAs with customers whose bids provided the highest economic value to Black Bayou.

Priority will be given first to bidders whose bids qualify for Foundation Customer status. Black Bayou will then determine the order of priority of remaining, non-Foundation Customer bids based on the highest economic value of each non-Foundation Customer bid, with the bids producing the highest economic value having the highest priority. Subject in all cases to the execution of binding PAs, capacity will be allocated first to Foundation Customers, with capacity among Foundation Customers being allocated on a pro rata basis and any remaining capacity will be allocated to other customers on a highest economic value basis. As part of the bid evaluation process, Black Bayou may expand the project design to include incremental caverns to support market interest received in this Open Season.

Black Bayou reserves the right to reject any requests for service on the project on a not unduly discriminatory basis. Black Bayou reserves the right to reject and remove from consideration non-conforming bids, or bids that do not conform to the phased basis of capacity availability as provided above, do not meet Black Bayou's creditworthiness requirements, or that include other contingencies unacceptable to Black Bayou, including bids that require a contract with a partial-year term, or bids that fail to meet the minimum terms set forth above with regard to contract term, MSQ, or any other economic criteria which could adversely affect the economics or operational viability of the project. Black Bayou reserves the right to define and maintain the economic viability of the Project in its sole discretion.

Bidders wishing to revise or withdraw their bids during the Open Season may do up until the close of the Open Season. Black Bayou reserves the right, but not the obligation, to request that bidders clarify bids containing ambiguous terms or terms that appear in error.

ADDITIONAL INFORMATION AND CONTACT INFORMATION

This non-binding Open Season is posted on the Black Bayou's website at www.blackbayouenergyhub.com and will conclude at **7:00 PM CDT on Thursday, June 27, 2024**. Black Bayou reserves the right in its sole discretion to extend, modify, cancel or terminate this Open Season, or waive any provision of the Open Season, during the Open Season by notice on its website.

Thank you for your interest in Black Bayou! Please do not hesitate to reach out to Dan Craig at DCraig@BlackBayouEnergyHub.com with any questions regarding Black Bayou's project, services offered or this Open Season.

BLACK BAYOU GAS STORAGE, LLC

Open Season Service Request Form (“Bid Form”)

Shipper Information

Contracting Shipper Entity Name: _____

Bidder Contact Name: _____

Bidder Contact Phone: _____

Bidder Contact Email: _____

Bid Details	Firm Storage Service	
Service Commencement Date:	50% Cavern 1 In-Service; 50% Cavern 2 In-Service*	
Contract Term (in Years):		
Maximum Storage Quantity (MSQ):		
Maximum Daily Injection Quantity (MDIQ) (25,000 Dth/d of MDIQ per BCF of MSQ):*		
Maximum Daily Withdrawal Quantity (MDWQ) (35,000 Dth/d of MDWQ per BCF of MSQ):*		
Preferred Primary Receipt Points (MDRQ by point) and Preferred Primary Delivery Points (MDDQ by point)**:	<u>MDRQ</u>	<u>MDDQ</u>
	Transco: _____	_____
	Gulf Run: _____	_____
	Golden Pass Pipeline: _____	_____
	TETCO: _____	_____
	Tennessee Gas: _____	_____
	CP Express: _____	_____
	Florida Gas Transmission: _____	_____
	KM Louisiana Pipeline: _____	_____
	Port Arthur PL - LA: _____	_____
	Sabine Pipeline: _____	_____
Simultaneous Injection and Withdrawal (Embedded Firm Wheeling):	Yes or No	
Ratchet Option:	Tariff Ratchets to be Provided	
Fuel Reimbursement:*	1.5% on injected volumes	
Storage Injection and Withdrawal Charge:*	\$0.01	
Storage Reservation Rate:		

* If customer desires to bid for terms that deviate from these parameters, please detail those terms and conditions in the notes section below.

** Sum of all MDRQ should equal to total MDIQ, and sum of all MDDQ should equal total MDWQ. Planned interconnects are subject to final project design and acceptable interconnect agreements.

Other desired terms:

Signature: _____