Magnum Energy Midstream Holdings Announces Non-Binding Open Season For Natural Gas Storage And Transportation Header Pipeline In Western U.S.

NEWS PROVIDED BY
Magnum Energy Midstream Holdings, LLC →
Aug 12, 2018, 09:00 ET

SALT LAKE CITY, June 27, 2018 /PRNewswire/ -- Magnum Energy Midstream Holdings, LLC (MEM), announced today the start of a non-binding Open Season for its **Western Energy Storage and Transportation Header Project (WEST Header Project)**, a new approximately 650-mile, large-diameter interstate natural gas pipeline designed to move natural gas bi-directionally between multiple receipt points and multiple delivery points, including storage, throughout multiple states in the Western Energy Corridor. This non-binding Open Season begins at 9 a.m., Mountain Daylight Time, on July 2, 2018, and ends at 5 p.m., Mountain Daylight Time, on August 31, 2018.

The **WEST Header Project** is being designed to maximize 40,000,000 Dth of High Deliverability, Multi-Cycle ("HDMC") salt cavern storage (currently FERC certificated and under development by Magnum Gas Storage (MGS)) near Delta, Utah. The proposed WEST Header Project will provide access to prolific natural gas supplies at or near the Opal Hub in Wyoming, Goshen Hub near Salt Lake City, Utah, and Permian Basin supplies flowing westbound to locations at or near Ehrenberg, Arizona.

The **WEST Header Project** anticipates allowing for receipts/deliveries directly into the Salt Lake City Valley at or near the Opal Hub, the Goshen Hub, the Las Vegas, Nevada, market, the Southern California market, and Phoenix/Tucson, Arizona, market (through Needles/Topock/Blythe/Ehrenberg), as well as potential international exports to Mexico at Yuma, Arizona, and West Coast LNG exports, including via Energia Costa Azul near Ensenada, Baja California, Mexico.

Western U.S. energy markets are currently undergoing a significant paradigm shift. This paradigm shift is being driven by several factors, including aggressive solar and wind capacity development in the Western Interconnection, increasingly tighter pipeline balancing requirements, long-term reliability issues with existing infrastructure, hydroelectric uncertainty, along with coal and nuclear retirements. Additionally, as producers of Rockies natural gas seek new domestic and international markets, including potential West Coast LNG exports and exports to Mexico, the need for strategically located deliverability options is becoming increasingly important. True bidirectional, intra-day, no-notice, hourly load following, peak hour supply reliability and traditional storage and transportation service, will be available to meet the current and future hourly demands of the Western Energy Corridor. In short, The WEST Header Project is being designed to function as a true header pipeline.

"Most traditional natural gas pipeline infrastructure projects have been designed to flow unidirectionally, from supply point to end-user. Historically single directional flows worked well for traditional 24-hour ratable gas deliveries. With the introduction of intermittent renewable energy sources, the need for strategically located natural gas infrastructure to provide intra-day flexibility has become increasingly important. By utilizing multiple HDMC salt caverns for gas storage and large capacity pipe for natural gas transportation, The WEST Header Project is being designed with increased flexibility of gas flows in mind," said Kevin Holder, executive vice president of Magnum Energy Midstream.

"In fact, The WEST Header Project can be described as an environmentally friendly pipeline project that further enables the development of intermittent renewable energy resources by providing a 'shock absorber' or 'battery,' allowing for intraday flexibility in managing the growing 'duck curve.' Additionally, this project opens new markets in need of incremental gas supplies including West Coast LNG exports and Mexico's developing power generation load," Holder added.

A completed MGS Expression of Interest Form should be emailed to Kevin Holder at kholder@magnumdev.com or Christine Wallat at cwallat@magnumdev.com by 5 p.m., Mountain Daylight Time, on August 31, 2018. The Expression of Interest Form, map and other information can be found on the WEST Header Project website at www.westhp.com or by contacting Kevin Holder at 214-300-1876 or Christine Wallat at 858-284-6121.

About Magnum Energy Midstream Holdings, LLC

The **WEST Header** and **Magnum Gas Storage** are wholly owned subsidiaries of Magnum Energy Midstream Holdings, LLC ("MEM"). MEM is a wholly owned subsidiary of Magnum Development, LLC, a Haddington Ventures,

LLC, portfolio company. Haddington principals have been involved in the merchant gas transportation and storage business since its emergence in the early 1990s. A list of Haddington's active and realized investments can be viewed at www.hvllc.com.

Contact: Kevin B. Holder
Magnum Energy Midstream Holdings, LLC
214-300-1876

SOURCE Magnum Energy Midstream Holdings, LLC