

USMCA Renews Economic Cooperation in North America

This week, U.S. President Donald Trump and Mexico President Andrés Manuel López Obrador convened in Washington, D.C. to celebrate the implementation of the United States-Mexico-Canada Agreement (USMCA) and the beginning of a new era of economic cooperation between the signatory countries.

At Sempra Energy, we believe the USMCA sets the stage for an exciting new phase of economic cooperation here in North America and the further integration of the U.S. and Mexican economies.

Sempra LNG's and IEnova's proposed Energía Costa Azul (ECA) export development project in Baja California, Mexico has the potential to be the first landmark project under this new trade agreement, upon issuance of the 20-year export permit by Mexico's Ministry of Energy.

Further, ECA would be the first liquefied natural gas export terminal to connect the abundant natural gas supplies of the U.S. western states, including Texas, Wyoming, Utah and New Mexico, to Baja California. The full project could create nearly 30,000 jobs and expand economic development and prosperity for both the U.S. and Mexico.

"One of the clear takeaways from the bilateral summit in Washington, D.C. is the recognition that this is a unique moment in time holding remarkable promise for both countries," said Jeffrey W. Martin, chairman and chief executive officer of Sempra Energy. "The passage of the USMCA was an ambitious step and raises the importance of cross-border projects like ECA due to the project's scale and significant benefits to both countries."

Phase 1 of the two-phased ECA project is "shovel-ready," with 20-year sales and purchase agreements with Mitsui & Co. Ltd, and an affiliate of Total, S.A., and a lump-sum engineering, procurement and construction contract with TechnipFMC. This first phase contemplates moving close to 400 million cubic feet of natural gas per day into Baja California with a view toward-diversifying the region's energy supplies, lowering the price of energy and supporting strategic exports to growing Asian markets.

Sempra Energy has partnered with communities in Mexico for more than 20 years to help improve their standard of living by providing jobs, access to

cleaner, lower cost energy supplies, and initiatives to improve the health, environment and economic security of Mexico. Sempra subsidiary IEnova is one of the largest infrastructure companies in Mexico and is listed on the Mexican Stock Exchange. IEnova's assets serve families and businesses all across Mexico with a view toward improving the country's energy and economic security.

With USMCA now fully in effect, issuance of the SENER permit by Mexico's Ministry of Energy is a critical next step to provide additional supplies of natural gas for Baja California and launch the creation of the next global energy hub, moving abundant, low-cost American natural gas across the western U.S. pipeline system to support job growth and economic expansion in Baja California, as well as a growing energy trade with Asia.

Learn more about [IEnova](#) and [Sempra LNG](#).

This article contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on assumptions with respect to the future, involve risks and uncertainties, and are not guarantees of performance. Future results may differ materially from those expressed in the forward-looking statements. These forward-looking statements represent our estimates and assumptions only as of the date of this article. We assume no obligation to update or revise any forward-looking statement as a result of new information, future events or other factors.

In this article, forward-looking statements can be identified by words such as "believes," "expects," "anticipates," "plans," "estimates," "projects," "forecasts," "should," "could," "would," "will," "confident," "may," "can," "potential," "possible," "proposed," "target," "pursue," "outlook," "maintain," or similar expressions, or when we discuss our guidance, strategy, goals, vision, mission, opportunities, projections or intentions.

Factors, among others, that could cause our actual results and future actions to differ materially from those described in any forward-looking statements include risks and uncertainties relating to: decisions, investigations, regulations, issuances of permits and other authorizations, and other actions by the U.S. Department of Energy, regulatory and governmental bodies and jurisdictions in the U.S. and other countries in which we operate; the success of business development efforts, construction projects and major acquisitions and divestitures, including risks in (i) the ability to make a final investment decision and completing construction projects on schedule and budget, (ii) obtaining the consent of partners, (iii) counterparties' financial or other ability to fulfill contractual commitments, (iv) the ability to complete contemplated acquisitions and/or divestitures, and (v) the ability to realize anticipated benefits from any of these efforts once completed; the impact of the COVID-19 pandemic on our (i) ability to commence and complete capital and other projects and obtain regulatory approvals, (ii) supply chain and current and prospective counterparties, contractors, customers, employees and partners, (iii) liquidity, resulting from bill payment challenges experienced by our customers, decreased stability and accessibility of the capital markets and other factors, and (iv) ability to sustain operations and satisfy compliance requirements due to social distancing measures or if employee absenteeism were to increase significantly; the resolution of civil and criminal litigation, regulatory investigations and proceedings, and arbitrations; actions by credit rating agencies to downgrade our credit ratings or to place those ratings on negative outlook and our ability to borrow at favorable interest rates; moves to reduce or eliminate reliance on natural gas and the impact of the extreme volatility and unprecedented decline of oil prices on our businesses and

development projects; weather, natural disasters, accidents, equipment failures, computer system outages and other events that disrupt our operations, damage our facilities and systems, cause the release of harmful materials, cause fires and subject us to liability for property damage or personal injuries, fines and penalties, some of which may not be covered by insurance (including costs in excess of applicable policy limits), may be disputed by insurers or may impact our ability to obtain satisfactory levels of affordable insurance; cybersecurity threats to storage and pipeline infrastructure, the information and systems used to operate our businesses, and the confidentiality of our proprietary information and the personal information of our customers and employees; expropriation of assets, the failure of foreign governments and state-owned entities to honor the terms of contracts, and property disputes; volatility in foreign currency exchange, interest and inflation rates and commodity prices and our ability to effectively hedge the risk of such volatility; changes in trade policies, laws and regulations, including tariffs and revisions to or replacement of international trade agreements, such as the North American Free Trade Agreement, that may increase our costs or impair our ability to resolve trade disputes; the impact of changes to federal and state tax laws and our ability to mitigate adverse impacts; and other uncertainties, some of which may be difficult to predict and are beyond our control.

These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the U.S. Securities and Exchange Commission (SEC). These reports are available through the EDGAR system free-of-charge on the SEC's website, www.sec.gov, and on the company's website at www.sempra.com. Investors should not rely unduly on any forward-looking statements.

Sempra LNG, Cameron LNG, Port Arthur LNG and ECA LNG are not the same company as San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra LNG, Cameron LNG, Port Arthur LNG and ECA LNG are not regulated by the California Public Utilities Commission.

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