

# Howard Energy Partners Announces Successful Open Season on Nueva Era Pipeline

## *Mexico's Comisión Federal de Electricidad to Be Foundation Shipper*

- CFE to Transport 504 Million Cubic Feet Per Day of Natural Gas on Nueva Era Pipeline
- Due to Successful Open Season, HEP to Launch Additional Open Season on Expansion of Nueva Era Pipeline
- Nueva Era Pipeline, LLC is a 50-50 Joint Venture Between HEP and Mexico-based Grupo Clisa

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SAN ANTONIO--([BUSINESS WIRE](#))--Howard Midstream Energy Partners, LLC ([HEP](#)) today announced that due to a successful open season, construction will move forward on the Nueva Era Pipeline, a 50-50 joint venture between HEP and Mexico-based energy and services firm [Grupo Clisa](#), connecting HEP's existing Webb County Hub in South Texas directly to Escobedo, Nuevo León, Mexico, and to the Mexican National Pipeline System (Sistema de Transporte Nacional Integrado) in Monterrey, Mexico. Mexico's Comisión Federal de Electricidad (CFE) will be the foundation shipper on the approximately 200-mile, 30-inch Nueva Era Pipeline and will transport 504 million cubic feet of natural gas per day on the system for a 25-year term to help fuel combined-cycle power plants in Escobedo, near Monterrey.

To accommodate the additional interest received in the initial open season, HEP will conduct a new open season for expansion capacity on the Nueva Era Pipeline from 9 a.m. CDT on August 12, 2015, through 5 p.m. CDT on September 15, 2015. HEP already has received a presidential permit from the Federal Energy Regulatory Commission that allows for the expansion of the Nueva Era Pipeline up to 1.12 billion cubic feet per day of capacity.

“This agreement with the CFE marks an important step not only for Howard Energy Partners, but for the energy and midstream industry as a whole, as cross-border relationships and business between the U.S. and Mexico continue to

grow,” said Mike Howard, chairman and CEO of Howard Energy Partners. “By developing a new pipeline that will directly connect Monterrey’s industrial demand center with South Texas natural gas production, we not only help the CFE significantly reduce energy costs to its customers, we create a whole new market for our customers. It is a win-win situation.

“This project has been in the works for several years, and its success is due in large part to our relationship with Grupo Clisa. Their experience and guidance has been instrumental in developing this project, and we look forward to continuing to work with them to provide our customers with cross-border energy solutions,” Howard continued.

“With this project we commit ourselves to the development of a cleaner and more economical energy source to meet the needs of Mexican consumers,” said Carlos Martínez Longoria, director of strategic planning of Grupo Clisa. “At Grupo Clisa, we look to create strategic partnerships and alliances with important companies such as Howard Midstream Energy Partners that promote cooperation and regional economic competitiveness.”

In a [statement](#) made on August 6, 2015, the CFE, Mexico’s government-owned electric power generation company, expressed that the Nueva Era Pipeline “provided the best economic conditions” for moving natural gas directly to the industrial demand center in Mexico. By connecting directly to HEP’s strategically located assets in Webb County, the Nueva Era Pipeline will connect the wellhead directly to the consumer, providing a new, more direct route for South Texas natural gas to enter Mexico compared to the more traditional routes by which the natural gas must move farther south before crossing the border. According to the Railroad Commission of Texas, Webb County is the state’s largest producer of natural gas.

Subject to meeting all regulatory requirements and finalizing definitive agreements, construction on the Nueva Era Pipeline is expected to begin in early 2016, with an in-service date of June 2017. The potential expansion will not affect the project schedule. HEP will manage all project construction and operations upon completion.

## **About Howard Energy Partners**

San Antonio-based Howard Midstream Energy Partners, LLC dba Howard Energy Partners is an independent midstream energy company, owning and operating natural gas gathering and transportation pipelines, natural gas liquids processing plants, rail facilities, liquid storage terminals, deep-water port facilities and other related midstream assets in Texas and Pennsylvania. The company has corporate offices in San Antonio, Houston and Mexico City. For more information on Howard Energy Partners, please visit our website [www.howardenergypartners.com](http://www.howardenergypartners.com).

## **About Grupo Clisa**

A Mexican business group established 25 years ago, Grupo Clisa has extensive experience in the energy sector, notably the importing and marketing of natural gas, thermal coal and petroleum coke. The group has five divisions: Energy, Logistics, Commerce and Services, Real Estate and Infrastructure, and employs more than 2,000 people. Throughout the company's history, Grupo Clisa has established important partnerships with prestigious world-class companies in the energy industry that have enabled it to gain solid global experience. For more information, please visit our website, [www.clisa.com](http://www.clisa.com)

## **Contacts**

### **Howard Energy Partners and Nueva Era**

M2H Communications

Meredith Hargrove Howard, 210-737-4478

[meredith@m2hpr.com](mailto:meredith@m2hpr.com)

or

### **Grupo Clisa**

FWD Consultores

Juan Carlos Zepeda, +52 55 5488 9088

[jczepeda@fwd.com.mx](mailto:jczepeda@fwd.com.mx)