April 20, 2020

Goldman Sachs
200 West Street
New York, NY 10282

ATTN: Mr. David Solomon

SUBJ: Investor Information for Shareholders Meeting 4/30/2020

Dear Mr. Solomon,

For reasons described below, we ask that West Street Energy Partners, LP private equity fund be instructed to inform shareholders of the extremely risky nature of the Mountaineer NGL Storage Project and consider terminating its development agreement with Mountaineer NGL Storage, LLC.

As you may be aware, the feasibility of the Mountaineer Storage Project is contingent on the construction of a proposed ethylene cracker plant in Belmont County, Ohio, which is supported by PTT Global Chemical and Daelim Chemical. However, in recent weeks a consensus has emerged among both rating agencies (Moody’s and Fitch Ratings) and industry analysts (IHS Markit and the Institute for Energy Economics and Financial Analysis) that under foreseeable market conditions the cracker plant is too risky a proposition to go forward.

The reasons for this shared conclusion pre-date the recent Saudi/Russian dispute over oil production and the COVID-19 crisis, although those events exacerbate the reasons and make them apparent to all.

- The price of polyethylene, the proposed cracker’s principal product, was plunging to record lows before the recent crises and has plunged further since.
- The market for polyethylene has, for the first time in history, entered a period of sustained oversupply due to a massive expansion of capacity along the Gulf Coast and in China.
- Competition in the plastics market is growing as major oil companies try to compensate for stagnant growth in fuel markets by competing more aggressively in petrochemicals.
- Growth in the demand for plastics is expected to slow as federal, state, and local governments adopt policies to counteract climate change and to reduce plastics pollution, such as bans on single-use plastics like those recently imposed in China and enacted by many state and local governments in the US.
- There is widespread uncertainty about how soon economic recovery will begin, how robust it will be, and the long-term effect on the plastics and petrochemical markets.

The degree to which the financial viability of the Mountaineer storage facility is dependent on the construction of the PTTGC cracker and the plastics market was expressed most powerfully by
David Hooker, president of Energy Storage Ventures and Mountaineer Storage, LLC. Hooker who said this in an April 2019 Associated Press story:

"To me, the key is PTT Global," Hooker said, adding that he ‘can't imagine’ the plant operating without ethane storage.”

The AP story then quoted another industry expert on the financial importance of the PTTGC cracker to storage projects in the region.

Appalachia Development Group's (Steve) Hedrick agrees with Hooker's assessment. Without the PTT-Daelim partnership or another regional petrochemical plant, Hedrick said his storage facility project probably won't be viable. “The two go hand in glove,” Hedrick said. “We need both at the same time. Without customers, it's awfully hard to make a business case.”

In short, any financial justification that may have once existed has now evaporated for the proposed cracker plant and for the associated storage facility, with which West Street Energy Partners has a development agreement. Therefore, we ask in the interest of your shareholders that you advise them of the risks associated with the project and consider terminating the agreement.

We also ask this of you as residents of the Ohio Valley, who face the prospect of huge greenhouse gas emissions as well as increases in air and water pollution that will have serious effects on our health and that of our children if the cracker and storage facility are built. Goldman-Sachs won widespread acclaim in 2019 when it issued its “Environmental Policy Framework”, and announced it would no longer underwrite coal projects and would conduct “enhanced due diligence” for projects involving “new unconventional oil & gas and hydraulic fracturing.”

In the spirit of the Goldman-Sachs Environmental Policy Framework and in light of the unfeasibility of the Mountaineer Storage project, please protect your shareholders and residents of the Ohio Valley by withdrawing from this economically unjustified and destructive project.

Sincerely,

Leatra Harper
Managing Director
FreshWater Accountability Project

Vivian Stockman
Executive Director
Ohio Valley Environmental Coalition
www.ohvec.org

Rachael Hood
Students for Energy Justice
Oberlin College

Brook Lenker
Executive Director
FracTracker Alliance
www.fractracker.org

Bev Reed
Community Advocate
Concerned Ohio River Residents
www.nocrackerplantov.com

www.FWAP.org  wewantcleanwater@gmail.com  P.O. Box 473, Grand Rapids, OH 43522