Power Resources Update

DATE: NOVEMBER 22, 2019

Agenda

- Overview of Energy Prepayment Program RFP
- Salka Wind Project Status Update

Energy Prepayment Program RFP

Overview of Energy Prepayment Transactions:

- Prepaid energy transactions are structured contracts in which an LSE buys back energy hedges from a counterparty at a fixed rate for a term of typically 15-30 years.

- This structure is well known and regularly practiced for gas and brown power transactions and is beginning to be explored for renewables.

- Benefits to utilizing a prepay structure include savings via reduced net cost of electricity funded with tax-exempt bond proceeds.

Energy Prepayment Program RFP

RFP Overview:

- EBCE and Silicon Valley Clean Energy are exploring the viability of prepaid energy transactions, with the support of PFM (Public Financial Management) as an advisor.

- The intent of utilizing the prepayment structure would be to leverage EBCE's tax exempt status to prepay long-term fixed price energy hedges, both achieving better economics and diversifying our exposure to price volatility in the market over time.

- The goal of the solicitation is to identify and assess capable counterparties, and to collect proposed transaction structures. EBCE has no obligation to transact out of this solicitation.

Timeline:

- Issued: Nov. 13, 2019
- Closes: Dec. 5, 2019
- Respondent Interviews: early Jan. 2020

Salka Wind Project – Progress Update

- **Project Overview**:
  - 23 2.5 MW wind turbines in the Altamont, Interconnection Capacity of 56.2 MWac
  - Anticipated COD of 12/31/2020 with a 20-year contract tenor

- **Site Activities**:
  - All relevant milestones have been kept, project is on schedule
  - Turbine foundation excavations under way, with 11 base concrete pours completed
  - Month ahead will see completion of:
    - Most access roads
    - Turbine foundations
    - Installation of the electrical collection system
    - Dismantling of the 2 old sub-stations

Early morning concrete pour at T12

QUESTIONS?