



Salka
Creating The Energy Of Tomorrow

EBCE PRESENTATION

June 21, 2017



Salka Energy

- Sophisticated and Experienced Developer headquartered in San Diego, CA
- Over 50 Years of Combined Wind Development Experience
- Team has Developed and Constructed nearly 1GW of Wind
 - Deployment of \$1.7 Billion in Capital
 - 11 utility-scale renewable energy projects
- Role: Developer, Taking project through Development and Construction phases
- Secure Equipment, Services, and Power procurement contracts
- Arrange Financing; including Sponsor Equity, Tax Equity, & Construction Debt



Project Partners



- Role: Equity Investor & Owner Operator
- Global private investment firm with more than \$10 Billion in AUM
- Manages private funds on behalf of endowments, foundations, public and private pension plans, private funds, family offices, insurance companies, and sovereign wealth funds
- 24 year successful investment track record



- Role: Equipment manufacturer and supplier, operations service and maintenance provider
- GE is one of the world's leading wind turbine manufacturers
- Over 30,000 Wind Turbines globally and with 51+ GW currently in operation
- Design & manufacturing facilities located in the U.S. and Europe



GE
Energy Financial Services

- Role: Tax Equity Investor
- A leading capital provider in the energy space with over \$25 Billion invested
- Holds approximately \$13 Billion in energy assets over 200+ investments
- Invested debt and equity in 45 Gigawatts of power projects



Deutsche Bank

- Role: Construction Lender
- One of the largest financiers of renewable energy in the world with a market capitalization of \$34.14 Billion
- In 2016 alone, arranged approximately \$4.3 Billion in project financing for over 3,480 MW of renewable energy projects

Summit Wind Farm

Size: 55 MW Repowering

Location : Alameda County (Altamont Pass)

Annual Production: 202 GWh (approximately 30,000 homes)

Jobs: 100 new jobs will be created

Unions: Project Labor Agreement with the Alameda building Trade Council

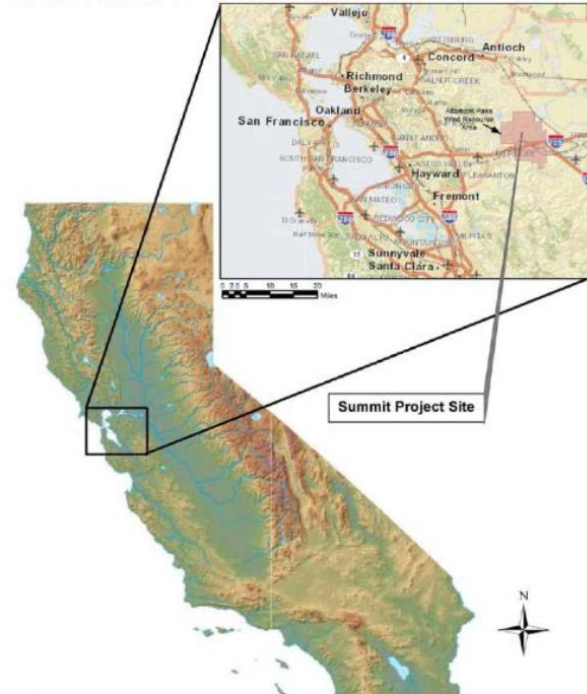
PPA: Signed a non-binding MOU with Alameda county in December 2016

PTC Qualification: 100% via Start of Construction

PTC Value Add: \$25.3M in value preserved (savings passed on to ratepayers)

Development Status

- **Site Control:** 3,363 Acres on private land
- **Interconnection:** Interconnection Agreement signed with PGE 8/15/2016
- **Permitting:** CUP Received from Alameda County on January 2016
- **Construction:** Construction Loan Expected to close September 1st 2017
- **Commercial:** September 1st 2018



Walker Ridge Wind Farm

Size: 135 MW New Build

Location : Lake and Colusa Counties

Annual Production: 356 GWh (approximately 53,000 homes)

Jobs: 125 new jobs will be created

Unions: Project Labor Agreement will be entered into

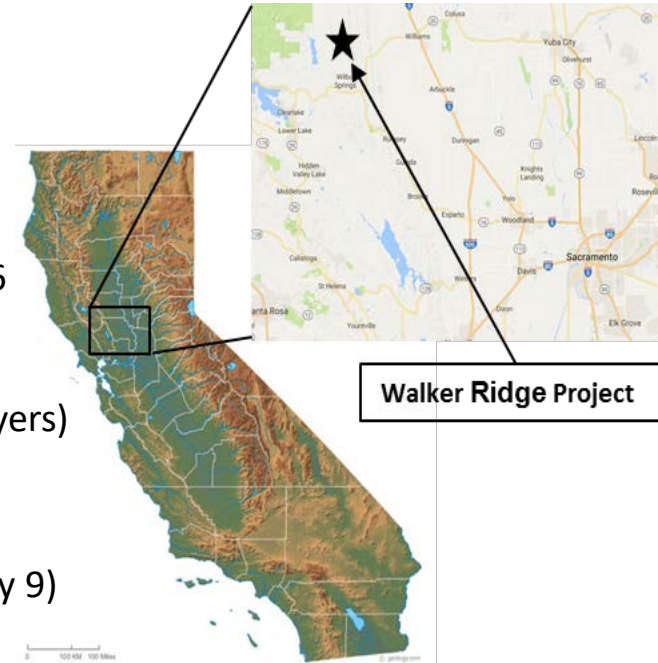
PPA: Signed a non-binding MOU with Alameda county in December 2016

PTC Qualification: 100% via Equipment Purchase (Safe Harbor)

PTC Value Add: \$44.5 M in value preserved (savings passed on to ratepayers)

Development Status

- **Site Control:** 7,8000 Acres on BLM Land
- **Interconnection:** \$3.3M deposit made 4/27/17 (Phase II Cluster Study 9)
- **Permitting:** Type III ROW expected Q4 2018
- **Construction:** Construction Loan Expected to close Q4 2018
- **Commercial:** September 1st 2019



Unique Attribute to Salka's Wind Farms - Generation Profile

- Complimentary Wind Generation Profiles provide round the clock renewable energy
- Clean energy generation when you need it most (Base Load Production)

Summit Energy Production (202 GWh/year)

Month	Hour																							
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
1	377	370	405	478	472	493	490	490	437	409	370	336	309	316	317	285	245	280	340	336	381	435	420	433
2	473	532	553	517	523	497	454	415	406	382	363	342	295	279	273	248	305	322	368	425	443	435	502	492
3	588	531	511	563	519	513	469	495	496	526	595	644	678	649	699	683	671	632	548	542	468	528	573	608
4	887	870	830	805	821	797	710	655	623	566	476	472	435	479	543	625	689	762	933	1,046	1,059	1,055	995	986
5	1,169	1,147	1,078	1,032	1,066	1,033	1,050	1,025	914	830	721	696	719	723	775	854	878	956	1,007	1,110	1,186	1,165	1,145	1,136
6	1,191	1,122	1,072	1,046	1,012	1,017	1,002	995	942	836	764	735	738	776	883	1,008	1,099	1,148	1,180	1,241	1,253	1,277	1,269	1,252
7	1,410	1,401	1,356	1,346	1,330	1,282	1,189	1,082	979	851	742	697	684	674	725	825	971	1,111	1,185	1,261	1,377	1,388	1,416	1,411
8	1,421	1,426	1,406	1,390	1,373	1,361	1,329	1,216	1,009	783	633	576	561	542	642	810	970	1,155	1,240	1,308	1,354	1,392	1,399	1,406
9	1,099	1,080	996	934	796	724	694	664	617	555	485	433	402	488	570	616	666	695	804	864	1,029	1,121	1,161	1,138
10	622	590	632	624	559	546	507	505	532	570	514	481	457	402	427	415	499	531	542	595	578	558	584	566
11	405	412	385	360	355	347	346	340	411	350	303	363	379	413	432	354	290	301	303	379	425	451	447	463
12	498	436	427	411	427	435	416	420	382	404	380	334	328	332	274	238	249	264	343	411	453	418	421	484

Walker Ridge Energy Production (356 GWh/year)

Month	Hour																								
	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	
1	1,659	1,703	1,725	1,775	1,731	1,741	1,829	1,864	1,799	1,626	1,494	1,412	1,231	1,152	1,153	1,135	1,256	1,367	1,404	1,432	1,544	1,559	1,701	1,740	
2	1,671	1,647	1,670	1,690	1,660	1,647	1,716	1,690	1,586	1,459	1,360	1,290	1,192	1,180	1,177	1,153	1,209	1,269	1,301	1,283	1,254	1,362	1,493	1,594	
3	1,786	1,899	1,907	1,885	1,864	1,849	1,836	1,839	1,628	1,552	1,474	1,461	1,471	1,548	1,648	1,634	1,579	1,607	1,660	1,672	1,702	1,770	1,696	1,713	
4	1,583	1,561	1,623	1,555	1,580	1,601	1,583	1,446	1,267	1,165	1,121	1,222	1,359	1,416	1,446	1,441	1,382	1,330	1,279	1,248	1,416	1,297	1,308	1,344	1,494
5	1,223	1,260	1,319	1,375	1,459	1,515	1,491	1,281	1,107	978	959	1,007	1,160	1,286	1,389	1,509	1,527	1,391	1,257	1,156	1,071	1,057	1,127	1,169	
6	1,055	1,179	1,372	1,573	1,704	1,676	1,545	1,249	943	725	704	804	938	1,096	1,207	1,279	1,356	1,329	1,145	1,009	923	930	918	1,047	
7	477	552	760	1,061	1,378	1,517	1,440	920	552	344	251	289	390	535	662	806	984	1,121	978	689	447	434	430	447	
8	381	500	655	850	1,089	1,306	1,334	926	570	368	258	324	475	618	695	773	851	933	882	619	432	429	420	395	
9	721	826	937	1,055	1,141	1,191	1,190	1,039	808	597	461	455	547	662	772	809	791	739	699	611	572	536	591	611	
10	1,424	1,417	1,474	1,509	1,509	1,461	1,547	1,476	1,257	1,065	921	848	836	890	955	935	944	952	940	1,050	1,122	1,195	1,302	1,376	
11	1,475	1,390	1,395	1,476	1,508	1,608	1,561	1,522	1,490	1,353	1,236	1,127	1,140	1,130	1,121	1,154	1,211	1,286	1,339	1,435	1,482	1,468	1,581	1,568	
12	1,737	1,641	1,667	1,654	1,626	1,704	1,682	1,753	1,784	1,640	1,499	1,441	1,421	1,357	1,315	1,390	1,412	1,541	1,630	1,604	1,716	1,845	1,904	1,851	

Asking EBCE to Move Forward with a PPAs Before Launch

Redwood Coast Energy Authority(RCEA)— Humboldt Bay County

Redwood Coast Energy Authority unanimously approved 2 separate Power Purchase Agreements with Humboldt Redwood Company (Biomass) and directed staff to start the process to procure further biomass energy from DG Fairhaven before they launched in May of 2017



REDWOOD COAST
Energy Authority

Average Annual Load: 833 GWh

Public Load: 3.7 GWh (Captive Load)

Went Live (Launched): May 2017

Signed PPA: March 2017

Power Provider: Humboldt Redwood Company

Facility Type: Biomass

PPA MW: 117 GWh Per Year

% of total Average Annual Load Contracted : 14%

PPA Rate: \$83/MWh

Serviced by prior to Launch: PG&E

Rate Savings Post PPA: 3%

Salka
Creating The Energy Of Tomorrow



Average Annual Load: 7,000 GWh

Public Load: 630GWh (Captive Load)

Planning to go Live (Launch): Q1 2018

Signed PPA: TBD

Power Provider: Salka LLC (Summit & Walker Ridge)

Facility Type: Wind

PPA MW: 558 GWh Per Year

% of total Average Annual Load Contracted : 8%

PPA Rate: Well below \$83/MWh

Serviced by prior to Launch: PG&E

Rate Savings Post PPA: Will meet targets set by EBCE

SUPPLEMENTAL SLIDES



Action Requested

Resolution being asked for:

- Asking that the EBCE board direct county staff and its consultants to move forward and negotiate a PPA for the EBCE to purchase the electricity generated from the Summit and Walker Ridge wind farms

Reasons why a PPA is Needed:

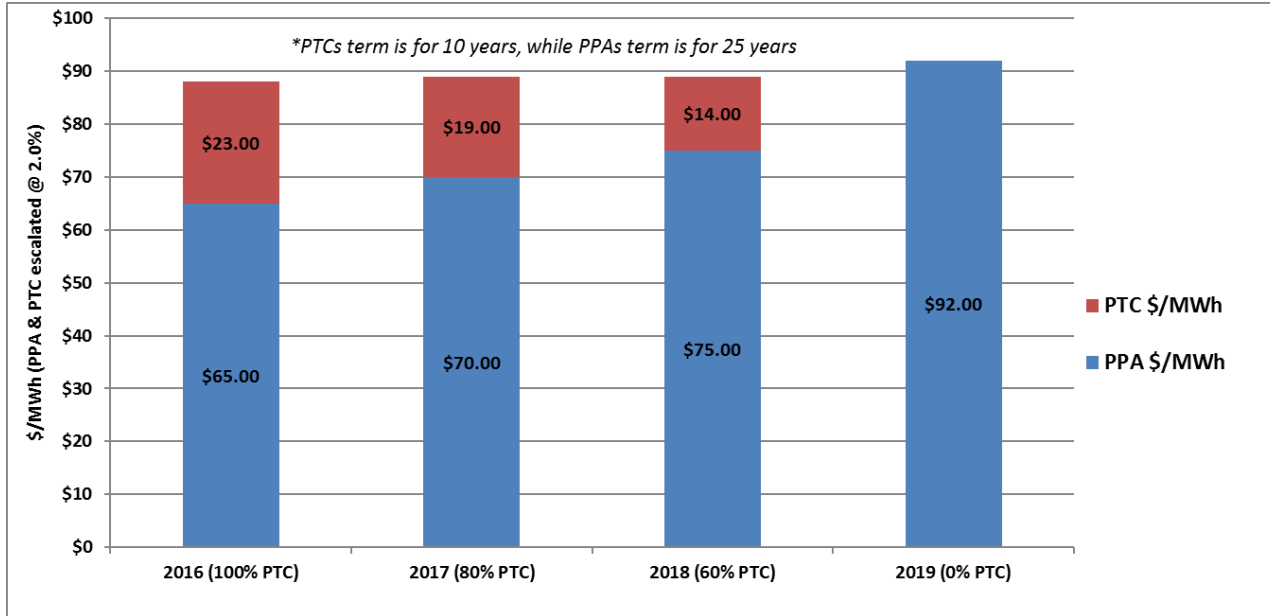
- Will be ready to begin construction in the next few months requiring Construction Loan
- Salka and its partners having invested nearly \$10M to qualify both wind farms for 100% of the PTC value, our investors are eager for the projects to move forward and start to generate revenue

Reasons why Moving forward with PPA negotiations today is a low risk option:

- Salka PPA will have no obligation to purchase any electricity until September 1st 2018
- PPA pricing and terms will be competitively priced and transparent
- All PPAs for operating wind farms are filed with the Federal Energy Regulatory Commission (FERC) and accessible
 - Can preset a list, prepared by a credible third party, showing PPA pricing and Term for all California PPAs obtained from FERC filings
 - These PPA prices can be compared with our proposed PPA price to ensure that we are pricing competitively

Unique Attribute To Salka Wind Farms - 100% PTC Qualified

- Qualifying wind projects receive \$23/MWh of Production Tax Credits (PTCs) for 10 years (escalating)
- Those who did NOT qualify their project for 100% value of PTC, will need roughly \$5.00/MWh in incremental PPA pricing for each 20% step-down in PTC value



Incremental ~\$5.00/MWh x 558,000 MWhs/year (Summit & Walker Ridge) x 25 years
= \$70 M in increased cost of procuring power from 1 year of PTC step down

Benefits to the Community

- Clean energy generation when you need it most (Baseload production)
- Removing 569 of 100kw turbines and replacing with 27 modern turbines
- Property Tax estimated at more than \$15 M
- 200 Jobs Created Mostly Union Jobs



Local Projects in the News

Sonoma Clean Power signs PPA for 46 MW of California wind energy

August 4, 2016 Michelle Froese : 0 Comments



Golden Hills North Wind Energy is located in Eastern Alameda County, and is expected to be operational at the end of 2017.

Sonoma Clean Power (SCP) has signed a power purchase agreement (PPA) for 20 years of wind power from Golden Hills North Wind Energy Center. SCP is a public agency that has been generating electricity for 88% of Sonoma County's residents and business owners since launching in 2014.

The PPA, which was negotiated by SCP's Director of Power Services Deb Emerson, is a step toward improved balance for the Agency's portfolio. "It's important to have a diversified power mix to support our load," said Emerson. "I'm pleased that SCP has been able to negotiate diverse power contracts for solar, geothermal, hydropower, and now wind."

Golden Hills North Wind Energy is located in Eastern Alameda County within the Altamont

Pass Wind Resource Area. The project is being developed by NextEra Energy Resources, and represents the Agency's first long-term, in-state wind contract.

sPower secures 49.5MW Silicon Valley Power PPA for wind projects in California

By Conor Ryan | Dec 08, 2016 1:00 AM GMT | 0



Independent renewable energy provider sPower announced that they were awarded a 25-year power purchase agreement (PPA) with Silicon Valley Power (SVP) to provide 49.5MW of wind power.

The Sand Hill Wind facilities will be developed within the Altamont Pass Wind Resource Area (APWRA) in Alameda County, California. sPower expects 25 wind turbines to be developed at the site, with commercial operations set to begin before the end of 2020.

Google buys Altamont wind energy to power Googleplex

By Matt O'Brien | mobrien@mercurynews.com

- (1) <http://www.windpowerengineering.com/construction/projects/sonoma-clean-power-signs-ppa-46-mw-california-wind-energy/>
- (2) <https://www.pv-tech.org/news/spower-secures-49.5mw-silicon-valley-power-ppa-for-wind-projects-in-califor>
- (3) http://www.mercurynews.com/business/ci_27503195/google-buys-altamont-wind-energy-power-googleplex