Ava Community Energy

Long-Term Renewable Energy Deal for Pre-Pay

FAP | Jim Dorrance | September 9th, 2026

Proposed Renewable Energy Deal - Overview

- **RPS renewable transaction**: Ava is seeking Board approval to enter into a renewable energy transaction with another CCA using a standard deal form
- **Purpose**: The parties will swap renewable energy to enable each CCA to assign the power into its respective Energy Pre-pay transaction
- **Customer savings**: Ava currently has seven Energy Pre-pay transactions that provide customer savings by leveraging Ava's ability as a tax-exempt entity to access tax-exempt bond financing
- **Term & Approval:** The transaction has a term greater than 10 years and will be presented to the Board as a Consent Item at the October meeting for approval

Proposed Renewable Energy Deal – Deal Structure

- **Contract Type/Structure**: The transaction will be structured as two contracts using the standard WSPP Agreement form for renewable energy purchases and sales
  - **WSPP Agreement**: WSPP (Western Systems Power Pool) provides a standardized contract form commonly used for wholesale power transactions
  - **Two Contracts**: (1) Ava sells renewable energy to another CCA and (2) Ava purchases an equivalent quantity of renewable energy from the same CCA at the same price, creating an exchange or swap
  - **Cost**: No incremental cost to Ava beyond the underlying transaction supporting the swap
  - **Quantity and Term**: Approximately 175,000 MWh of renewable energy annually, with a term beginning in 2027 or 2028 and ending concurrently with the supporting transaction, which will have a term greater than 10 years
- **Risk Assessment:** Limited risk with administrative efficiencies from working directly with another CCA rather than multiple suppliers and financing parties

Proposed Renewable Energy Deal - Summary

- **Purpose:** Swap renewable energy with another CCA to facilitate assignment into Ava's Energy Pre-pay transaction and support customer savings
- **Structure:** Two WSPP contracts for equivalent renewable energy purchases and sales, with approximately 175,000 MWh annually and no incremental cost to Ava
- **Risk & Approval:** Limited risk and administrative complexity with Board approval required as a Consent Item due to the transaction's term of greater than 10 years

Questions?