Agenda

• Overview of Energy Prepayment Program RFP
• Salka Wind Project Status Update
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](image)
QUESTIONS?