



Mt Simon Station & Resource Plan Update

April 29, 2025

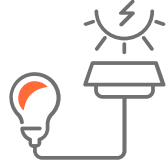


Power Supply Resource Plan | Renewable Energy. Reliable Capacity.

Renewable Energy



Wind
350 MW



Solar
50 MW



Hydro
3 MW

Reliable Capacity



Firm
Dispatchable
Generation



Battery
Storage
400 MWh



Demand
Response



Continued Conservation



Resource Plan | Progress to Date

Renewable Energy



Wind
350 MW
1,180,000 MWh

- RFI for PPAs
- 11 Responses
- Ranked and evaluated
- Negotiations



Solar
50 MW
97,000 MWh

- RFI for PPAs & Design/Build
- 50+ Responses
- 50 MW is small for Grid Scale

Capacity



Battery Storage
400 MWh
100 MW

- RFI for PPAs & Design/Build
- 40+ Responses
- Relatively narrow band

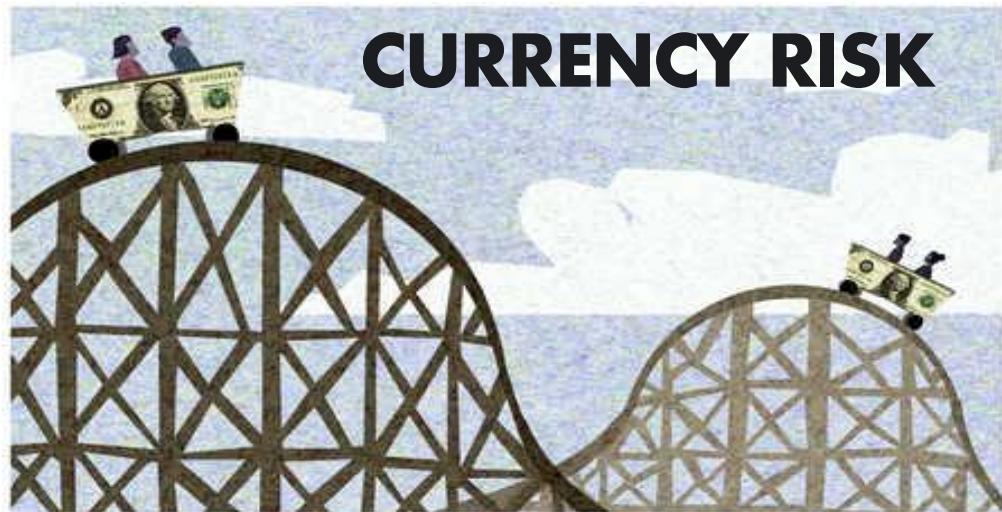


Firm Dispatchable Generation

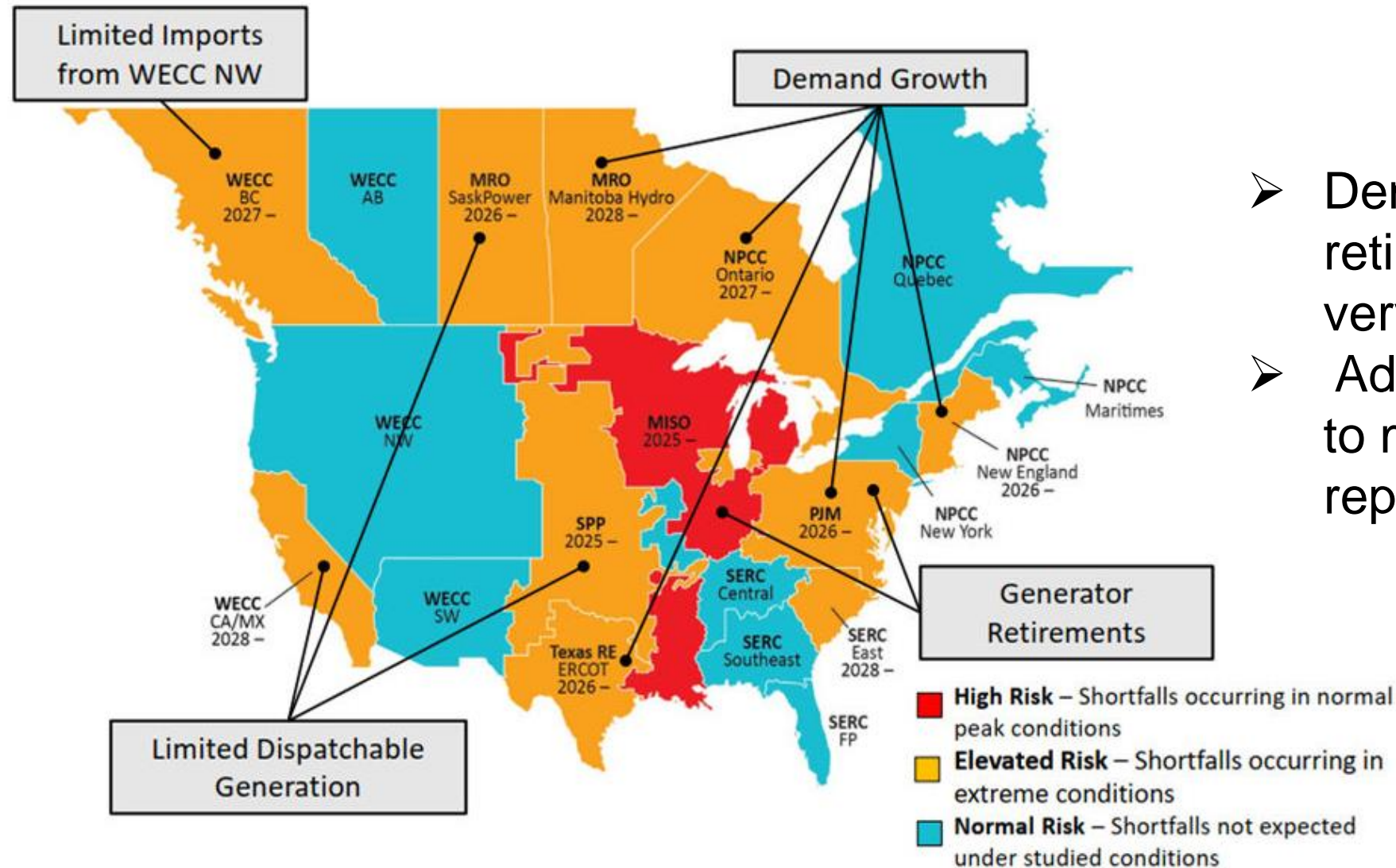
- Mt Simon
- RFP for Prime Movers
- Seeking contract capacity



Resource Plan | Cost Factors



Cost Drivers | Demand in Electric Market

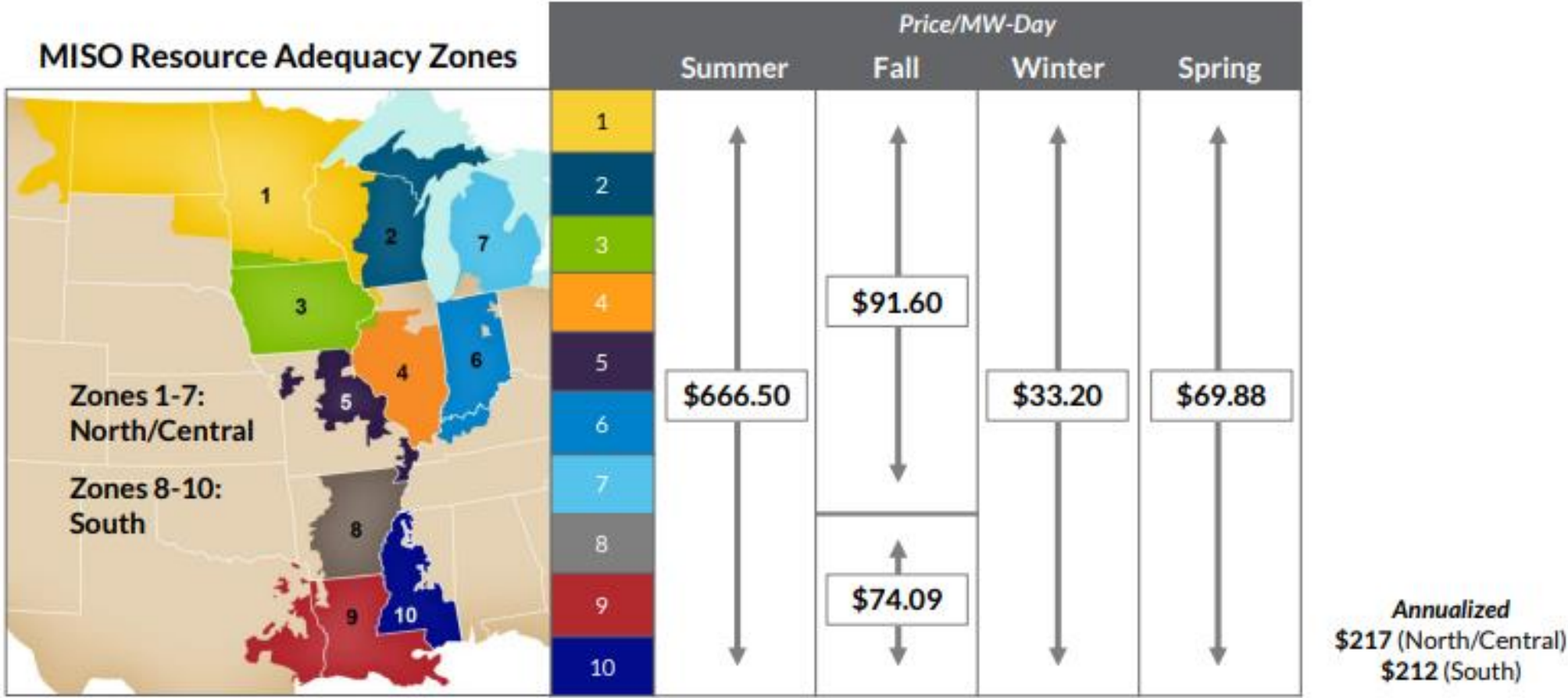


- Demand growth and unit retirements are driving very low reserve margins.
- Added capacity required to meet demand and replace retiring generation



Cost Drivers | Demand in Electric Market – Price Discovery

2025 Planning Resource Auction Results



Cost Drivers | Demand-Driven Inflation



- Supply Chain

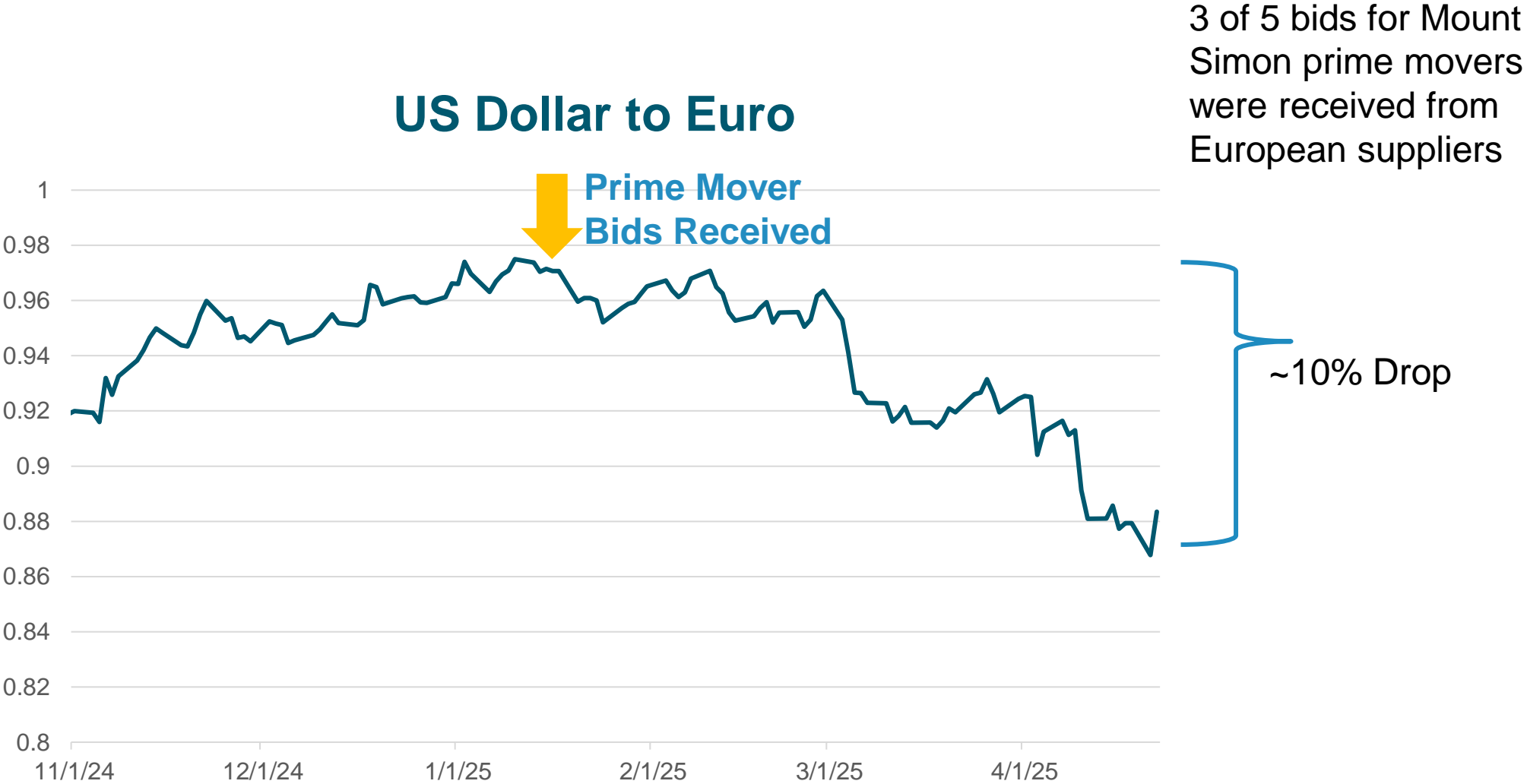
- Fossil fuel prime mover manufacturers prepared for energy transition for years
- No investment in manufacturing
- Now there are bottlenecks in the supply chain at a time of unprecedented demand



- Labor Market

- Construction market is in high demand for capacity/renewable builds
- Costs for power plant construction are increasing at a rate greater than general inflation

Cost Drivers | Currency Risk



Cost Drivers | Tariffs

- **Obvious impact on imported equipment**
 - Manufacturers are changing delivery terms to pass through tariffs
- **Domestic suppliers have global supply chains**
 - Shifting policy makes pricing dynamic
 - Contract management will be key

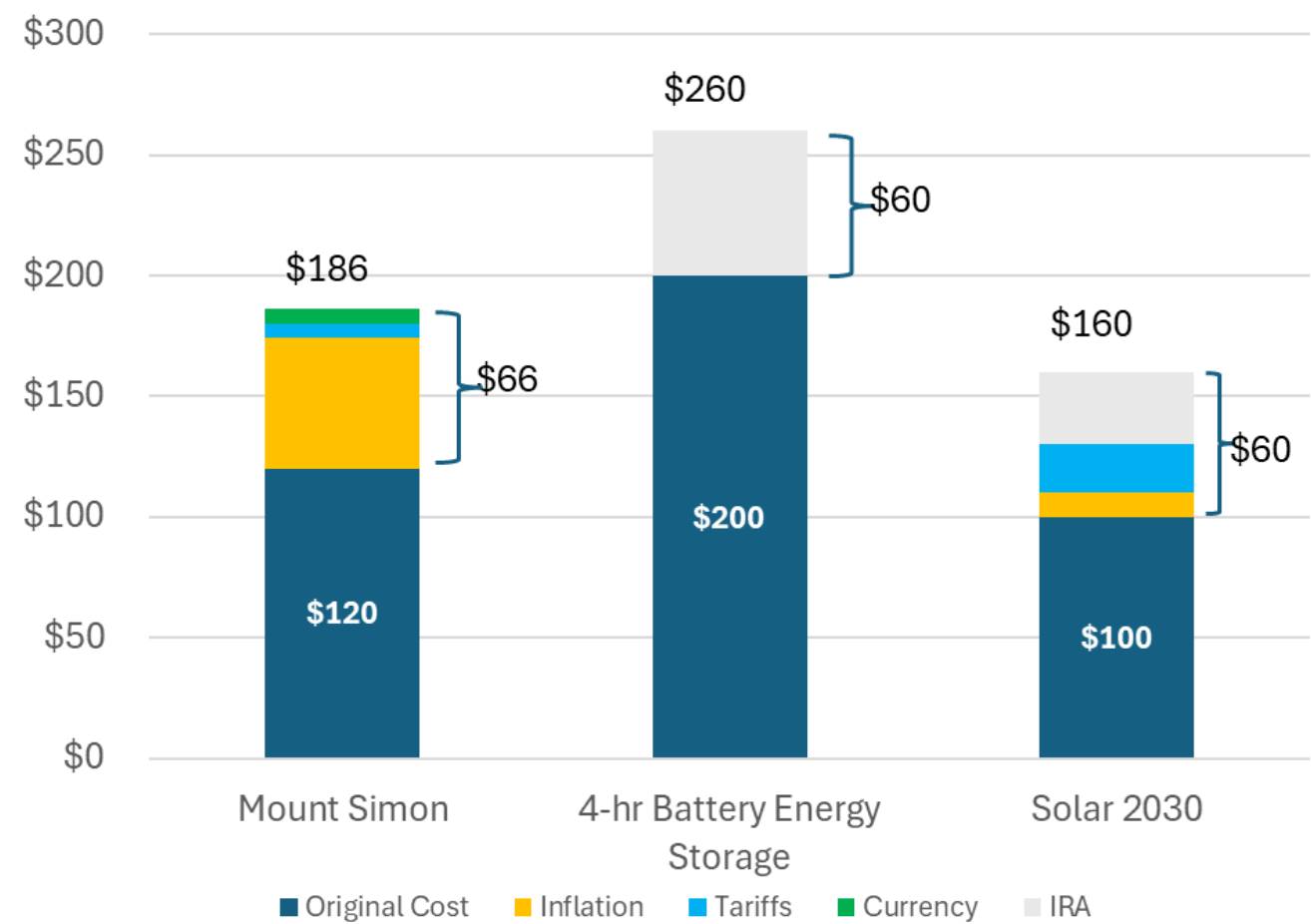


Cost Drivers | Inflation Reduction Act?

- **Inflation Reduction Act**
 - Provided 30-50% investment tax credits for renewable energy projects
 - Allowed for direct pay of incentives to public non-taxable entities
- **Disbursements frozen by Executive Order in January**
 - 77% of funds have been awarded to Republican Congressional Districts
 - Courts have ordered resumption of payments
- **Uncertainty over the future**
 - Resource plan and bids received assumed benefits of IRA
 - Reasonably worst-case scenario should assume loss of IRA benefits



Cost Drivers | Reasonably Worst-Case Scenarios



Action Plan | Path Forward

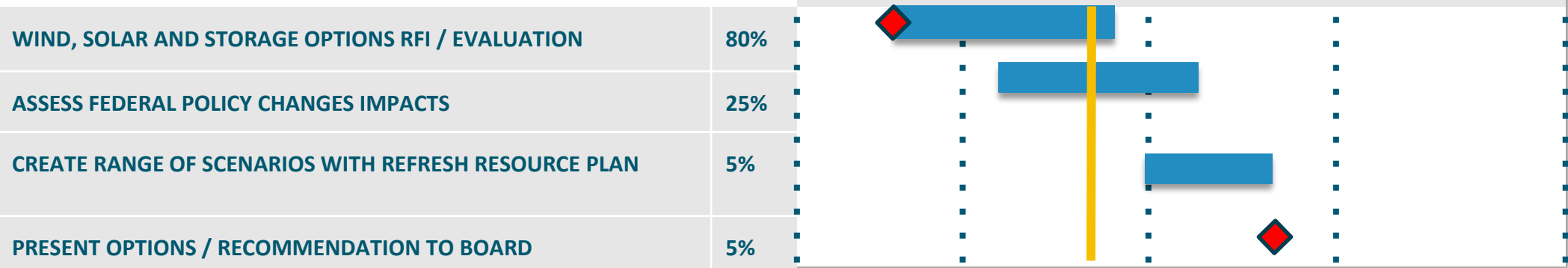
- **Revise Rate Impact Model**
 - Determine impacts of reasonably worst-case scenario on rates
 - Update scenario chart
- **Continue Negotiations on Resource Contracts**
 - Refining pricing outlook
 - Incorporate contractual risk mitigants



Resource Plan | Execution

EXECUTION TIMELINE

DELIVERABLES



Request for Information (RFI)

- > Identify advanced projects
- > Confirm pricing in model
- > Cast a wide net

Evaluation

- > Cost Updates
- > Rank
- > Policy Impacts

Address Cost Impacts

- > Project changes
- > Identify cost impacts
- > Present range of scenarios





Thank You