

RECs with Benefits

Presented by John O'Connor

Olsson Associates | *Business Development Leader*

POWER ELECTRICAL & RENEWABLE ENERGY

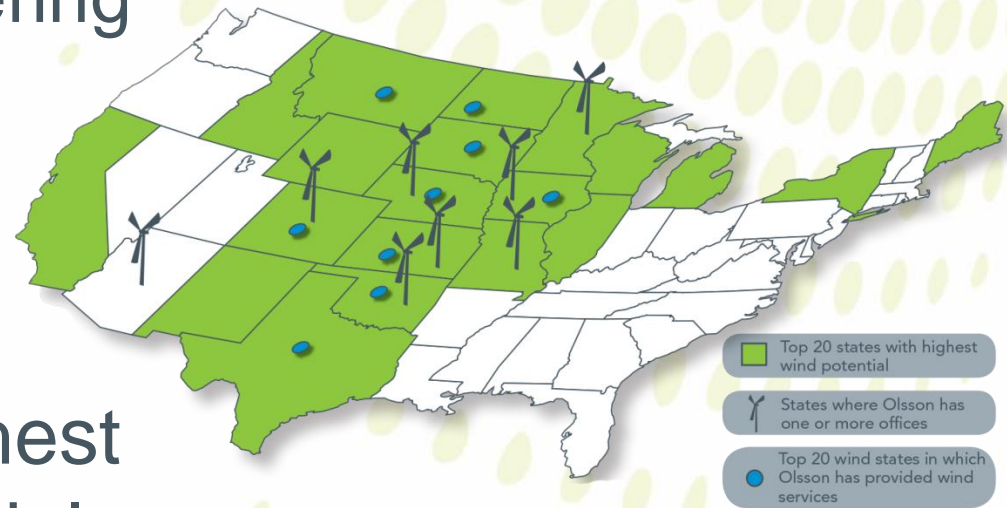
Renewable Energy Markets Conference
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Full Disclosure

- Accepted this speaking invitation while employed at Nebraska Public Power District (NPPD)
- The information I am presenting is what I recall from a program NPPD offers Commercial & Industrial (C&I) customers
- For more information, contact NPPD's Sustainability Manager, Dave Rich, at 402.563.5477 or ddrich@nppd.com

- 50+ years experience
 - Power/Electrical, Environmental Compliance, Wind Resource Assessments, Field Services, and Civil Engineering
- Olsson has offices or conducted business in all 20 states with the highest wind energy potential



NPPD's Product Offering



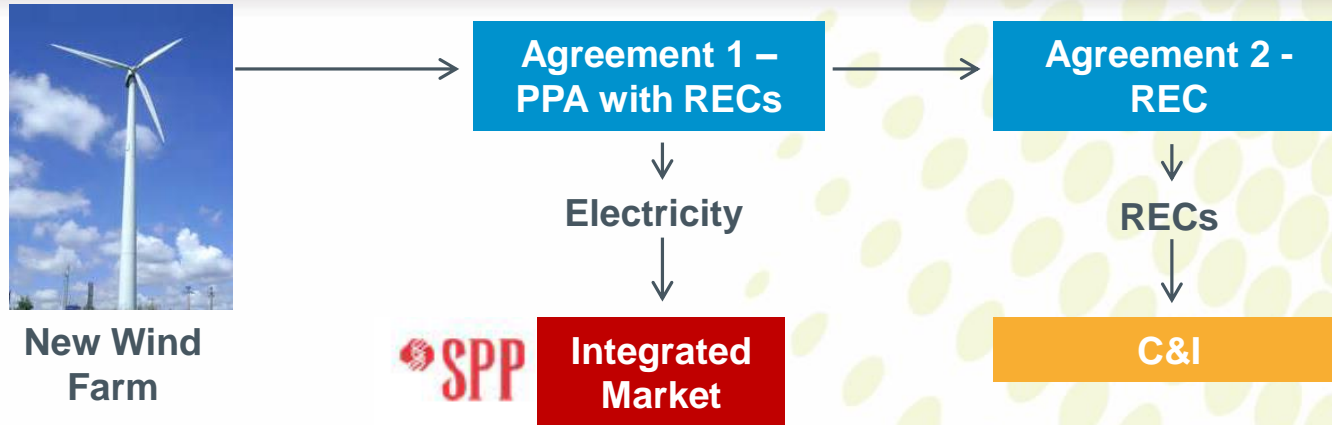
- Available to Commercial & Industrial (C&I) customers in Nebraska
 - C&I required to make a “significant” commitment to buying all REC’s
 - Over a 15, 20, or 25 year period
 - From a specific newly built wind farm in Nebraska
 - Purchase price would:
 - Be the difference between the Locational Market Price (LMP) and an indexed (fixed) REC price
 - Include incremental transmission costs of tying new wind farm to grid
- NPPD would sign the PPA with wind developer

Customer Benefits of a REC Agreement with NPPD

- Long-term – 15, 20, or 25 years
- Financial benefits if LMP exceed 2%/year
- “Additionality” (A new wind farm was built because of the C&I REC purchase)
- NPPD responsible for all SPP marketing & PPA requirements
- No “direct to C&I” transmission required for buyer needed

Pictorial & Financial View Example

*Price is for example only



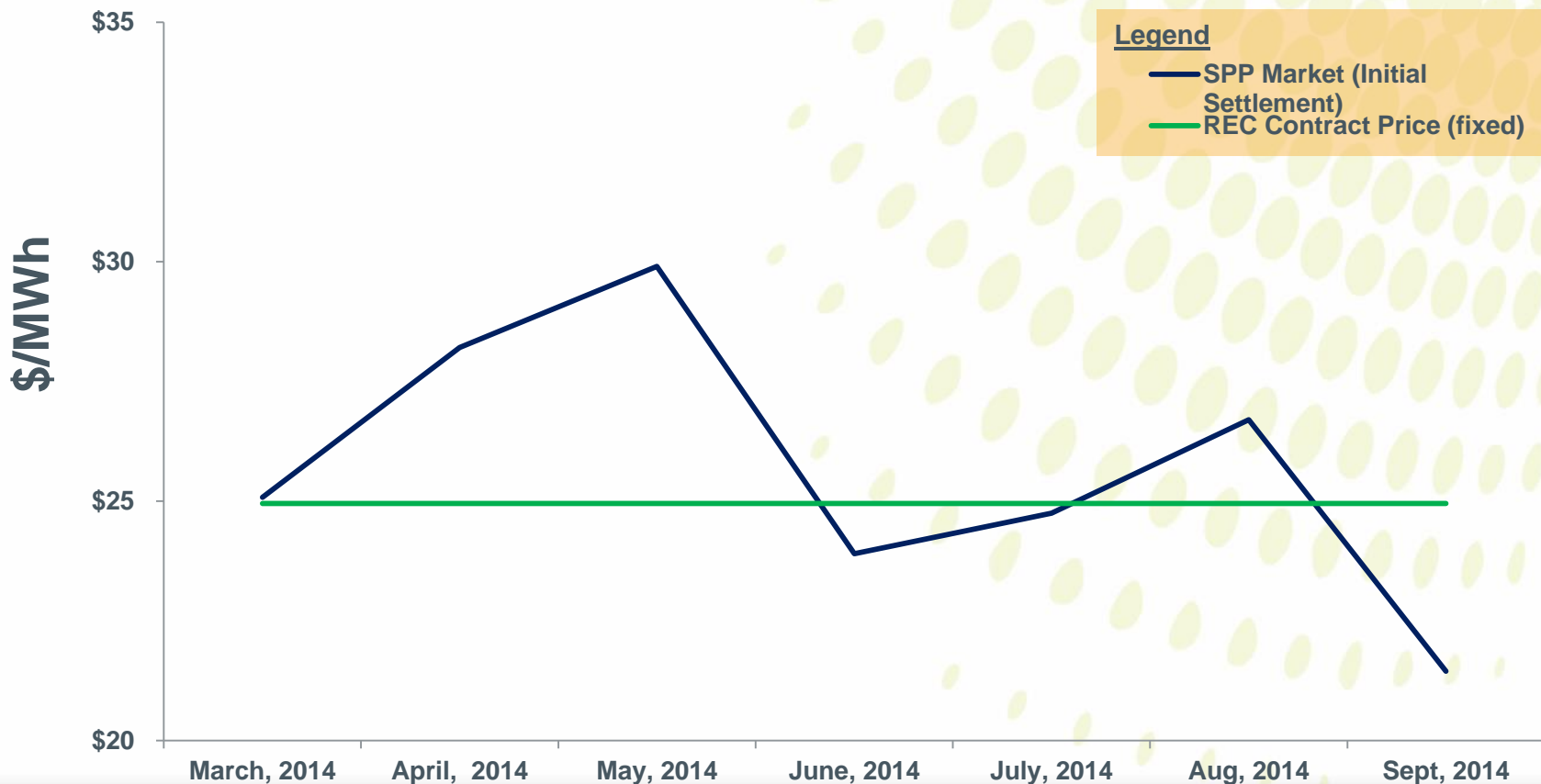
Financial View

Example 1st & Last month

	<u>Year 1 Month 1</u>	<u>Year 15 Month 12</u>
REC Purchase Price	\$25.00	\$32.99
less Monthly SPP Integrated Clearing Price	\$23.89*	\$36.37*
less PPA Curtailments, if any	\$ 0.00	\$ 0.00
Net Cost of REC	\$1.11 / REC	(\$3.38 / REC)

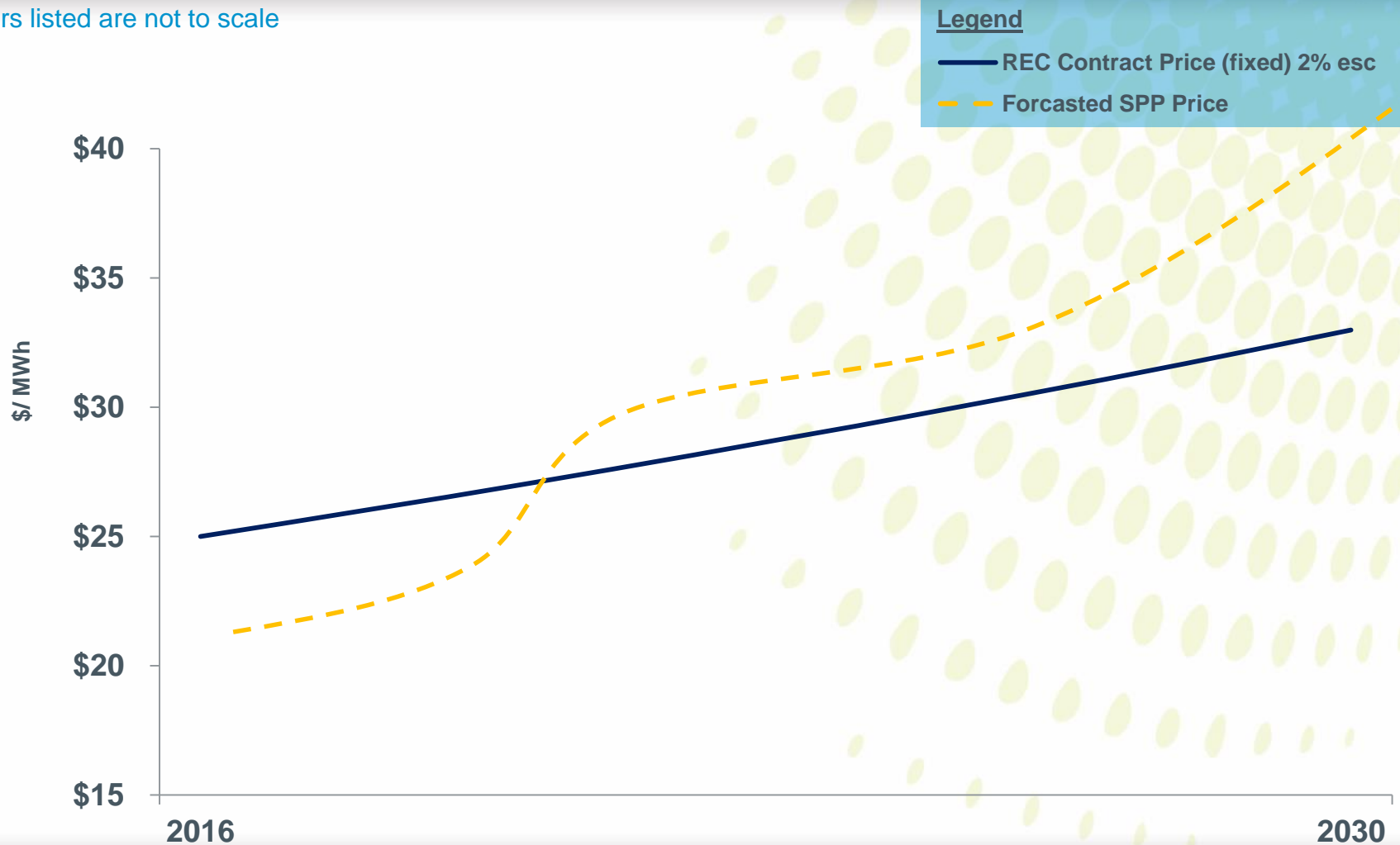
7-Month Historic View

Actual SPP Market (Initial Settlement) v. REC Contract Price (fixed)



15-year CONCEPT ONLY

Years listed are not to scale



Questions?

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