

Yellow Viking Solar Power Purchase Agreement



Energizing tomorrow's community today!

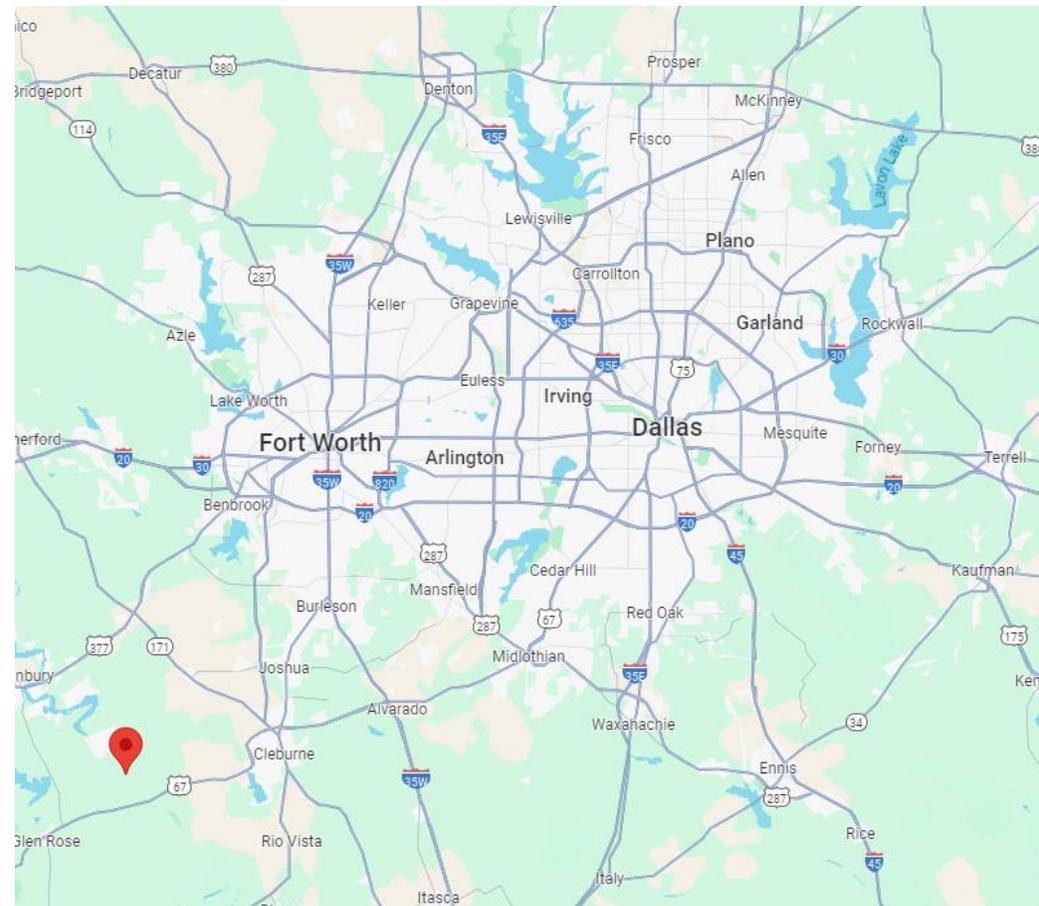
Public Utility Board
Presentation

4/8/24



Yellow Viking Development One, LLC

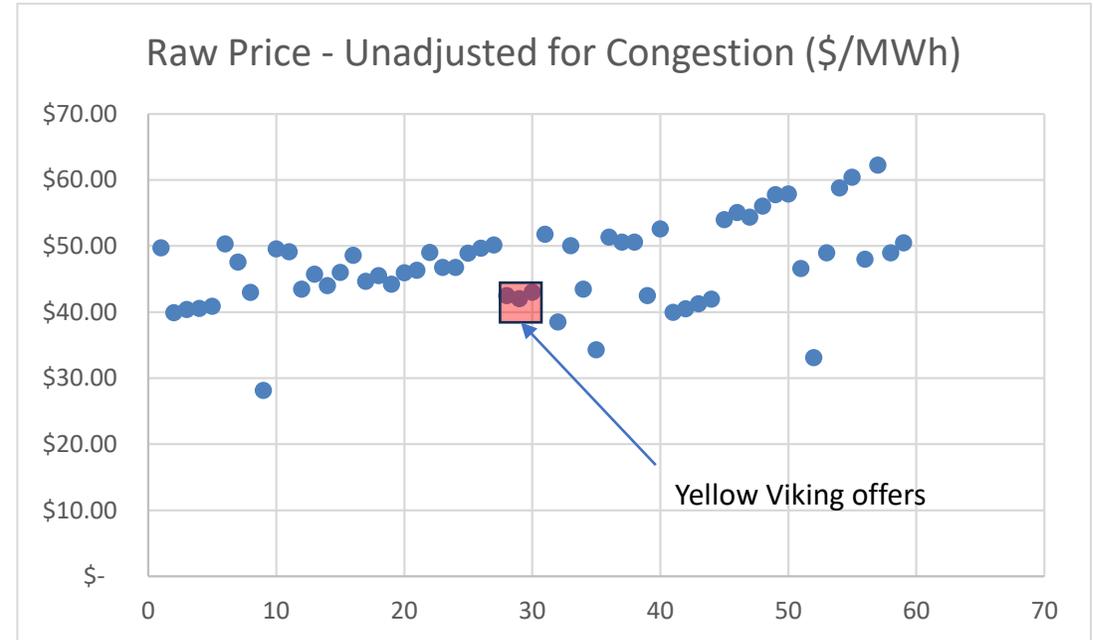
- Initial project for Osaka Gas USA in Texas
- 204 MWac Project Capacity
- Interconnected to the Oncor transmission system
- Guaranteed Commercial Operations Date – 1/1/2027
- Evaluated lowest cost from RFP No. 8271
 - 17 offers received
 - 6 Best and Final offers



Price Evaluation Criteria

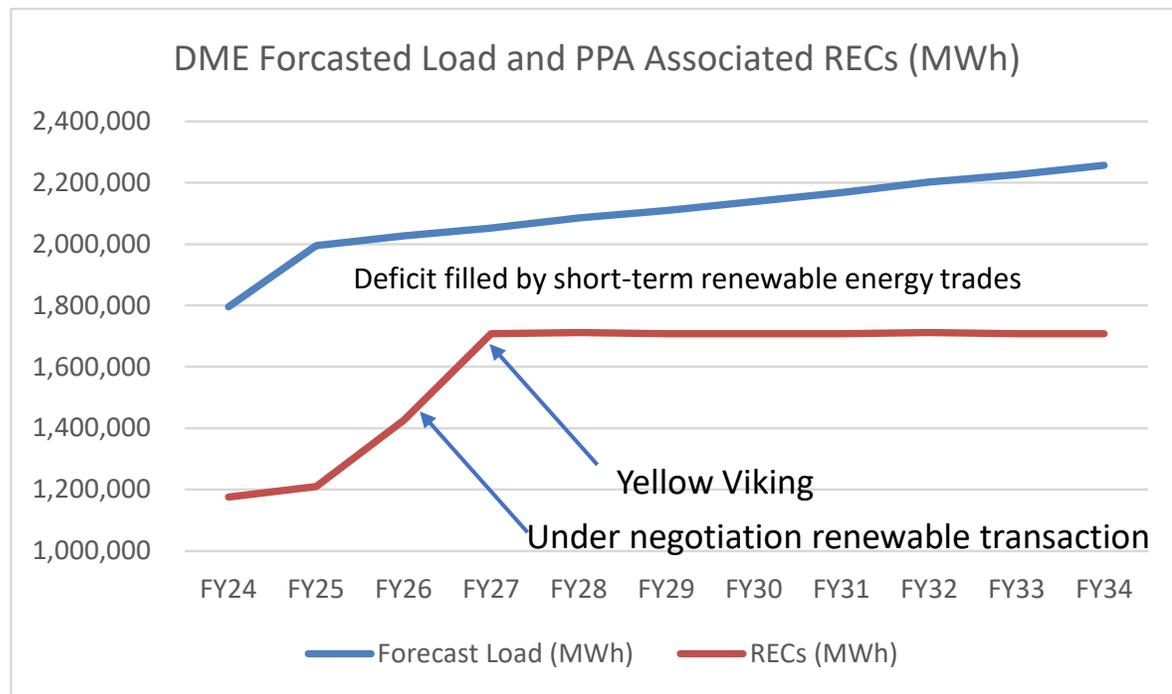
- Proposed Price
- Congestion costs (moving power from project to Denton)
- Experience of developer
- Status of Development
 - Likelihood of completion
- Fit with DME portfolio

LOWEST EVALUATED DELIVERED COST WAS YELLOW VIKING



- 59 distinct offers from 17 respondents
- Lowest absolute prices eliminated

Yellow Viking Fit into DRRP



- Significant increase in load forecast in 2023/2024 attributed to local development and “latent” demand
- Expiration of Whitetail 12/31/23 (30 MW ATC and 30 MWs of RECs) replaced with short term transaction to arbitrage energy vs PPA market
- Default of Samson solar (\$75 MW)
- Concentration of solar energy continues to expose DME to post sundown price spikes
- 2024 DRRP to address comprehensive long-term power supply portfolio

Transaction Major Terms & Recommendation

- Term – 15 years (2027 start date)
- Fixed price for entire term
- “Market” mechanical guarantees and liquidated damages
- Pre-COD Performance guarantee – 2x operating period guarantee
- Post-COD Performance guarantee
- Tight Force Majeure definitions
- Change in Law Provisions – 3 Tiers
 - Tier 1 – Yellow Viking responsible for all costs
 - Tier 2 – 50/50 split
 - Tier 3 – Termination option for DME

Recommend to the City Council Approval and Authorization for the City Manager to Execute the PPA and all Associated Actions

Questions

