

Financial Proforma: Summary Simulation Results

Production Cost Modeling Study: Baldy Mesa Battery Energy Storage Resource Adequacy Purchase and Energy Settlement Agreement

Contract Terms	
Pricing (\$/kW-month)	
RA	\$8.00
Energy Hedge	\$9.00
COD	3/1/2027
Contract End Date	2/28/2042
Term (years)	15

Contract Capacity		
Year	Months	MW
1	10	49.10
2	12	47.76
3	12	46.64
4	12	45.67
5	12	44.76
6	12	43.90
7	12	43.10
8	12	42.35
9	12	41.60
10	12	40.95
11	12	40.26
12	12	39.67
13	12	39.02
14	12	38.43
15	12	37.90
16	2	37.31

System RA Price	
Month	Weighting
1	0.5000
2	0.5000
3	0.5000
4	0.5000
5	0.7500
6	1.2500
7	2.0000
8	2.0000
9	2.0000
10	1.0000
11	0.5000
12	0.5000

System RA Value (\$/kW-month)	
Year	Annual RA Price
2027	\$12.00
2028	\$11.50
2029	\$11.00
2030	\$10.00
2031	\$9.75
2032	\$9.50
2033	\$9.25
2034	\$9.00
2035	\$9.00
2036	\$9.25
2037	\$9.50
2038	\$9.75
2039	\$10.00
2040	\$10.25
2041	\$10.50
2042	\$10.75

Production Cost Modeling Study Results

Contract Year	Year	RA Cost	RA Value	Energy Hedge Cost	Energy Hedge Revenue	Net Project Cost ¹	Net Project Value ²
1	2027	\$3,928,000	\$6,481,200	\$4,419,000	\$3,703,952	\$4,643,048	\$1,838,152
2	2028	\$4,584,960	\$6,590,880	\$5,158,080	\$6,018,810	\$3,724,230	\$2,866,650
3	2029	\$4,477,440	\$6,156,480	\$5,037,120	\$7,167,544	\$2,347,016	\$3,809,464
4	2030	\$4,384,320	\$5,480,400	\$4,932,360	\$6,962,245	\$2,354,435	\$3,125,965
5	2031	\$4,296,960	\$5,236,920	\$4,834,080	\$6,237,899	\$2,893,141	\$2,343,779
6	2032	\$4,214,400	\$5,004,600	\$4,741,200	\$6,079,198	\$2,876,402	\$2,128,198
7	2033	\$4,137,600	\$4,784,100	\$4,654,800	\$5,667,238	\$3,125,162	\$1,658,938
8	2034	\$4,065,600	\$4,573,800	\$4,573,800	\$5,618,041	\$3,021,359	\$1,552,441
9	2035	\$3,993,600	\$4,492,800	\$4,492,800	\$5,404,755	\$3,081,645	\$1,411,155
10	2036	\$3,931,200	\$4,545,450	\$4,422,600	\$5,438,328	\$2,915,472	\$1,629,978
11	2037	\$3,864,960	\$4,589,640	\$4,348,080	\$5,404,829	\$2,808,211	\$1,781,429
12	2038	\$3,808,320	\$4,641,390	\$4,284,360	\$5,391,183	\$2,701,497	\$1,939,893
13	2039	\$3,745,920	\$4,682,400	\$4,214,160	\$5,205,297	\$2,754,783	\$1,927,617
14	2040	\$3,689,280	\$4,726,890	\$4,150,440	\$5,042,280	\$2,797,440	\$1,929,450
15	2041	\$3,638,400	\$4,775,400	\$4,093,200	\$4,834,528	\$2,897,072	\$1,878,328
16	2042	\$596,960	\$401,083	\$671,580	\$649,466	\$619,074	-\$217,991
Total		\$61,357,920	\$77,163,433	\$69,027,660	\$84,825,595	\$45,559,985	\$31,603,447
Average		\$4,090,528	\$5,144,229	\$4,601,844	\$5,655,040	\$3,037,332	\$2,106,896
\$/kW-month		\$8.00	\$10.06	\$9.00	\$11.06	\$5.94	n/a

¹ Net Project Cost = RA Cost + Energy Hedge Cost - Energy Hedge Revenue

² Net Project Value = RA Value - Net Project Cost