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

Month	System RA Price 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