

TMWA Request for Offers – Hydroelectric Power Purchase Agreements

Q&As

Q: What information and format would TMWA prefer for responding to the request for offers?

A: The specific information requested is included in the RFO, but TMWA is most interested in pricing and agreement terms for the offer you would like to pursue. As stated in the RFO, these initial offers are not binding.

Q: Would you be able to provide the hydro outputs in excel format?

A: TMWA has provided the requested information at <https://tmwa.com/rfo-hydroelectric-power-purchase-agreements/>

Q: Will the capacity for the Washoe hydro facility increase in with the improvements described in the overview?

A: Yes, considering the hydro head and the water flow, we estimate a 20-25% efficiency increase at that location. This equates to about a 0.5 MW increase.

Q: Would the company who is awarded the RFO receive the benefits from the increased capacity from the capital improvements at the Washoe hydro?

A: As stated in the RFO, these initial offers are not binding. Any contract TMWA enters into would include the increased capacity at the Washoe hydro facility.

Q: Are the hydro plants connected with NV Energy's Distribution System?

A: TMWA is connected to NV Energy's 25kV distribution system.

Q: Is pricing at the busbar?

A: Pricing will be at the meter and the meter location is plant dependent. Fleish and Verdi are metered after the transformer. Washoe is metered at the busbar.

Q: Please describe the process moving forward as the Request for Offers notes that initial offers are non-binding?

A: TMWA is looking to gauge interest from the market for a PPA beyond our existing PPA agreements with NV Energy. Each hydro facility requires significant capital investments which will provide economic benefit beyond the remaining 5-6 years of the current PPAs. TMWA would begin discussions with the short-listed counterparties, if any, to determine the right party to move into negotiations with.

Q: Does NV Energy have a first right of refusal under the existing PPAs?

A: No, NV Energy does not have a first right of refusal.

Q: What is the magnitude of the capital improvements discussed?

A: Right now, TMWA only has estimates. Verdi hydro facility improvements will be ready to bid early this summer and are estimated at \$1M-\$2M. Washoe hydro facility improvements are estimated at \$4M-\$10M depending on certain factors. Fleish hydro facility improvements are conceptual at this point with an estimate of \$7M. Combined TMWA plans to spend an estimated over \$15M in improvements over the next four years.

Q: Will the improvements over the next four years be paid for under the current PPA?

A: The cost of the improvements will not be fully covered under the current contract.

Q: If we have any further questions, who do we contact?

A: Send all further inquiries to Sandra Tozi at stozi@tmwa.com.

Q: Do the hydroelectric facilities operate under or subject to a FERC license?

A: Section 210 (b) (17) of Public Law 101-618, confirms that the hydroelectric facilities are not subject to the Federal Power Act, and therefore not within FERC jurisdiction.