



Current Supply Contract Status

Electricity Supply Agreements

- Current - TXU fixed price agreement including all meters
- Rate of **\$0.03697/kWh**
- 12/1/2021 – 11/30/2026 (60 months)

- Future - TXU fixed price agreement including about 1/3 of the total meters
- Rate of **\$0.03632/kWh**
- 12/1/2026 – 11/30/2030 (48 months)



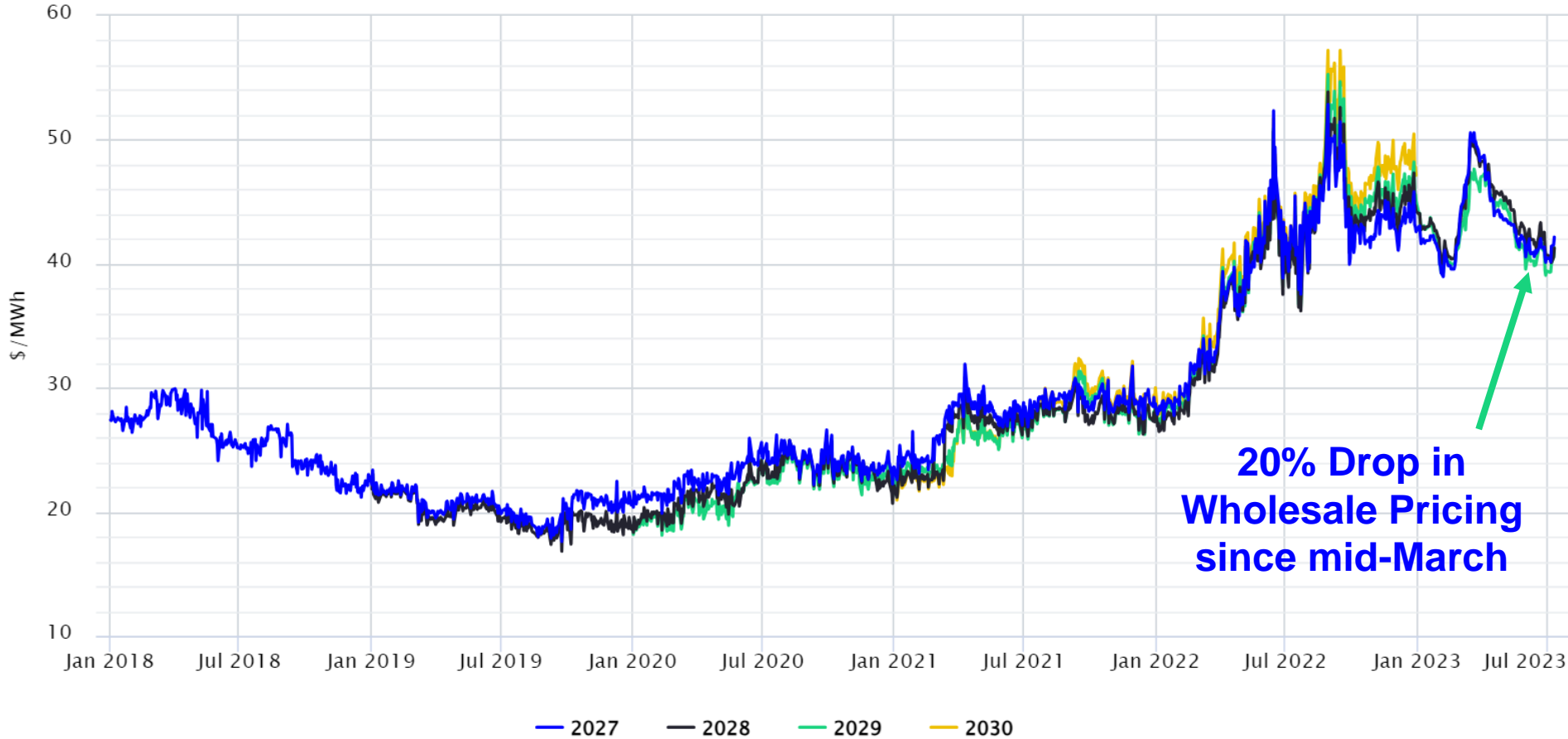


Markets – Why look now?

Markets – Electricity

Calendar Year Wholesale Electricity

ERCOT North All Hours



Level5 export from energyby5.com on 07/12/2023

Markets and Regulatory – Why Look Now?

- The market has increased since the beginning of the Ukraine conflict, but has recently taken a 20% hit, since mid-March. This is a buying signal that now is a time to take advantage of a market dip
- The Public Utility Commission voted to adopt a measure called the **Performance Credit Mechanism**, in order to incentivize power generation during high-demand periods, such as Winter Storm Uri
- The **PCM** has passed both Texas houses and is headed for Governor Abbott's office. We should know something by July-ish about whether the measure passes or not.
- **If the PCM is enacted, it's likely that prices will increase, as suppliers are forced to post extra collateral to cover the cost of the measure, as well as to expect higher rates of customer default due to the augmented costs to consumers**



Market Opportunities

Fixed to Load Zone Offers							\$ / kWh
Suppliers	12 Month	24 Month	36 Month	48 Month	60 Month	72 Month	84 Month
ENGIE	\$0.05271	\$0.05317	\$0.05350	\$0.05377	\$0.05380	\$0.05381	\$0.05386
NRG	\$0.05476	\$0.05448	\$0.05431	\$0.05421	\$0.05421	\$0.05222	\$0.05429
TXU	\$0.05417	\$0.05366	\$0.05338	\$0.05338	\$0.05330	\$0.05328	\$0.05333

- Offers for remaining 2/3 of unhedged load, past December 2026
- Engie offers include 20% net add delete and 100% bandwidth while TXU's include 10% net add delete and 20% bandwidth
- TXU offer includes \$10,000/year in Greenback dollars
- TXU's offer also includes fixed ECRS
- Blending the current 2026-2030 rate of \$0.03632 with the 24 TXU month offer shown here would give a weighted average rate of **\$0.04499/kWh**
- **We strongly recommend hedging the remaining load for 24 months with TXU now. This buys us another two years of runway and allows us to see how the PCM affects the market.**

