Agenda

1. Status
2. Planned Location
3. Cost Estimates – Average of Proposals
4. Financing Options
5. Next Steps
Status

- RFP for 10,000 KW +/- of backup power capacity was posted on 1/14/22
- Site walk through and pre-proposal conference was conducted on 2/11/22
- 5 developers present at walk through
- 3 developers submitted proposals on 3/11/22
- All 3 are considered qualified
- Proposals include options for both emergency only and non-emergency engines were received
- Proposals include options for both diesel and natural gas fuel sources
- Planned location for the generators appears to be viable
- Costs proposed appear to be in line or slightly less than our prior estimates
- Economic value of 4CP avoidance, demand response and economic response appears to be higher than our estimates
- Anticipate that review team will select finalist(s) before the end of March
Planned Location

Existing service entrance with 3 Oncor-owned Transformers

Likely location of generators
## Cost Estimates – Average of Proposals

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Tier 2 Diesel</th>
<th>Tier 4F Diesel</th>
<th>Natural Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installed Cost ($K)</td>
<td>$7,000 to $8,000</td>
<td>$9,000 to $10,000</td>
<td>$9,500 to $10,500</td>
</tr>
<tr>
<td>Gas Line Extension ($K)</td>
<td>N/A</td>
<td>N/A</td>
<td>TBD</td>
</tr>
<tr>
<td>100 Hour Fuel Storage</td>
<td>TBD</td>
<td>TBD</td>
<td>N/A</td>
</tr>
<tr>
<td>Anticipated Value of 4CP Cost Avoidance ($K per year)</td>
<td>N/A</td>
<td></td>
<td>$140</td>
</tr>
<tr>
<td>Anticipated Value of Demand Response</td>
<td></td>
<td></td>
<td>$400</td>
</tr>
<tr>
<td>Anticipated Value of Economic Response</td>
<td></td>
<td></td>
<td>$310</td>
</tr>
</tbody>
</table>
Financing Options

• 2 of the developers have proposed financed options that are essentially operating lease structures

• These would all lower Bell County WCID1’s upfront capital outlay (in some cases to $0), but would involve 15 to 20 year operating leases

• Need to consider “end of term” considerations – most include an option to purchase at “fair market value”

• The financed options proposed will be evaluated by the review team
Next Steps

- Review team selects finalist(s)
- Working with Atmos and third-party developers on cost of gas line extension
- Negotiations and further Q&A with selected finalist(s)
- Contract negotiations with finalist
- Board review/approval
Q&A

Josh D. Coleman, PE
Chief Operating Officer
josh.coleman@energyby5.com
469-294-2288