

1 SUMMARY OF CAPACITY TRANSACTIONS WITH NEXTERA ENERGY POWER
2 MARKETING, LLC

3 Big Rivers Electric Corporation ("Big Rivers" or "Seller") has entered into a
4 capacity sales agreement ("Agreement") with NextEra Energy Power Marketing,
5 LLC ("Buyer"). This transaction is being executed as a confirmation under the EEI
6 Master Agreement dated June 14, 2014, between Big Rivers and Buyer. The
7 following summarizes the principal obligations of the parties in the Agreement. A
8 capitalized term not defined in this summary has the meaning given it in the
9 Agreement.

10 1. General

11 Big Rivers will supply approximately [REDACTED] Zonal Resource Credits
12 ("ZRCs") to Buyer for a term of five years beginning June 1, 2019. Buyer will have
13 the right [REDACTED]
14 [REDACTED]. Additionally, Big Rivers will supply [REDACTED]
15 [REDACTED]. One ZRC equals one megawatt of Unforced Capacity¹
16 as defined by the Midcontinent Independent System Operator, Inc. ("MISO"). The
17 capacity resources [REDACTED]. Big Rivers
18 will deliver the ZRCs to Buyer annually by submitting each of the transactions into
19 the MISO Module E Capacity Tracking System, through which MISO tracks
20 capacity resources. There is no energy involved in this transaction.

21 2. Conditions to Effectiveness and Contingencies

¹ "Unforced Capacity" is defined as the amount of Capacity in MW assigned to a Planning Resource after accounting for its forced outage rate or historic availability.

1 The effectiveness of the parties' obligations under the Agreement is
2 subject to three principal contingencies. First, Big Rivers must receive regulatory
3 approval by the Public Service Commission ("Commission"). Big Rivers is required
4 to request that if the Commission suspends the Agreement, the Commission
5 conduct its review on an expedited basis and issue an order no later than December
6 19, 2016. The basis for this request is that if the Commission does not approve the
7 Agreement as presented within 60 days of the "Execution Date," Buyer has the
8 right to terminate the Agreement. The Execution Date is October 20, 2016, so 60
9 days will expire at the end of the day on December 19, 2016.

10 The second principal contingency is compliance with RUS notice or
11 approval requirements. If the Agreement has not received approvals from the RUS
12 by 60 days from the Effective Date, Buyer may terminate the Agreement.

13 The third principal contingency to effectiveness of the Agreement is

14 [REDACTED]
15 [REDACTED]
16 [REDACTED].

17 If all three contingencies have not been met by [REDACTED], the
18 Agreement is terminated.

19 3. Charges

20 Big Rivers will receive monthly payments [REDACTED]
21 [REDACTED]:

22

Planning Year	MW Quantity	Price (kw/month)	Monthly Revenue	Price (MW-Day)
2018	█	█	█	█
2019	█	█	█	█
2020	█	█	█	█
2021	█	█	█	█
2022	█	█	█	█
2023	█	█	█	█

1

2

In April of each year, MISO conducts a Planning Resource Auction

3

("PRA") through which Buyers and Sellers of capacity can transact. While the

4

contract price in the Agreement is stated in kw-months, the PRA Auction Clearing

5

Price (ACP) is stated in MW-Days. For reference, the table above includes a

6

conversion of the contract price in the Agreement to MW-Days. The PRA ACP for

7

Zone 6 ZRCs for the past four PRAs (2013 – 2016), respectively, were

8

\$1.05/MW/Day, \$16.75/MW/Day, \$3.48/MW/Day, and \$72/MW/Day. Big Rivers

9

notes that an offer of \$█/MW/Day for the 2017 planning year was posted with

10

brokers for quite some time without receiving a bid, and that the price for Big

11

Rivers' most recent sale of Zone █ ZRCs was \$█/MW/Day. Based upon this

12

information, Big Rivers believes that the contract price in the Agreement is

13

reasonable.

14

15

1

2

4. Credit Assurance

3

[Redacted]

4

[Redacted] Big Rivers

5

will be required to provide a minimum level of credit support detailed in the

6

Agreement. [Redacted]

7

[Redacted]

8

[Redacted]:

Planning Year	[Redacted]	[Redacted]
[Redacted]	[Redacted]	[Redacted]

9

10

[Redacted]

11

[Redacted]

12

[Redacted]

13

Table of Contents to Filing of Confirmation Letter between Big Rivers Electric Corporation and NextEra Energy Power Marketing, LLC

Tab 1 Master Power Purchase and Sale Agreement Confirmation Letter dated as of October 20, 2016

Related Document

Tab 2 Master Power Purchase and Sale Agreement between NextEra Energy Power Marketing, LLC and Big Rivers Electric Corporation dated June 11, 2014

a. Paragraph 10 to the Collateral Annex to the EEI Master Power Purchase and Sale Agreement Credit Elections Cover Sheet, BREC page 18

b. General Terms and Conditions, BREC page 28