

1 damages in the event of a developer’s breach of contract obligations, a developer’s
2 inability to obtain financing for a project does not constitute such a breach under the
3 PPA agreement. Thus, if the developers cannot obtain financing for the projects at the
4 prices specified in the PPAs, the developers will not build the projects, at least until
5 economic conditions change sufficiently to allow the projects to obtain financing at the
6 PPA-specified prices. This is an example of the solar project execution risk Mr. Wilson
7 discusses in his testimony and the 2022 Resource Assessment.

8 **NATURAL GAS SUPPLY FOR PROPOSED NGCC UNITS**

9 **Q. Is firm gas transportation service available for the NGCC units (Mill Creek
10 NGCC and Brown NGCC) included in the CPCN?**

11 A. Yes. The Companies have held discussions with the pipelines serving Mill Creek and
12 Brown and concluded that sufficient firm gas transportation services will be available
13 to reliably deliver natural gas to fuel the proposed NGCC units. Mill Creek NGCC will
14 be served by the Texas Gas Transmission (“Texas Gas”) interstate pipeline, while
15 Brown NGCC will be served by either the Texas Eastern or the Tennessee Gas pipeline.
16 Fuel supply reliability for the existing Brown simple cycle combustion turbines
17 (“SCCTs”) is currently supported by access to the two pipelines and fuel oil backup for
18 ~~six~~four of the seven SCCTs. But Brown NGCC will require a suite of firm transport
19 services similar to Mill Creek NGCC. Ongoing discussions with both Texas Eastern
20 and Tennessee Gas will determine the optimal pipeline supplier for firm transport
21 services. To ensure firm transportation services are available for both Mill Creek
22 NGCC and Brown NGCC, execution of contracts with Texas Gas and Texas Eastern
23 or Tennessee Gas is anticipated in the first quarter of 2023 if a satisfactory regulatory
24 exit provision can be included in each contract.