



2023 Powering Affordable Clean Energy (PACE) Program

July 10, 2023

Letter of Interest USDA PACE Program Loan

This letter confirms that Big Rivers Electric Corporation intends to seek a PACE Program loan from the Rural Utilities Service (RUS) pursuant to the NOFO published in the Federal Register May 16, 2023. Big Rivers Electric Corporation hereby represents that it meets all the requirements as specified in the NOFO and herewith submits the mandatory information required to comply with the first step of the loan application process.

1. LOI Submitter's Profile and Point of Contact Information.

Big Rivers Electric Corporation (BREC), a 501(C)(12) nonprofit generation and transmission electric cooperative (G&T), is submitting this Letter of Interest (LOI) as a single entity for projects meeting requirements for Category II. As a G&T, BREC is owned by its member distribution cooperatives.

As the submitter, BREC designates the primary point of contact (POC) as the following,

Chris Bradley
Vice President System Operations
Big Rivers Electric Corporation
710 West 2nd Street
Owensboro, KY 42301
chris.bradley@bigrivers.com
270-844-6201

As the applicant, BREC's corporate information is,

Legal Name: Big Rivers Electric Corporation

Legal Address & Place of Business:

710 West 2nd Street
Owensboro, KY 42301

Tax Identification Number: 61-0597287

Unique Entity Identifier (UEI): HRWMV8MKN9A5

Verified eAuthentication Account: Yes

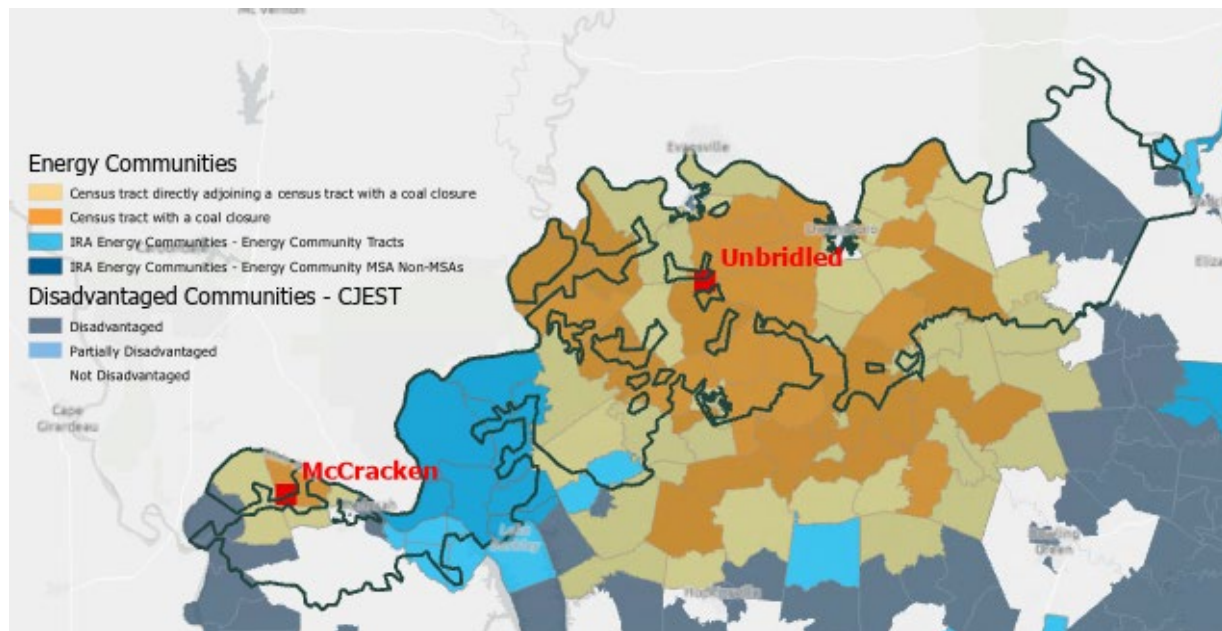
In submitting this letter, BREC certifies that it has not been placed in receivership, liquidation, been under a workout agreement, declared bankruptcy, nor has had a decree or order issued for relief in any bankruptcy, insolvency, or other similar action over the last 10 years.

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Eligible Service Areas

As defined in the NOFO, service areas of current RUS Borrowers or former RUS and Rural Electrification Act (REA) borrowers which will be deemed rural for the purposes of their applications. As an existing RUS borrower, BREC meets the requirements for eligible service area.

This letter represents a submission for two (2) projects within BREC’s territory. The figure below summarizes the project locations and applicable service area data within the Shapefiles that are submitted with this letter.



The data in the Shapefiles further support both BREC’s designation as serving a rural area as well as meeting the requirements for Category II with 50 percent or more of the population served by the proposed service area is located within (1) Energy Communities or (2) Distressed or Disadvantaged Communities.

Each of BREC’s projects will be connected to their transmission system. As such, each of these projects benefit the entirety of BREC’s service territory. Therefore, computation of the category of loan forgiveness have been calculated based on the full service territory. In support of this,

- BREC Service Territory Population: 240,210
- Energy, Distressed or Disadvantaged Community Population: 182,994 (76%)

None of the projects in this letter serve a Substantially Underserved Trust Area (SUTA).



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2. Financial Reporting

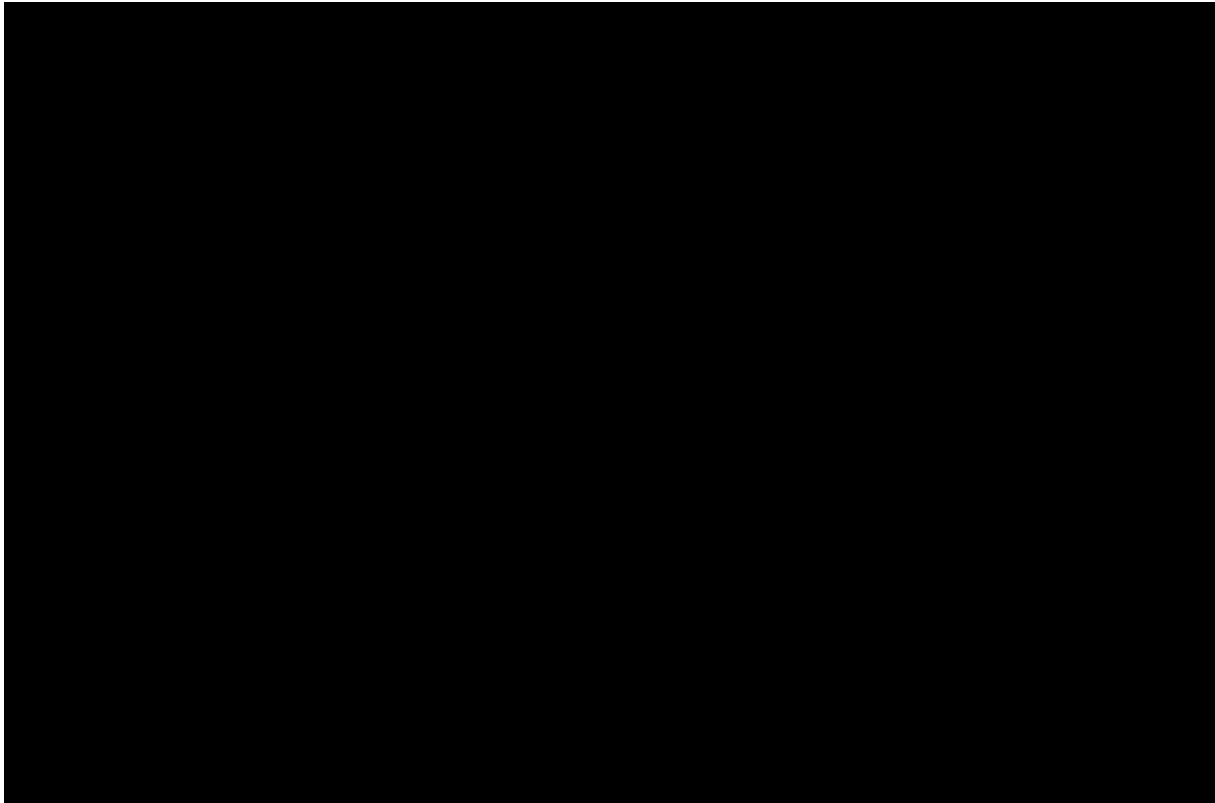
BREC has included a copy of its balance sheet and income statements for the past three (3) years.

3. Technical Description of the Project



Project 1: McCracken 100MW Solar and Storage

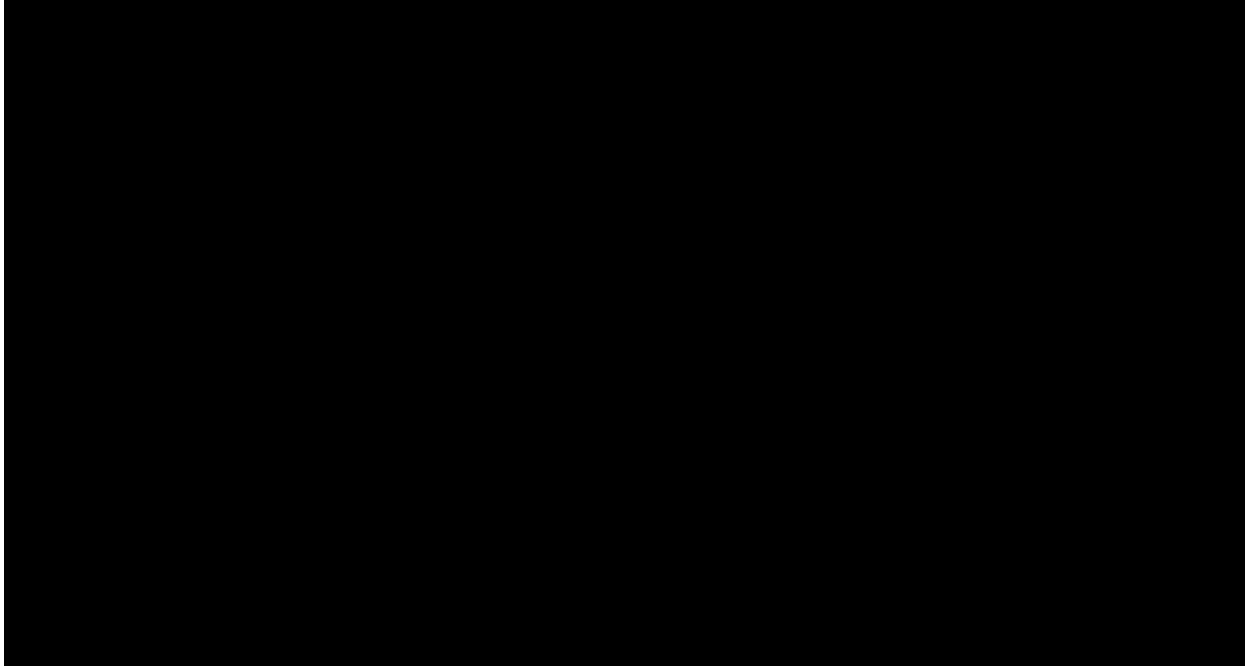
(i) Project Description:



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(ii) Big Rivers is requesting a **system loan**.

(iii) **Commercially Available Technology**



(iv) **Estimated Timeline**

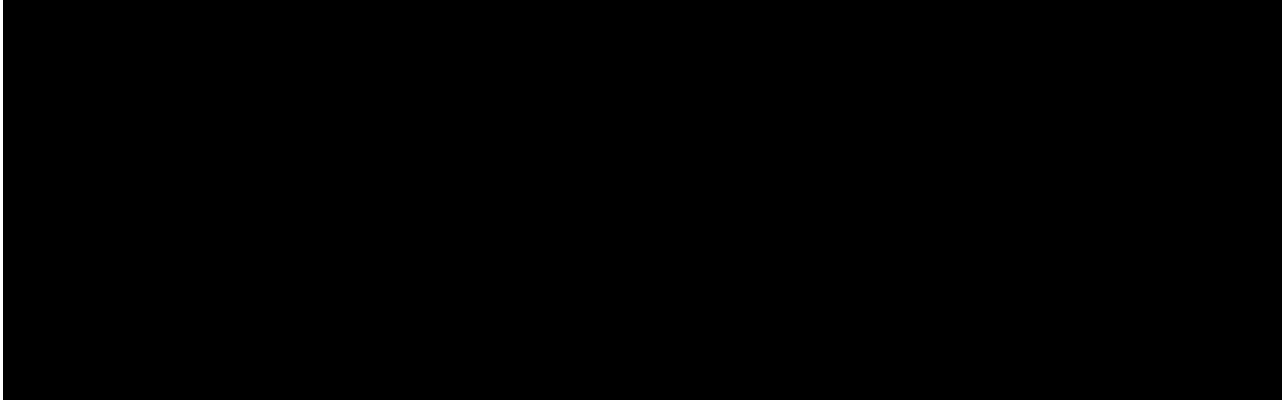
The project start is contingent on award and negotiations with USDA. The major phases of the project are listed below. BREC is anticipating a 3-year duration to complete the MISO queue process followed by a 2-year duration from siting and permitting to commercial operation. The interconnection for GridLiance's parallel project has already been submitted to MISO via the MTEP process and therefore should be approved this year.

Given an award in Q1 of 2023, BREC estimates MISO acceptance by Q1 2026 with commercial operation by Q1 of 2028.

- Transmission Studies & MISO Queue
- Siting & Permitting
- Contracting: EPC
- Electrical & Civil Design: 50% Complete and Issued for Construction
- Procurement
- Mechanical & Electrical Installation
- Commissioning & Testing
- Commercial Operation

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(v) Financials



(vi) Power Purchase Agreement or Revenue Generating Agreements

Big Rivers is the power generator, and their distribution members are the off takers. No PPAs or revenue generating agreements are applicable for this project.

(vii) Power Sales Contracts

No Power Sales Contracts are applicable for this project. Distribution members have an all-requirements contract to purchase power from Big Rivers.

(viii) Permitting or Environmental Review Processes Status

BREC is well acquainted with the local permitting requirements. As part of normal construction, BREC works with KY historical society and issues letters to local tribal nations as well as accommodates wetland requirements. In addition, BREC accommodates endangered species such as coordinating construction schedules to avoid the migration pattern of the Indiana bat. BREC does not anticipate any permitting or environmental issues that would have an excessive impact on this schedule.

(ix) Ratepayer and Community Benefit.

As a foundational component to its structure, BREC utilizes a Member Rate Stability Mechanism (MRSM) Tariff by which the company returns a portion of its revenue to its end-use members who are the off-takers from this site. The MRSM allocates excess margins to be used for rate stability, with 60% going to debt repayment and 40% as a bill credit to members. Through this mechanism, the loan forgiveness would directly benefit all off takers.



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Beyond the benefit of loan forgiveness, Big Rivers is committed to being a leader in corporate responsibility and embraces the diversity of the communities we serve in Kentucky. It is our responsibility and one of our core values to act as a good corporate citizen in the communities where we live and work and as such will develop and implement a Community Benefits Plan (CBP) across key focus areas a) investing in the American workforce; b) diversity, equity, inclusion, and accessibility goals set forth in the Justice40 Initiative; c) energy efficiency and carbon reduction measures to improve the energy efficiency and beneficial electrification for consumers; and d) if applicable, land use agricultural integration that demonstrates ways for traditional farming and ranching to benefit from clean energy Projects.

As a component of that plan, BREC is actively working with the Kentucky Energy & Environment Cabinet (KY E&EC) in workforce development for renewable energy. Several of Kentucky's state-supported universities and colleges have developed curricula to support Kentucky's growing energy industry sector. Many of these programs are located within a community college or technical school and offer an associate degree or certificate. This project will provide a good avenue for graduates of these programs.

Beyond workforce development, BREC and others are working with KY E&EC to disseminate energy efficiency programs and carbon reduction to its members, with a particular focus on the most disadvantaged. The group is working to address energy affordability through facilitation of housing and weatherization programs for energy efficiency. They are also working to expand community solar programs. This site will allow BREC members to benefit from solar in their community regardless of income level.

(x) **Prevailing wage.**

BREC and its members understand the value of providing good jobs with family supporting wages in their communities. The line workers and technicians at BREC and many of our contractors are represented by the IBEW Local 1701. In keeping with this, the project is planned and budgeted to adhere to the Davis-Bacon Act for wage and labor standards in order to offer wages above the prevailing rate, as needed to comply with the requirements of the Grant Program.

(xi) **Loan Forgiveness Level.**

Given that the majority of BREC's territory qualifies as an energy community, disadvantaged community and/or distressed community, BREC is requesting 40% loan forgiveness for this project.

(xii) **SUTA**

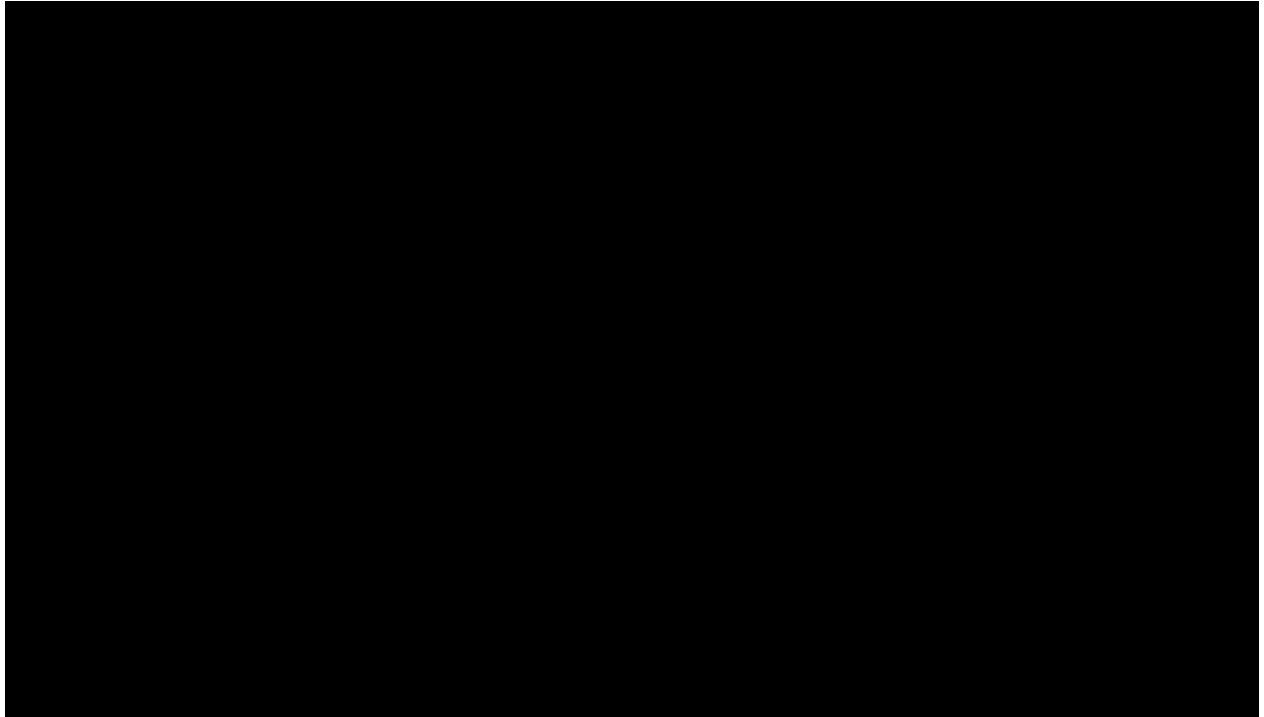
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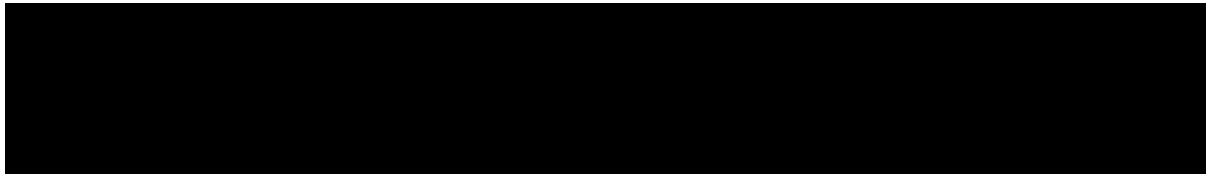
Project 2: Unbridled Solar Generation Site

(i) **Project Description:**

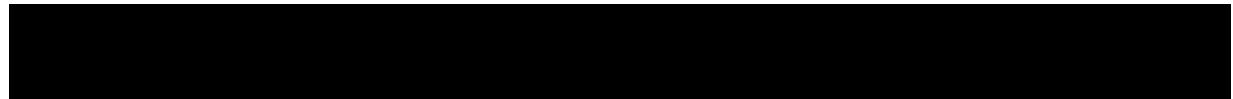


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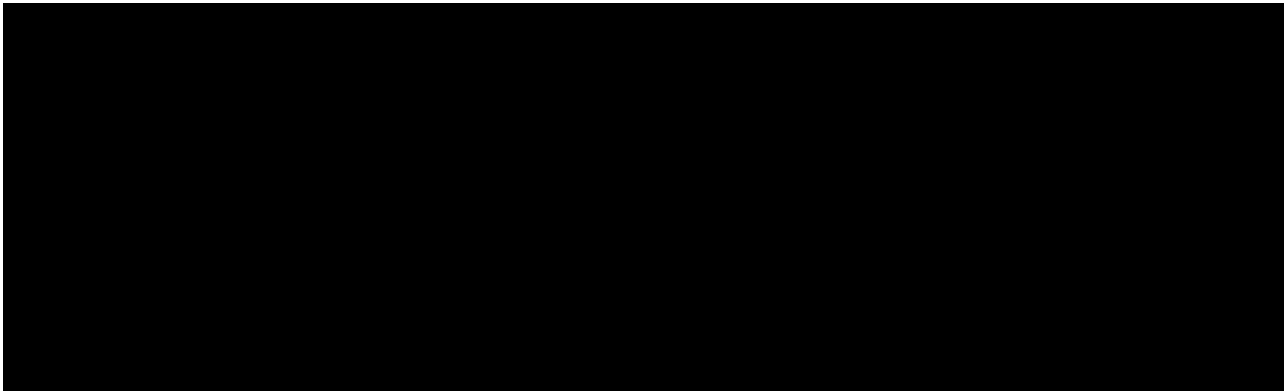
(vi) Power Purchase Agreement or Revenue Generating Agreements

BREC is entering into a Power Purchase Agreement (PPA) with National Grid for this 160MW solar site. Big Rivers will be the off taker for 100% of the output of the solar facility.

(vii) Power Sales Contracts

No Power Sales Contracts are applicable for this project. Distribution members have an all-requirements contract to purchase power from Big Rivers.

(viii) Permitting or Environmental Review Processes Status



(ix) Ratepayer and Community Benefit.

As a foundational component to its structure, BREC utilizes a Member Rate Stability Mechanism (MRSM) Tariff by which the company returns a portion of its revenue to its end-use members who are the off-takers from this site. The MRSM allocates excess margins to be used for rate stability, with 60% going to debt repayment and 40% as a bill credit to members. Through this mechanism, the loan forgiveness would directly benefit all off takers.

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(xi) Loan Forgiveness Level.

Given that the majority of BREC’s territory qualifies as an energy community, disadvantaged community and/or distressed community, BREC is requesting 40% loan forgiveness for this project.

(xii) SUTA

None of the projects in this letter serve a Substantially Underserved Trust Area (SUTA).

4. Other Information

Big Rivers Electric Corporation commits to immediately notify RUS in writing should decide to withdraw from consideration for the PACE loan before submitting a complete application.

Signature

Erin M. Murphy
VP Federal and RTO Regulatory Affairs
Big Rivers Electric Corporation
710 West 2nd Street
Owensboro, KY 42301

Enclosures: Shapefile of project location; Balance Sheets and Income Statements