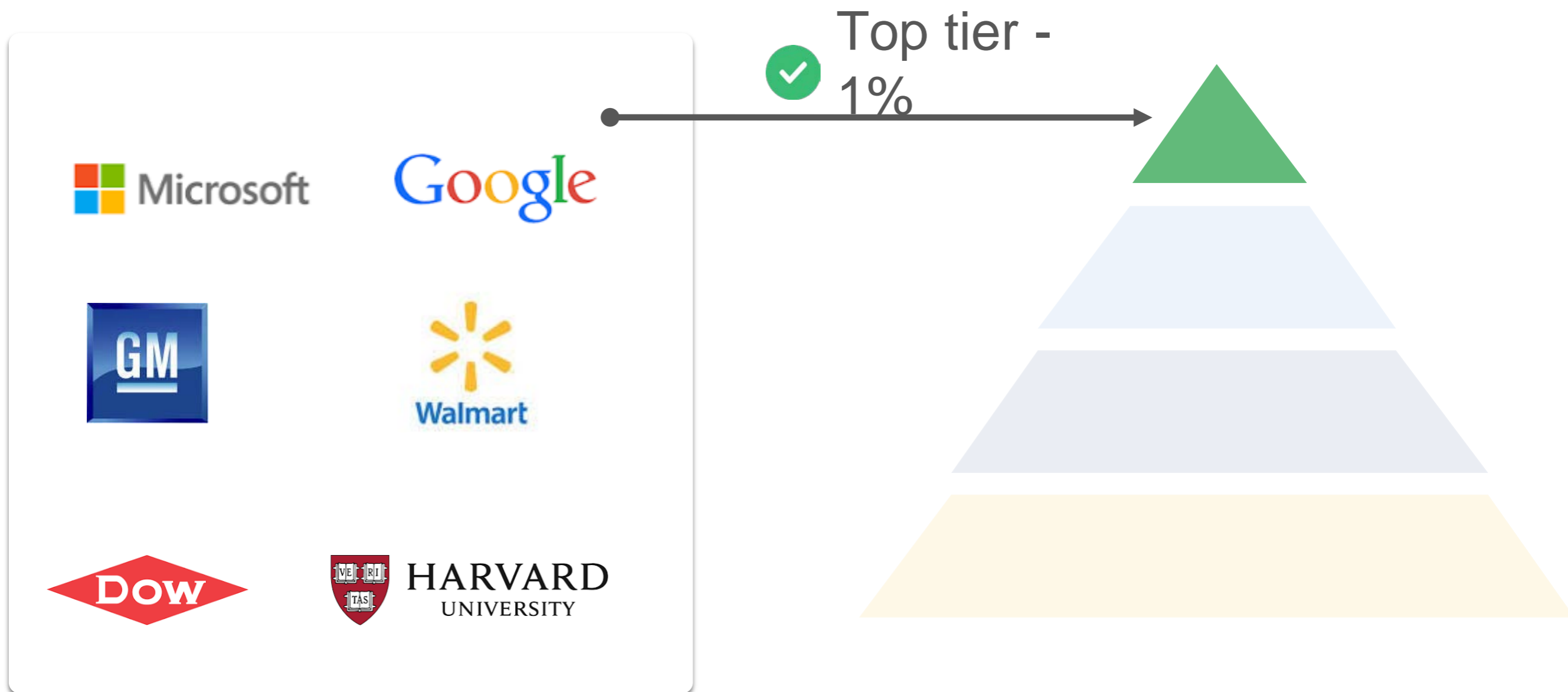


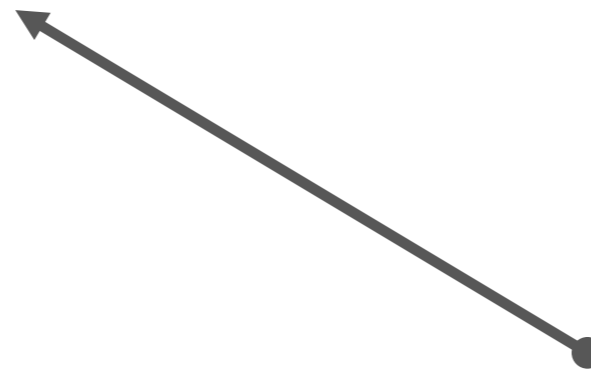
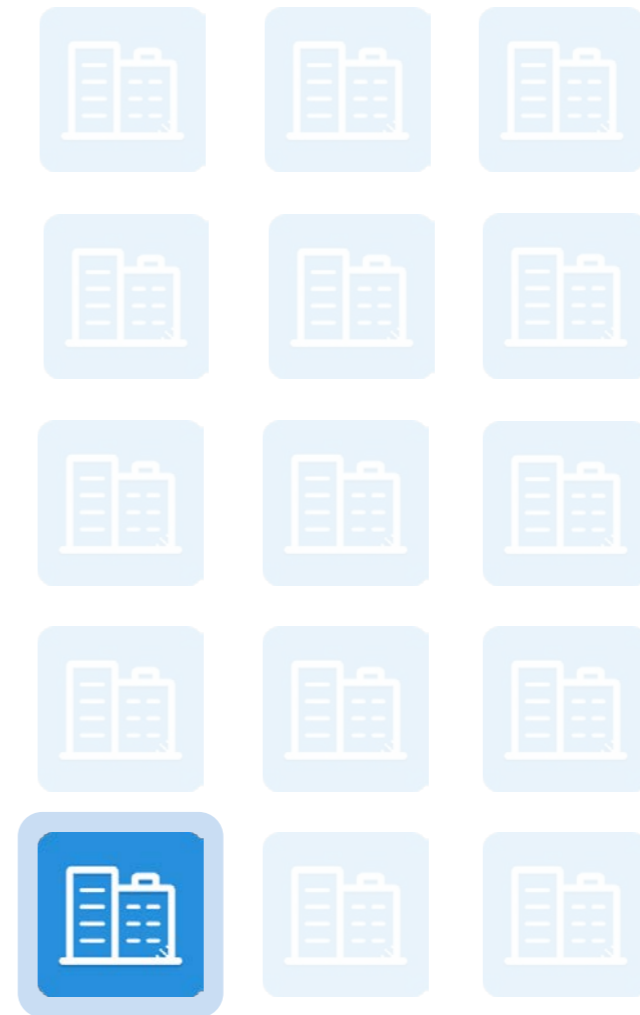
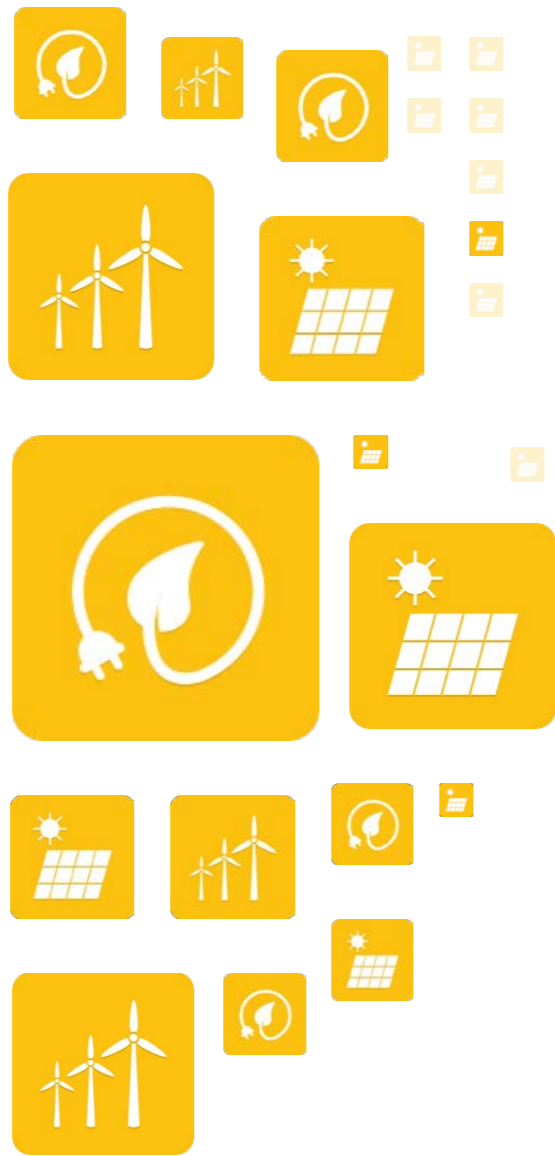


PJM Renewable Portfolio
CEEPC
September 27, 2017

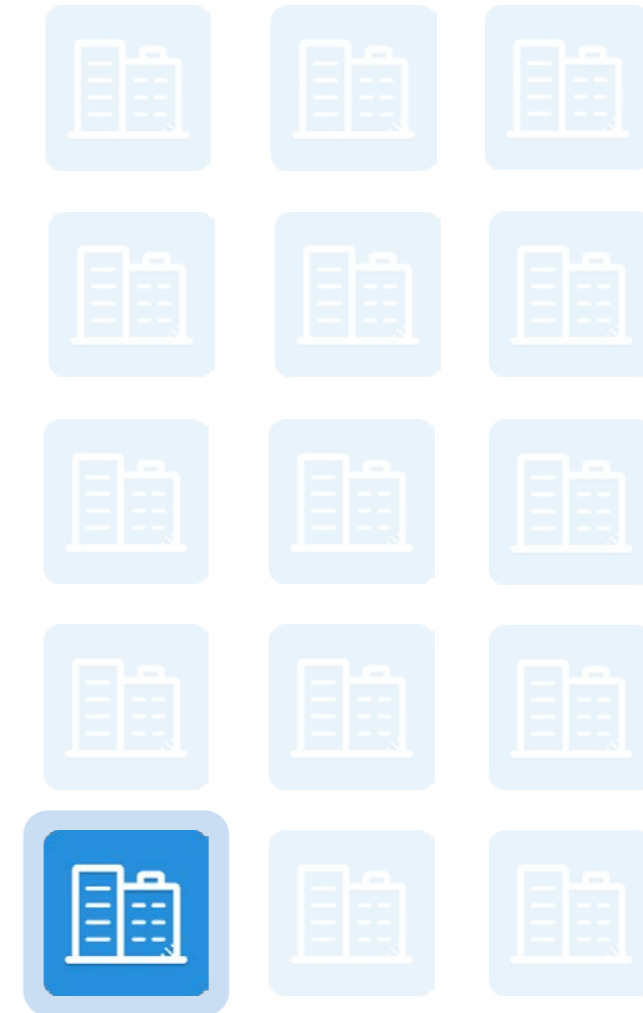
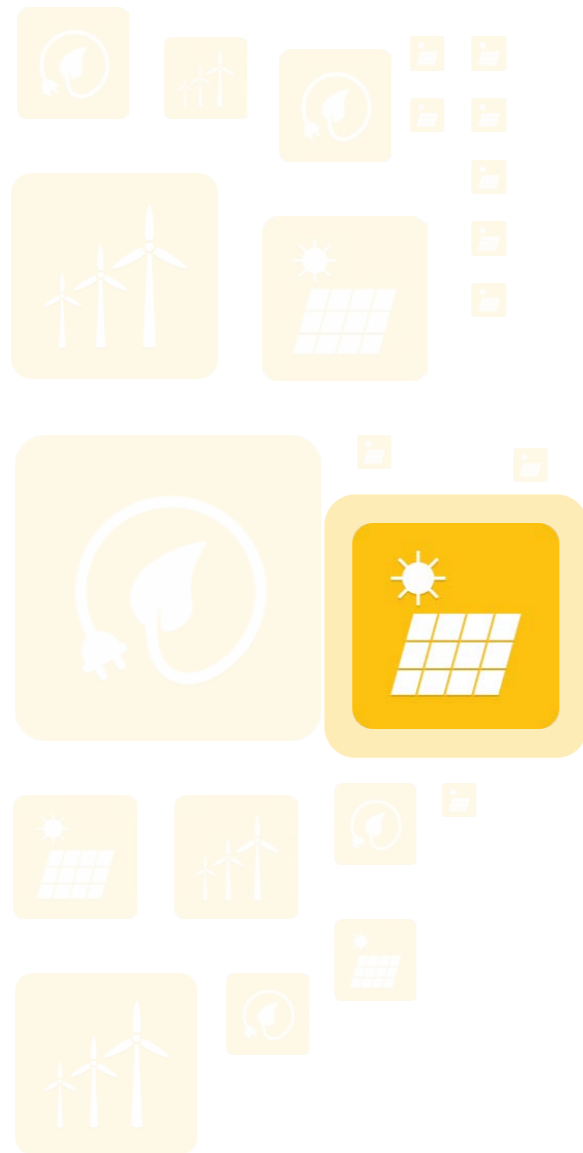
Why Aggregation?



The current paradigm



The current paradigm



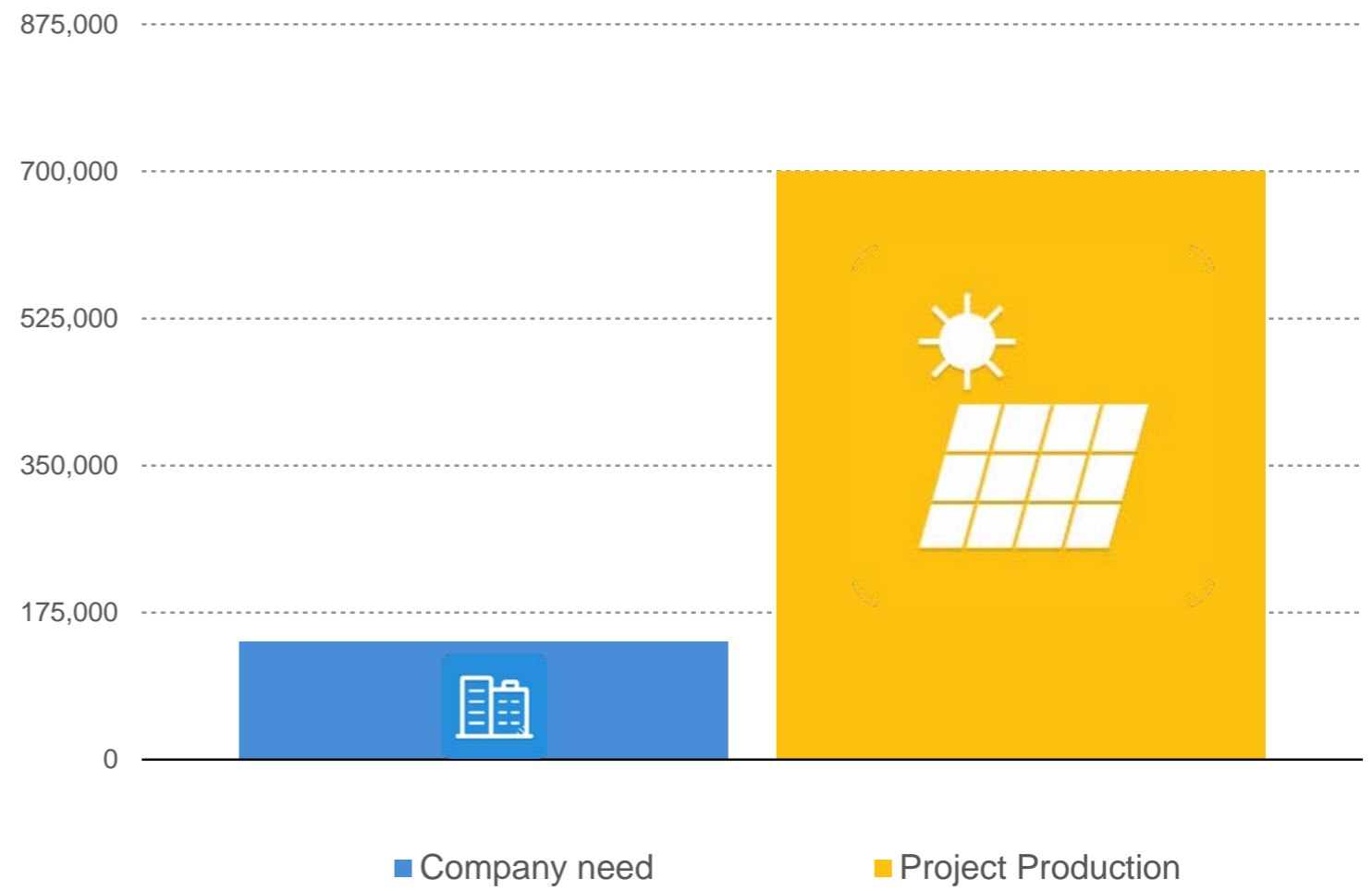
Power Purchase Agreement (PPA)

The current paradigm is flawed:

**99% of Fortune
5000 companies
are left out**



Single project is too large



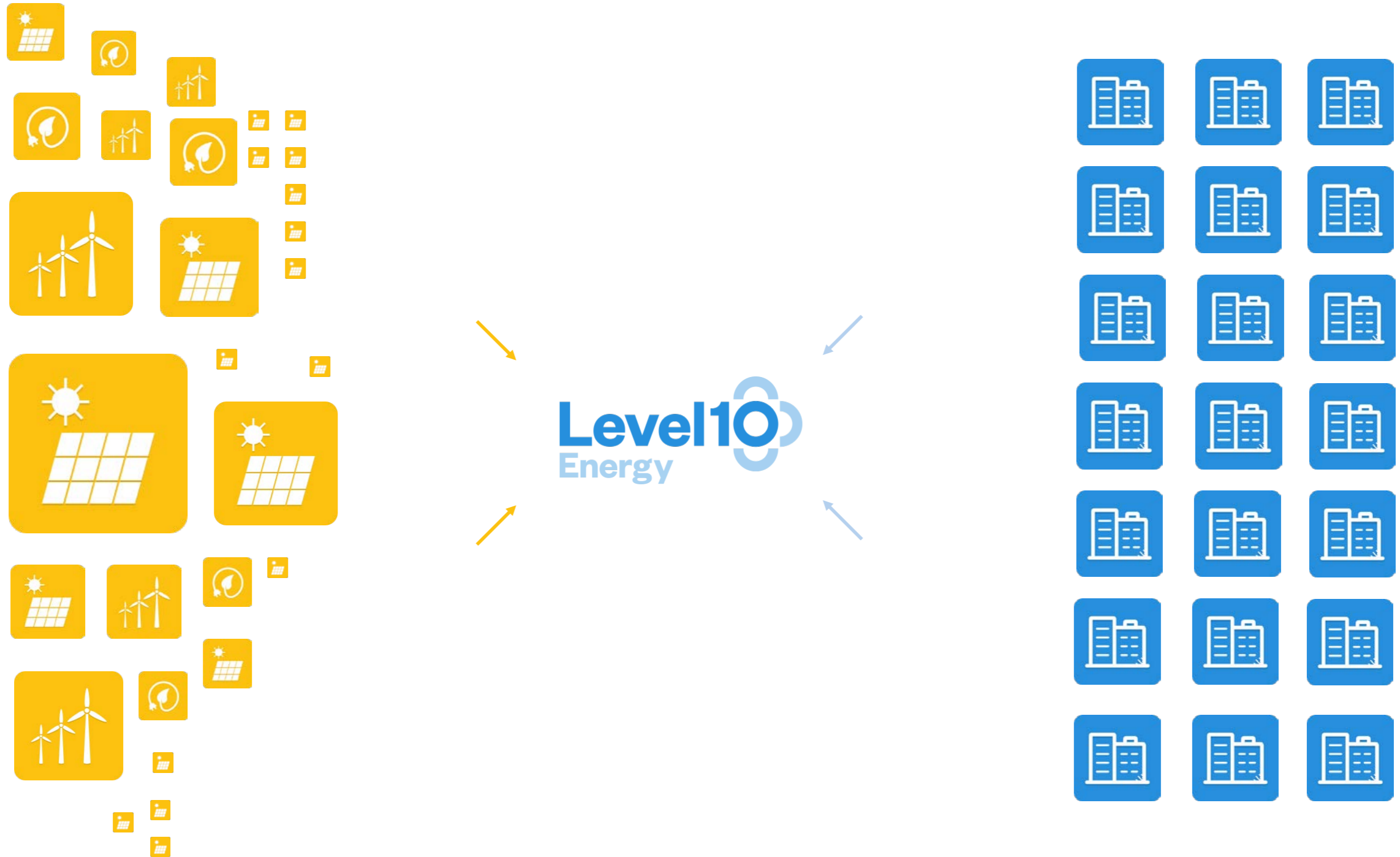
**Complex energy
market =
high risk**



Brutal sales cycle

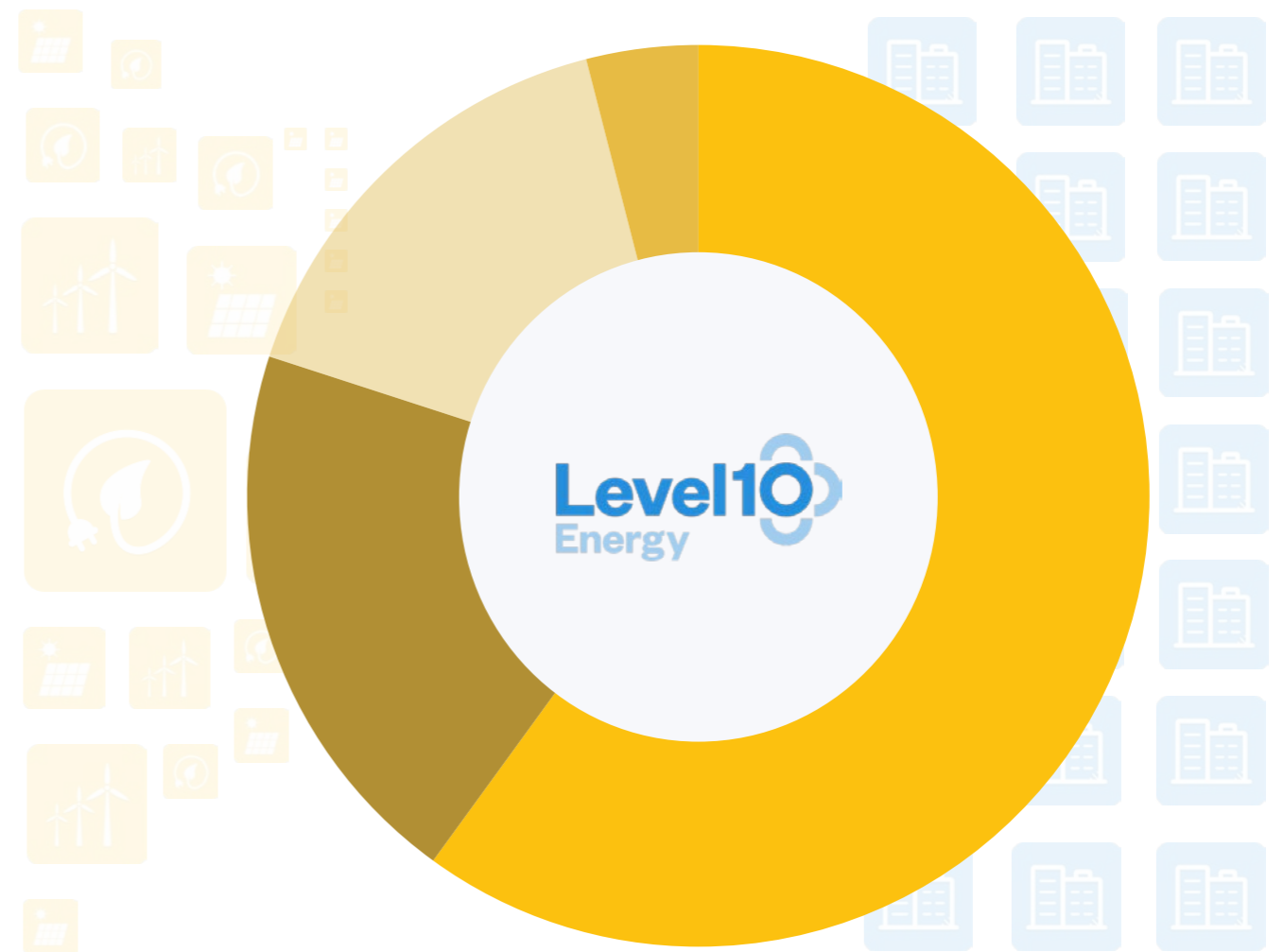


LevelTen's renewable energy marketplace

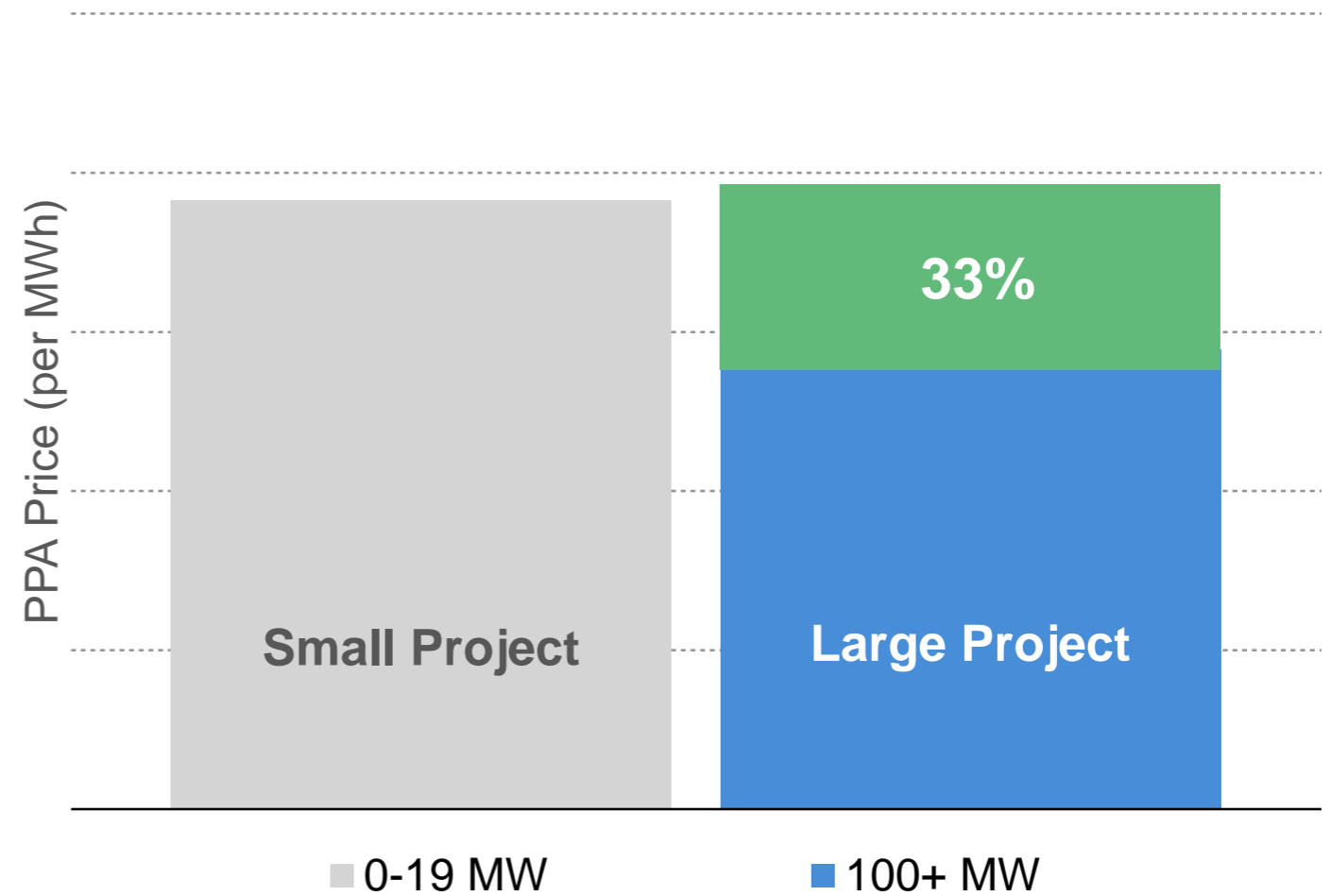


- Many-to-many connections enable all buyers to access less expensive, less risky, easier transaction

A renewable energy “mutual fund”

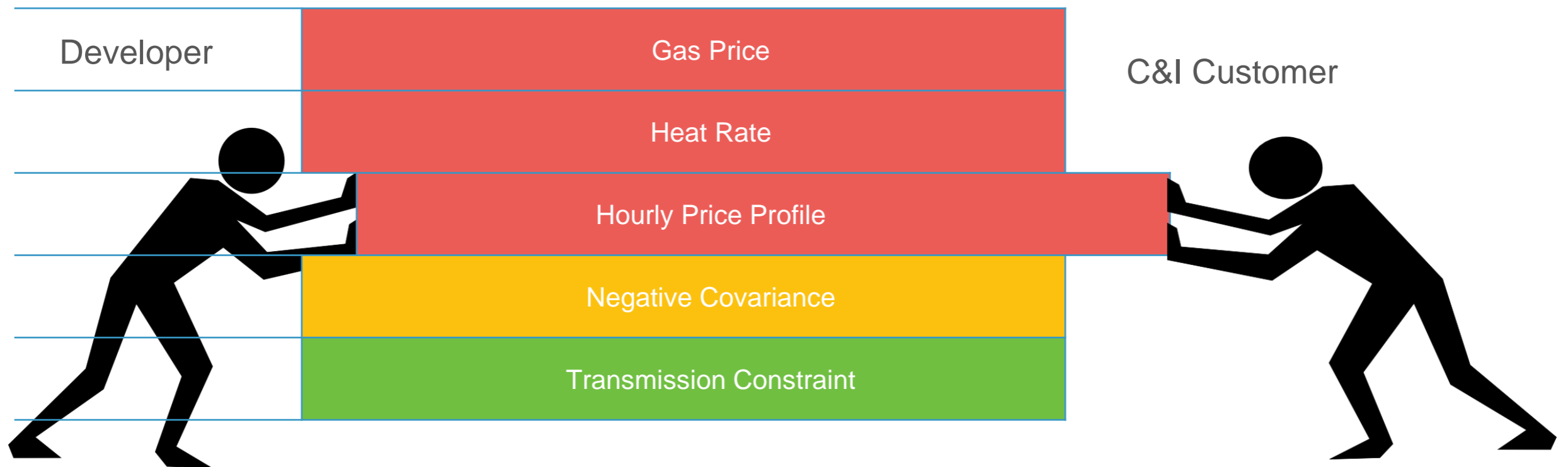


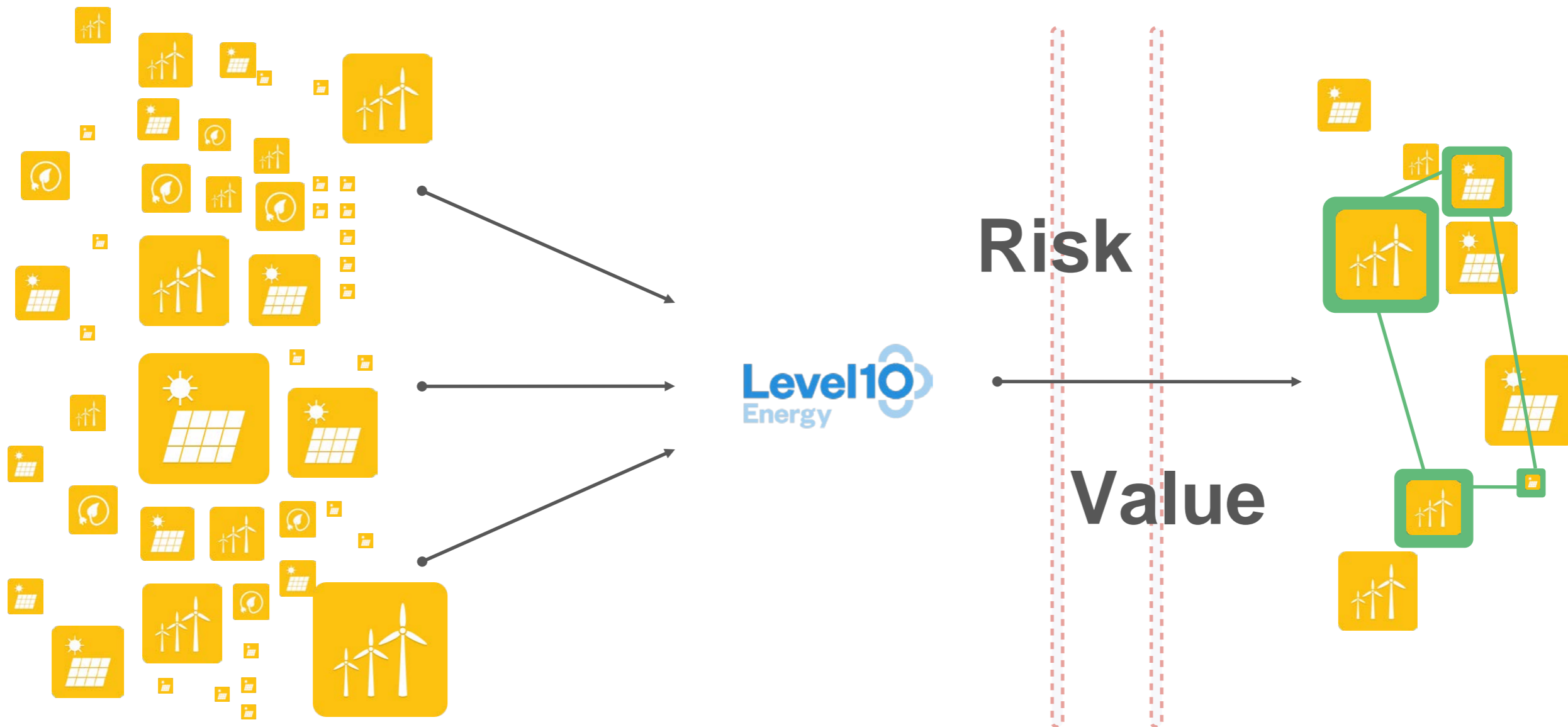
Reduce buyer costs by 33%



Wholesale market risks

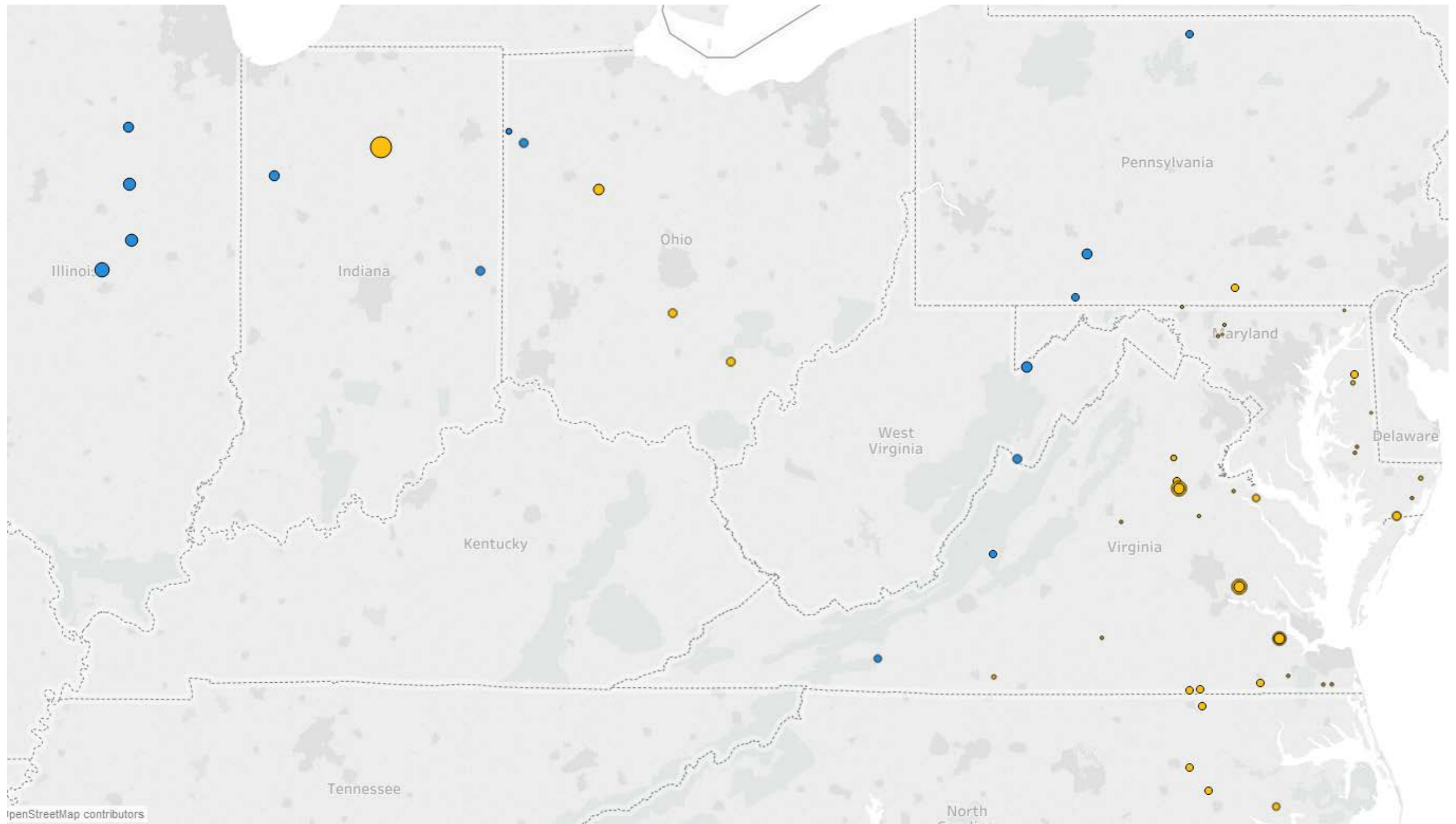
Project-specific wholesale market risks



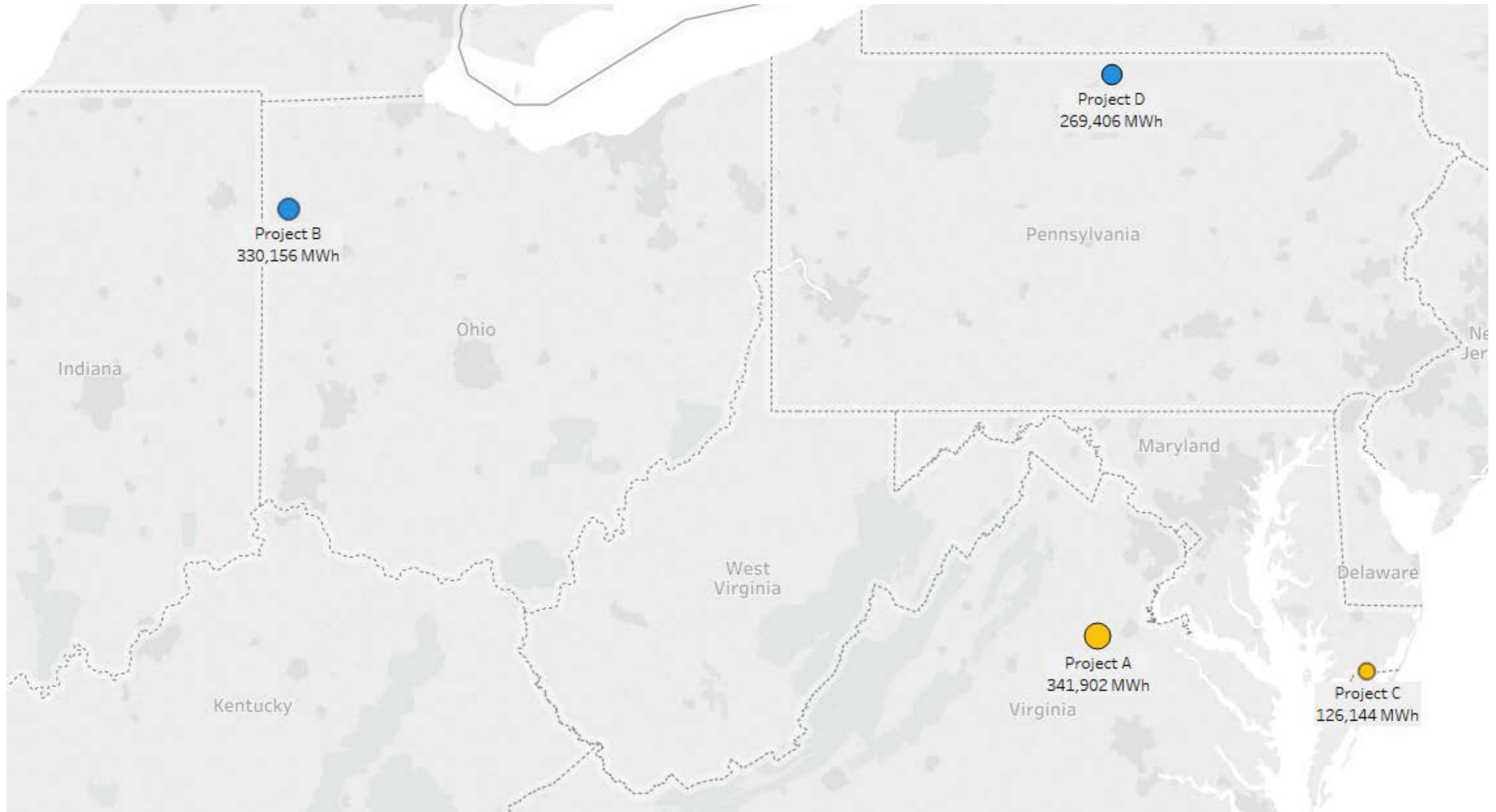


-
- LevelTen ingests millions of daily market pricing data points to feed risk/value algorithms
 - We select the best projects for “portfolios”

The PJM Project Universe: 5.1GW of projects

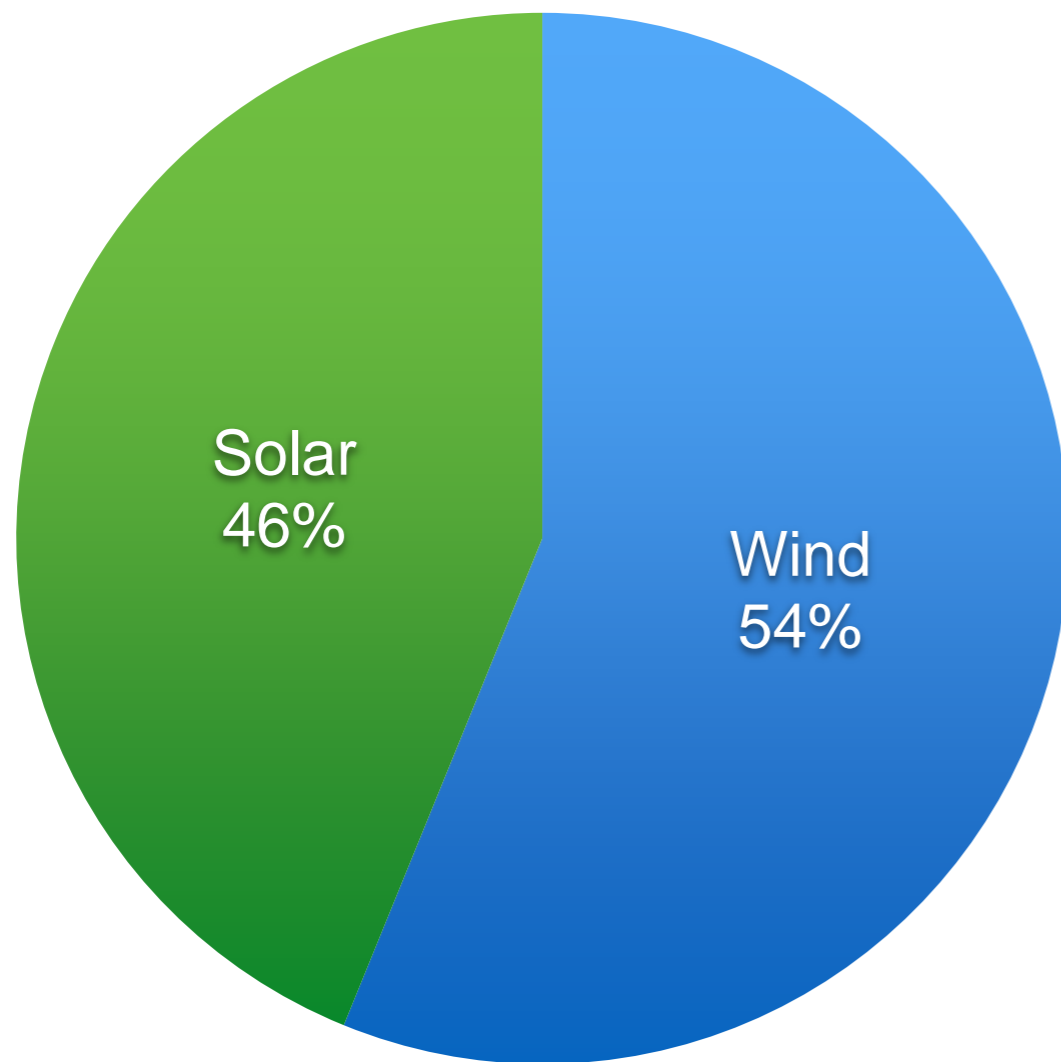


The PJM Solidago Portfolio:

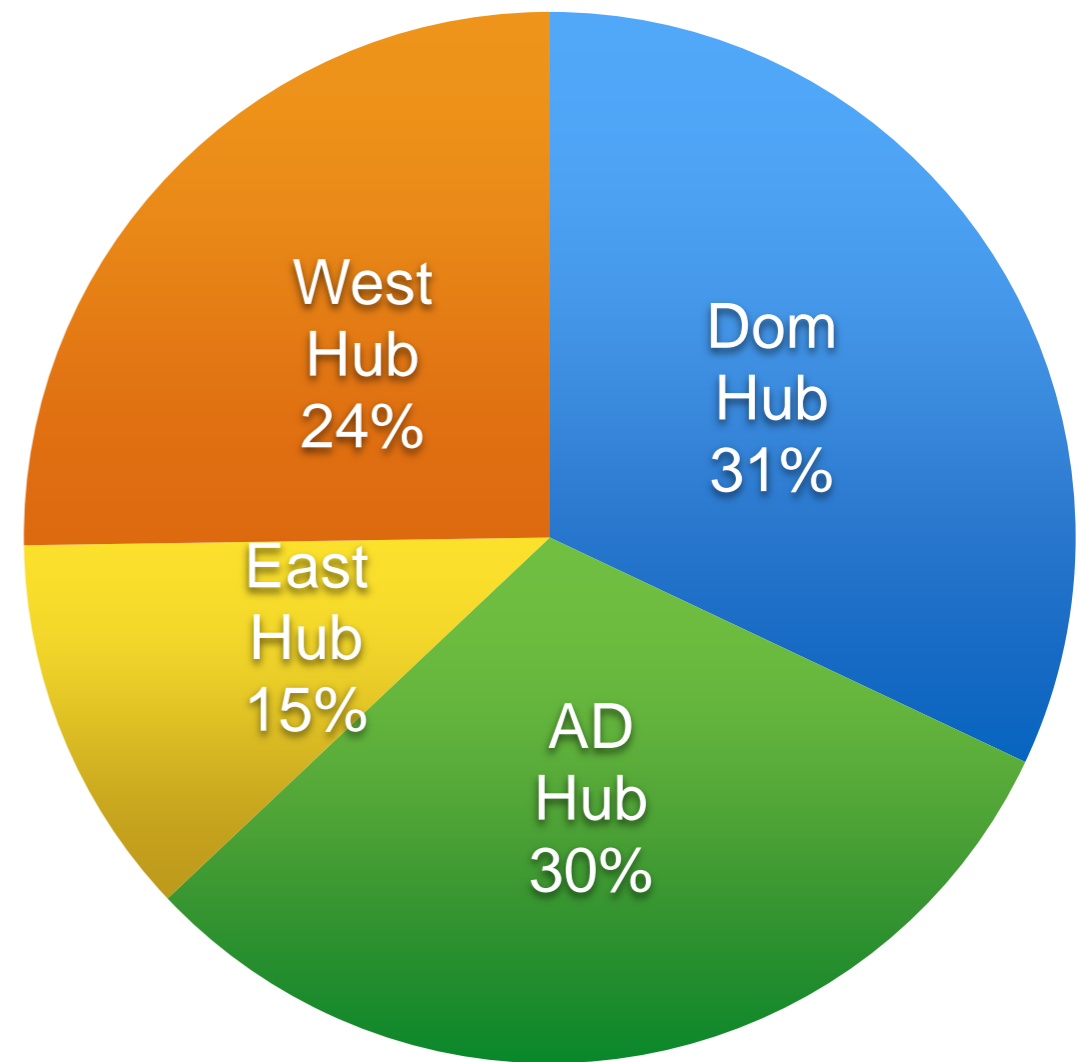


The PJM Solidago Portfolio:

Technological Diversity



Geographic/Settlement Diversity



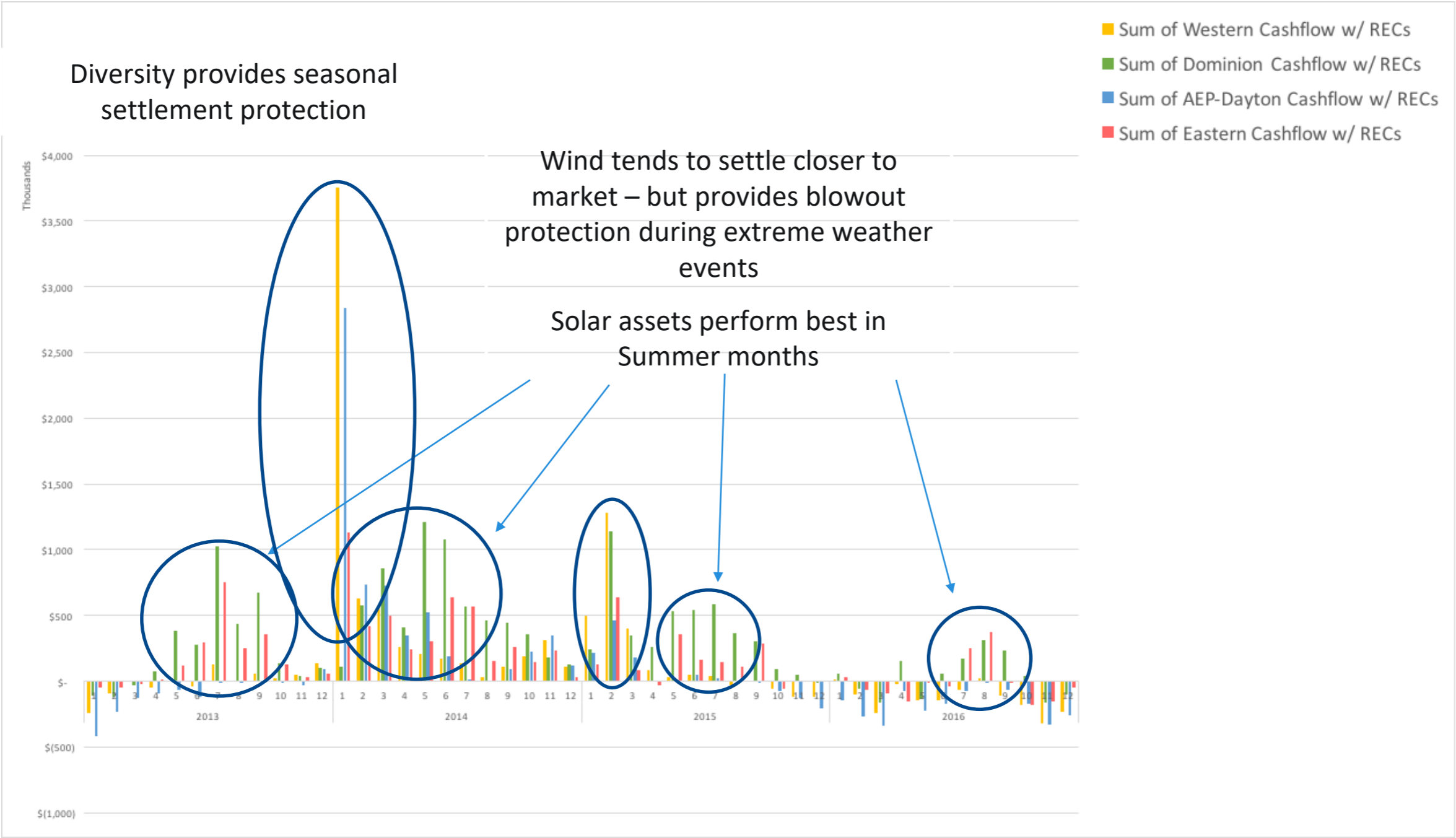
Risk & Value

Level Ten believes that the best renewable energy procurement balances risk with value. Low price does not necessarily equate to good value.

Value - Historical

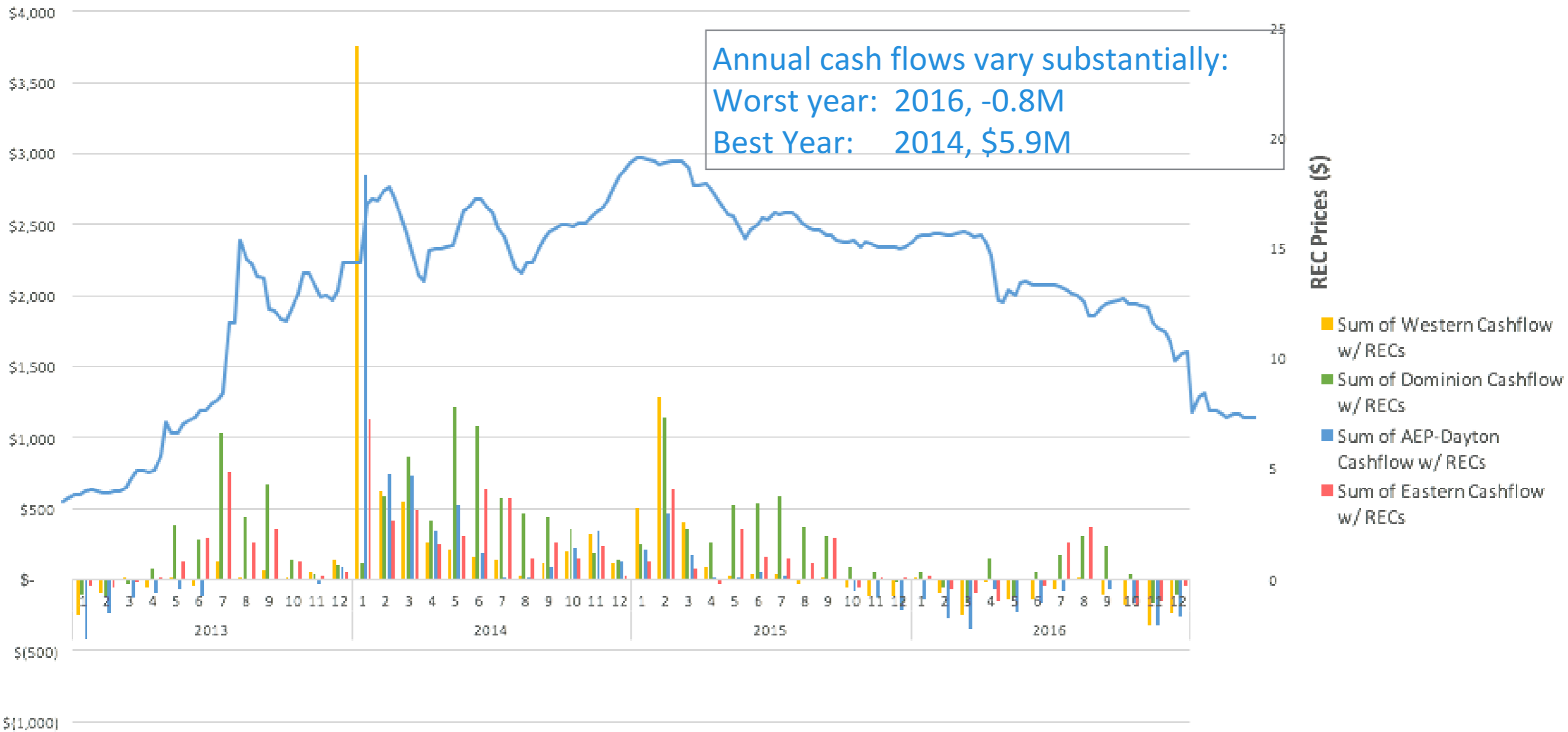
- **Backcast – identifies general character of settlement value**
- Fixed price vs historical settlements - volatility
- Character of extant generation portfolio (i.e. Heat Rates)
- Congestion
- Node vs Hub basis
- Covariance
- Extreme weather events
- Time of Use
- Seasonality
- REC market value (if relevant)

PJM Portfolio Hubs – Historical Backcast Swap Settlement Revenues



Backcast takeaway: Historical cash flow is high = \$8.3M

Historical Portfolio Cash flow with PJM Tier 1 RECs monetized



Risk & Value

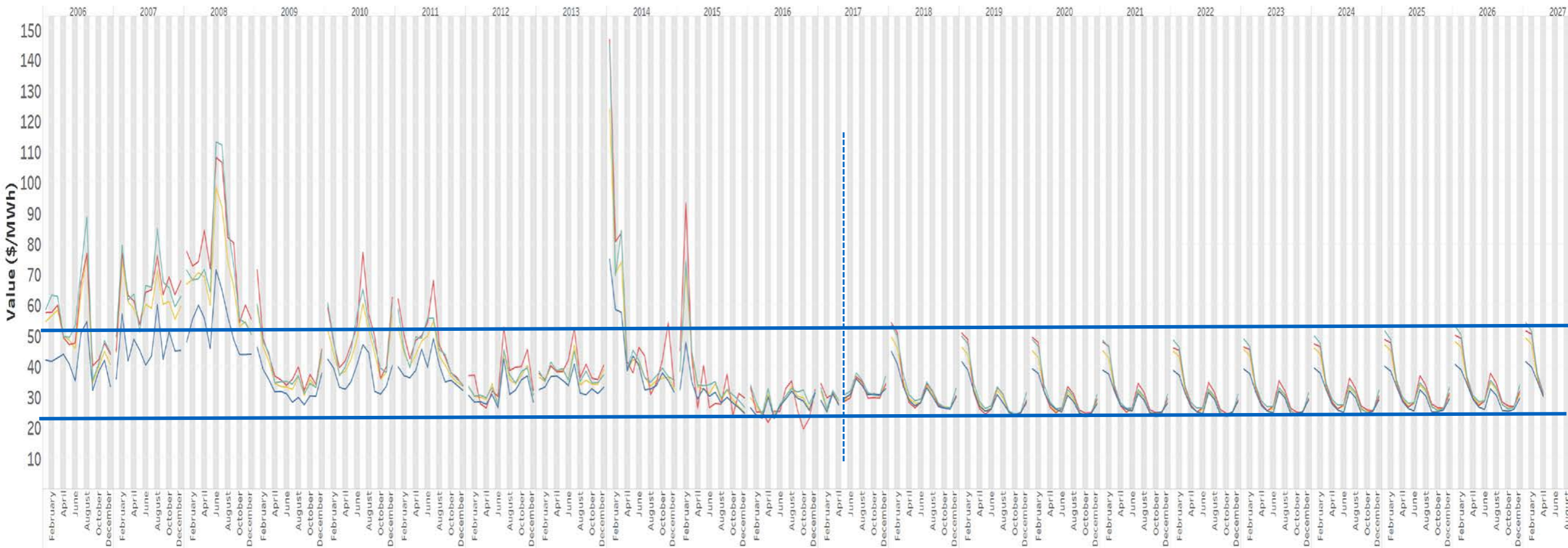
Level Ten believes that the best renewable energy procurement balances risk with value. Low price does not necessarily equate to good value.

Value - Forecast

- **Forecast – best estimate of future settlements**
 - **Forward assumptions – market vs “forecast”**
 - Includes gen and transmission additions/attritions
 - Future renewable penetrations (covariance)
 - RPS expansion

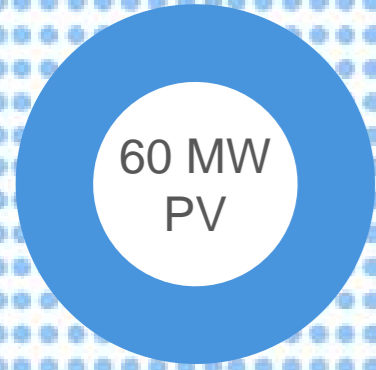
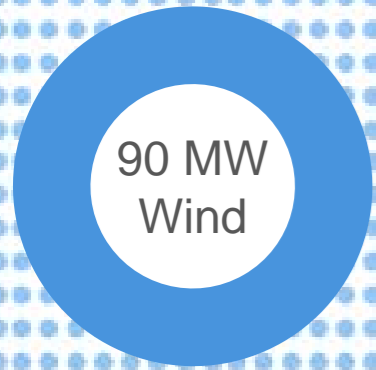
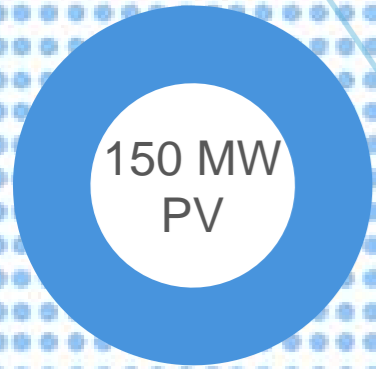
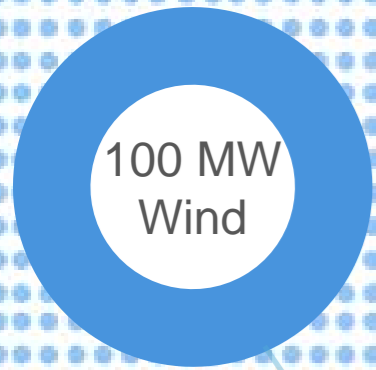
PJM Portfolio Hubs - Historical + Forward Value

Average Monthly \$/MWh (ATC)



- Aep-Dayton Hub
- Dominion Hub
- Eastern Hub
- Western Hub

Forwards
begin



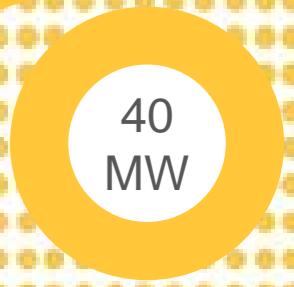
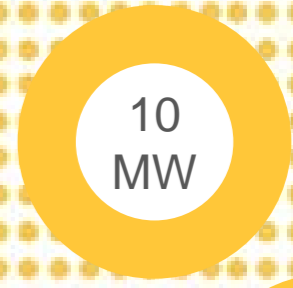
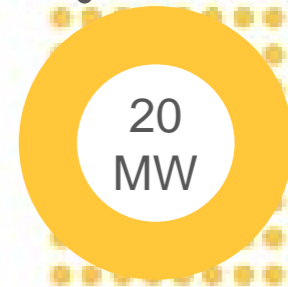
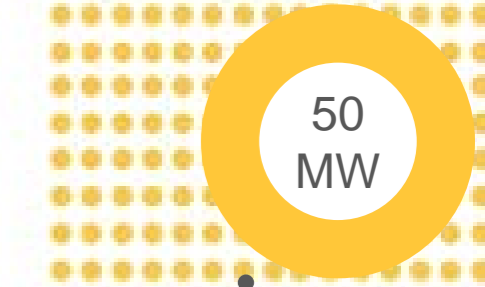
\$41.00 UC PPA



Credit, Arrangement & Structuring Fees

- Credit fees
- LevelTen fee (fixed).....+\$1.00

\$42.00
(energy & RECs)



(UC ISDA swap)

(optional physical delivery)

(UC ISDA swap)

Benefits of LevelTen Portfolio

- ❖ Buyer receives portfolio of as-generated renewable power - faces creditworthy counterparty
- ❖ Execute PPA in a more sophisticated form - providing standard terms and conditions
- ❖ Projects shielded from buyers' default risk (allowing more buyers to participate)
- ❖ Buyers shielded from projects' development, operational, and default risk
- ❖ Multiple projects, single transaction
- ❖ Intermediary "warehouses" power until all projects operational
- ❖ Buyers benefit dramatically from leverage and sophistication of "anchor buyer" and LevelTen
 - Favorable buyer terms pre-negotiated
 - No costly/lengthly project diligence
 - Transparency in risk, value, and fees
- ❖ Consolidated billing, settlement and transaction documentation

Benefits of the LevelTen Portfolio

- Immediately Actionable**
- Configurable**
- Cost Competitive**
- Risk Mitigating**

