

Risk Assessment

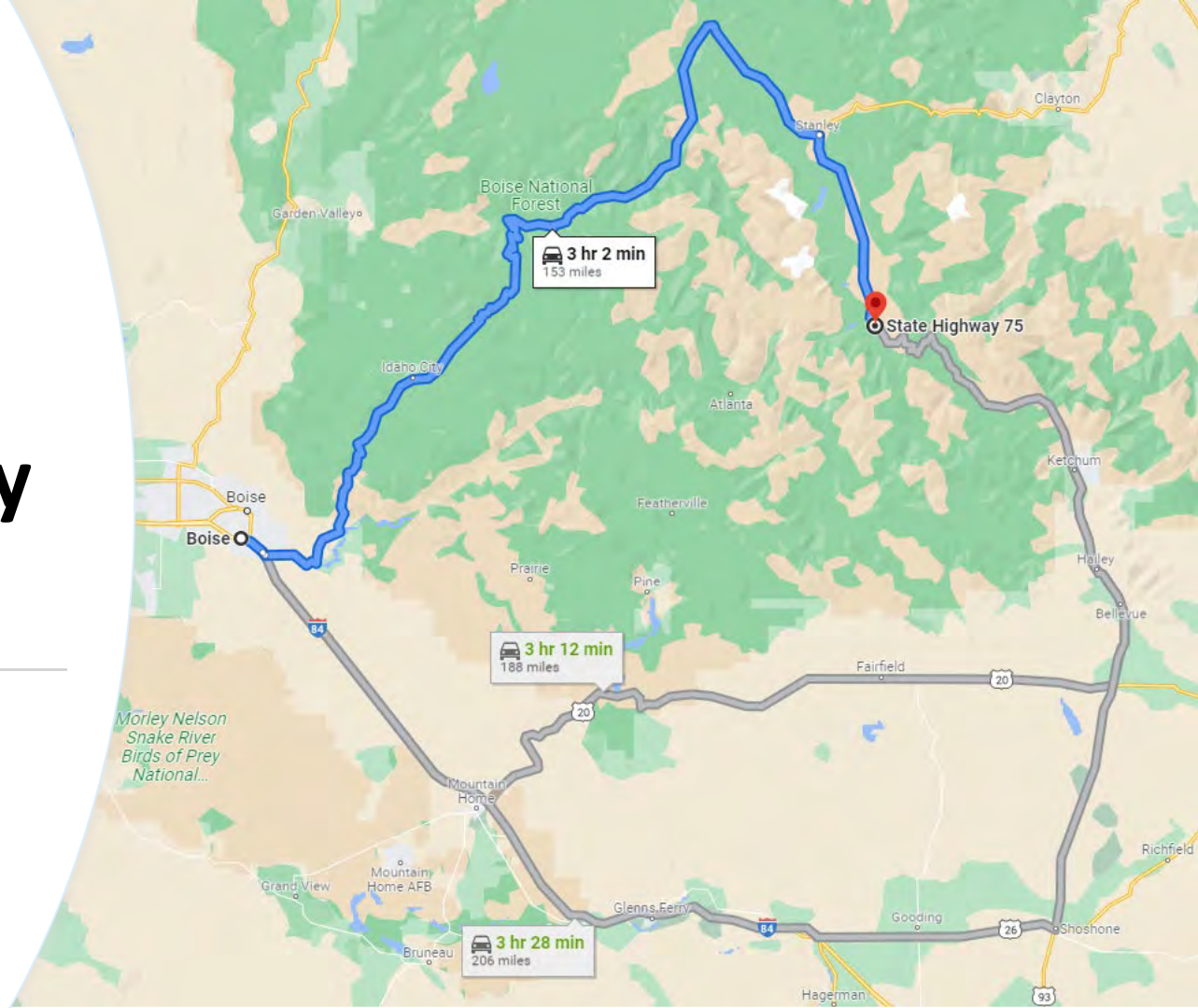
November 18, 2021

Greg Strang



A Quick Safety Minute

Winter weather trip planning



Risk assessment

- Quantitative and Stochastic

- Northern Route



- Middle Route



- Southern Route



- Qualitative

- Road Conditions

- Interstate vs Highway
- Visibility

- Car capabilities

- Four-wheel drive
- Reliable and kept in service

- Driver capabilities

- Lack of recent winter weather driving experience
- Tired after a day's work

Energy Supply Risk

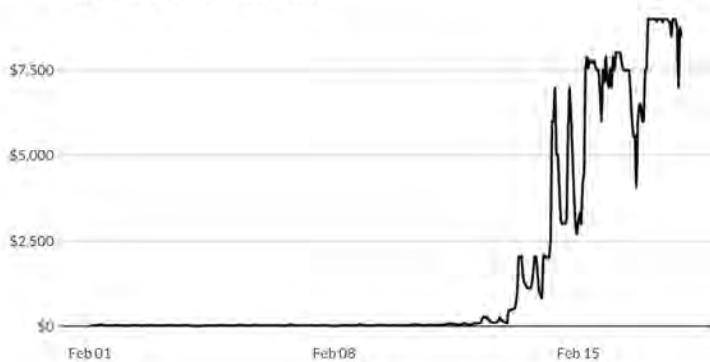
- Risk associated with the ability to procure energy based on resource type



Fuel and Electric Market Risk

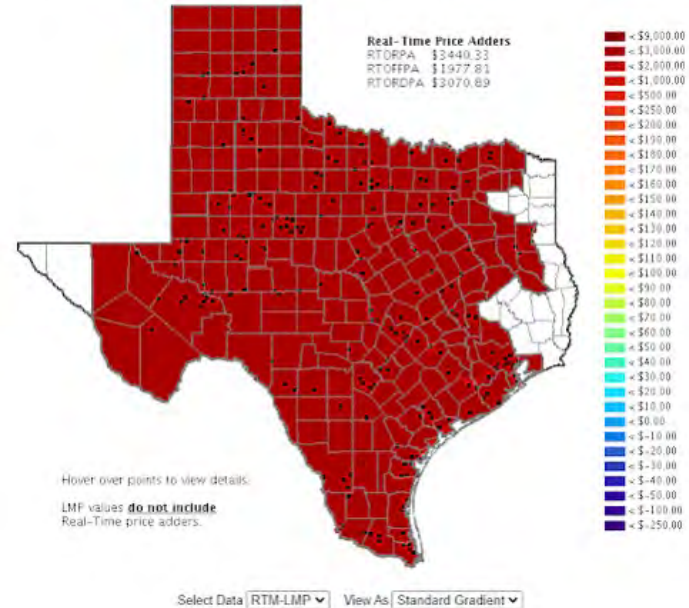
- Price Risk
- Volatility Risk
- Market access risk

Texas hourly power prices (Feb 2021)
North Hub, \$ per megawatt-hour



Data source: ERCOT.com accessed via NRGSTREAM.com

Last Updated: Feb 15, 2021 09:55 [Download KML: Contours and Points](#) / [Points Only](#) / [TX Counties](#) / [ERCOT Region](#)



Hover over points to view details.

LMP values **do not include**
Real-Time price adders.

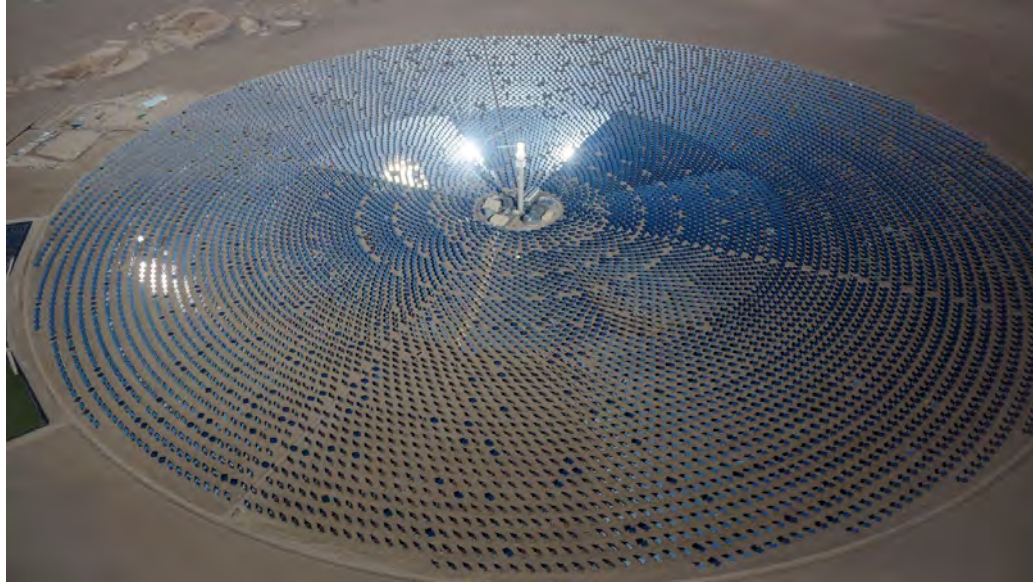
Siting and Permitting

- Economic and operational risks associated with siting and permitting of new resources



Technological Obsolescence

- Change in technology or cost may render current or future resources obsolete or non-functional before depreciable life ends.



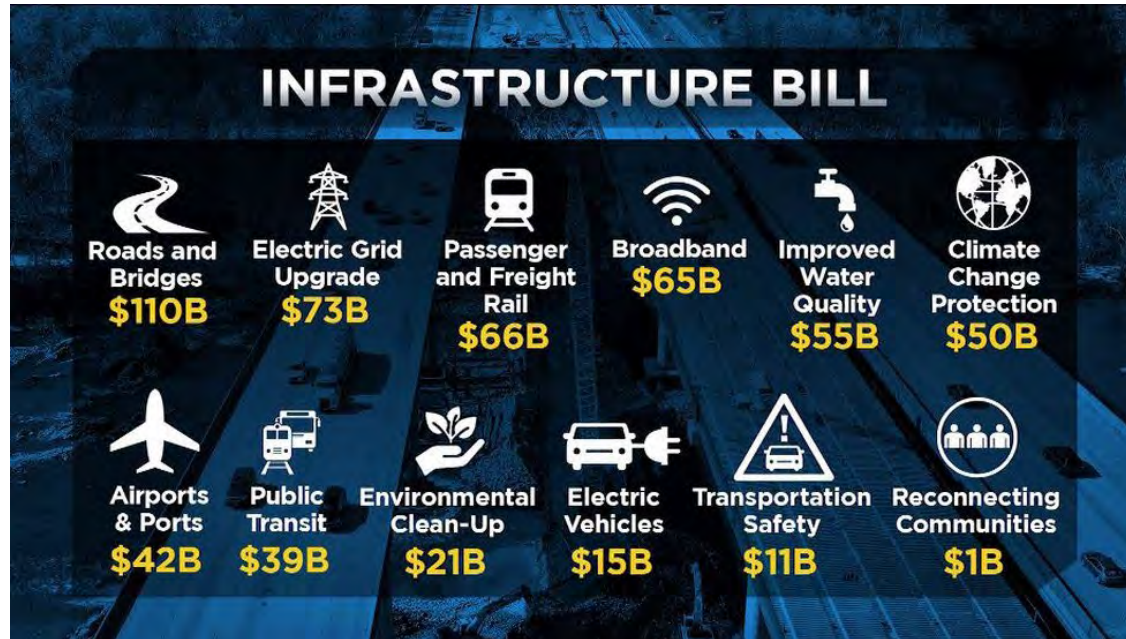
Partnership Risk

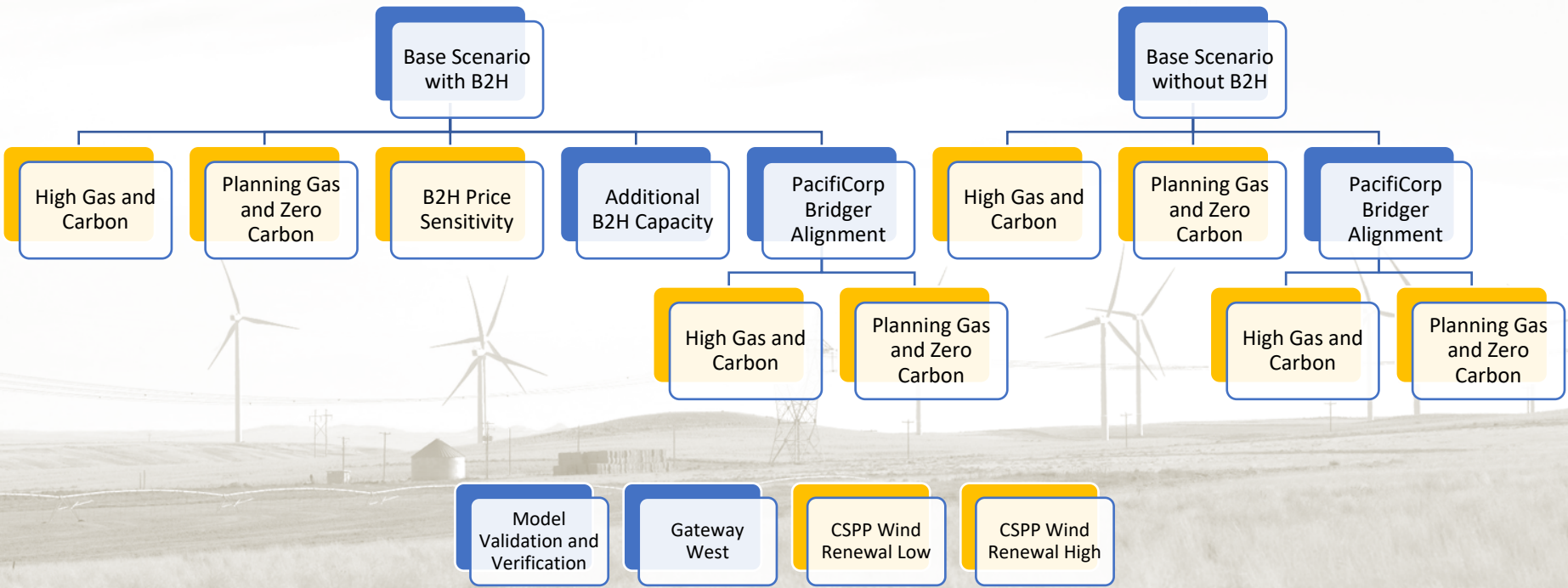
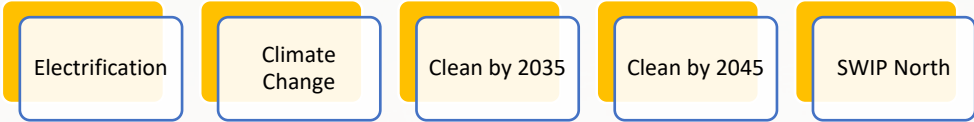
- Operational and economic risk associated with jointly owned or non-owned resources



Federal and State Policy Risk

- Risk and opportunity associated with changing policy at the local, state and federal level

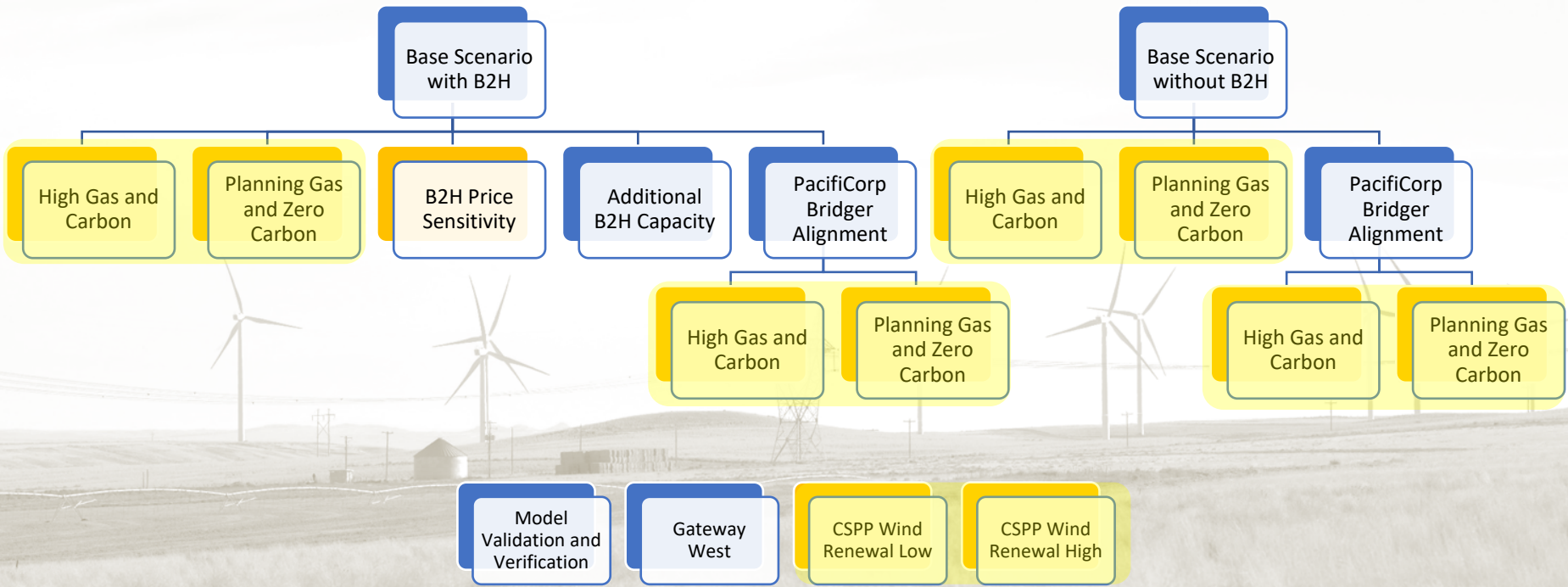
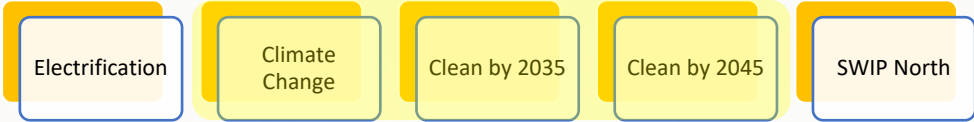




Color Key

- Long-Term Capacity Expansion (LTCE) Run
- Production run sensitivity

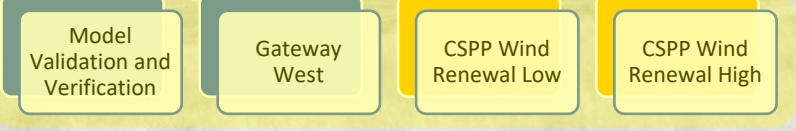
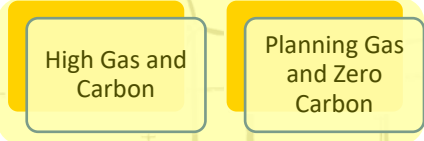
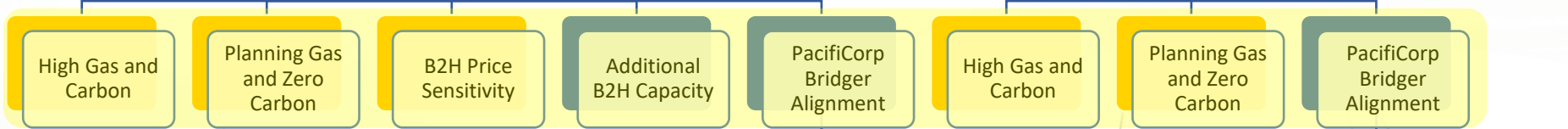
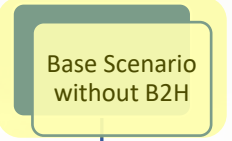
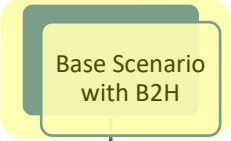
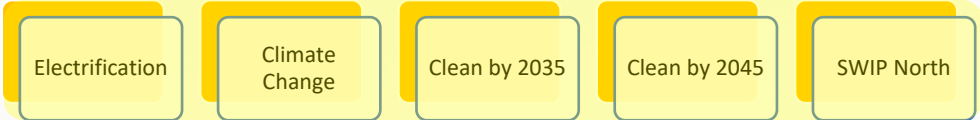
Fuel Supply





Color Key

- Long-Term Capacity Expansion (LTCE) Run
- Production run sensitivity

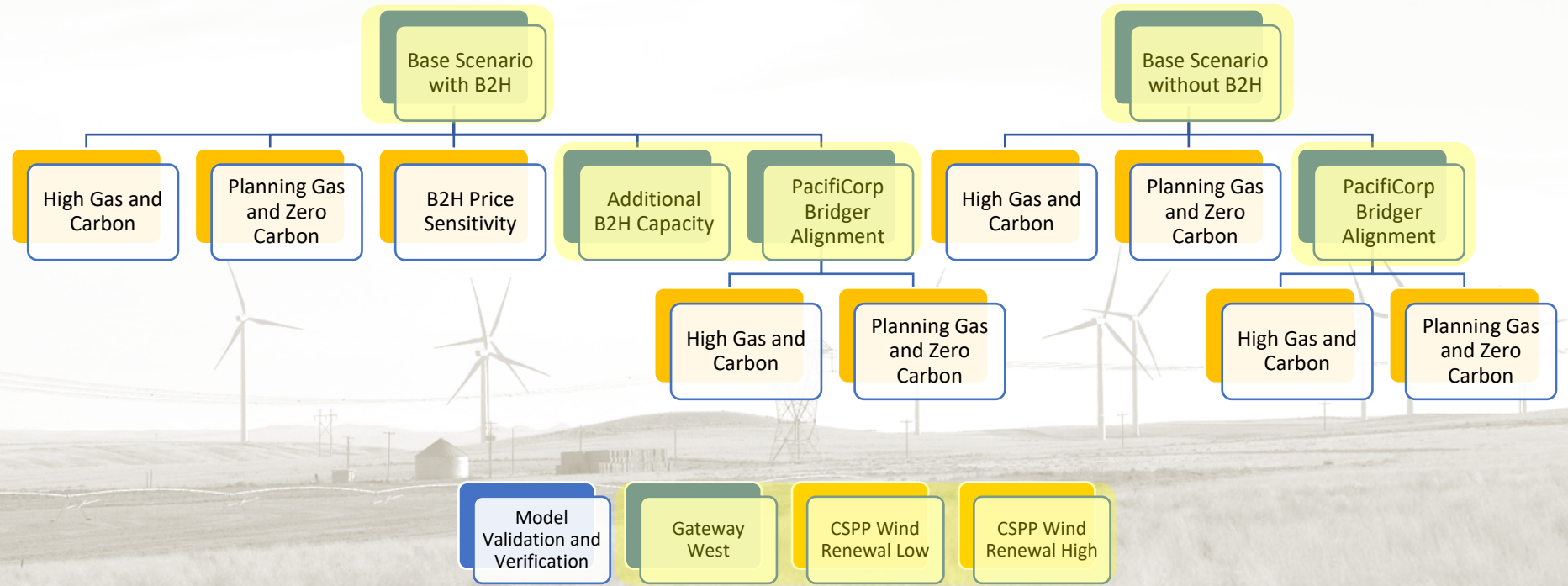
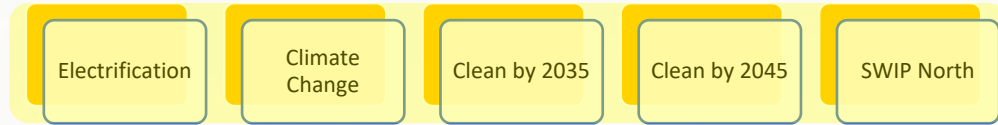
Fuel And Electric Market



Color Key

-  Long-Term Capacity Expansion (LTCE) Run
-  Production run sensitivity

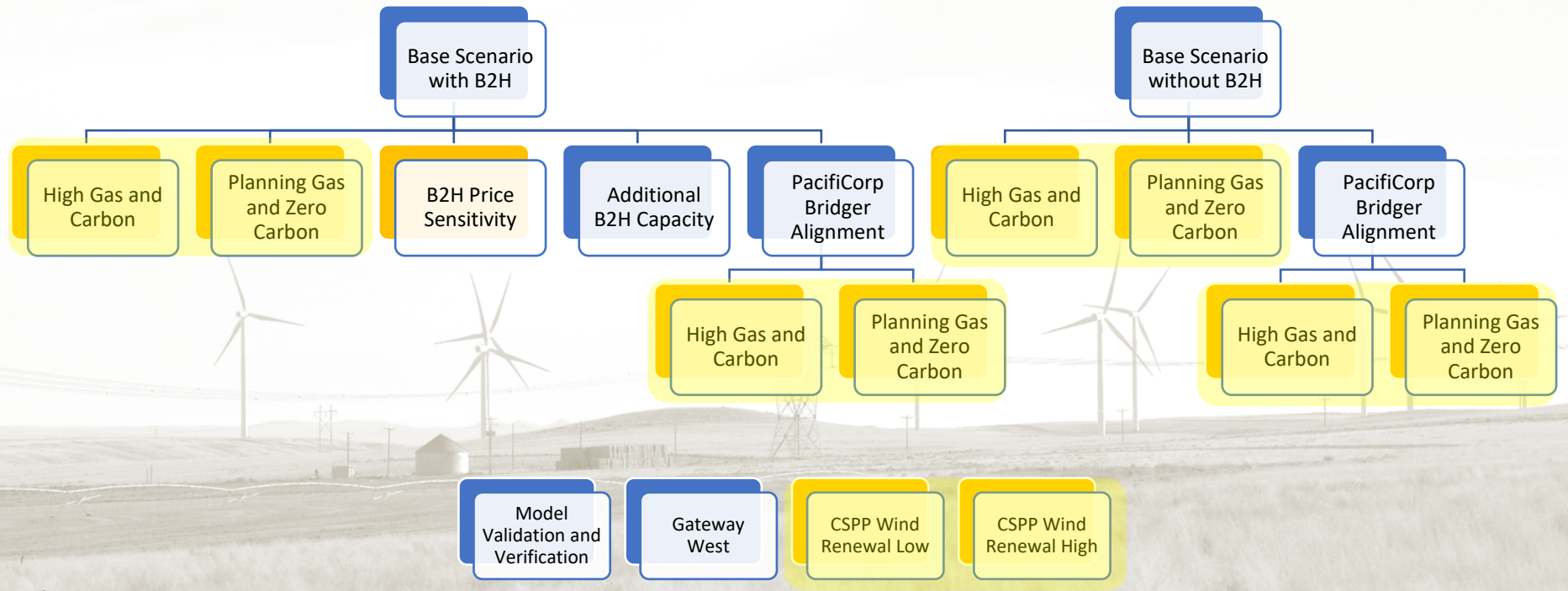
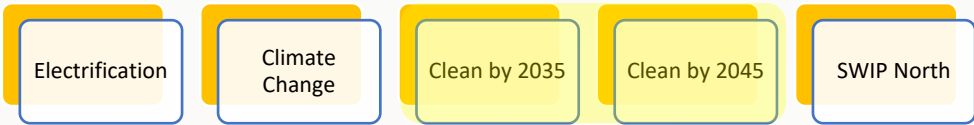
Sitting and Permitting



Color Key

- Blue box: Long-Term Capacity Expansion (LTCE) Run
- Yellow box: Production run sensitivity

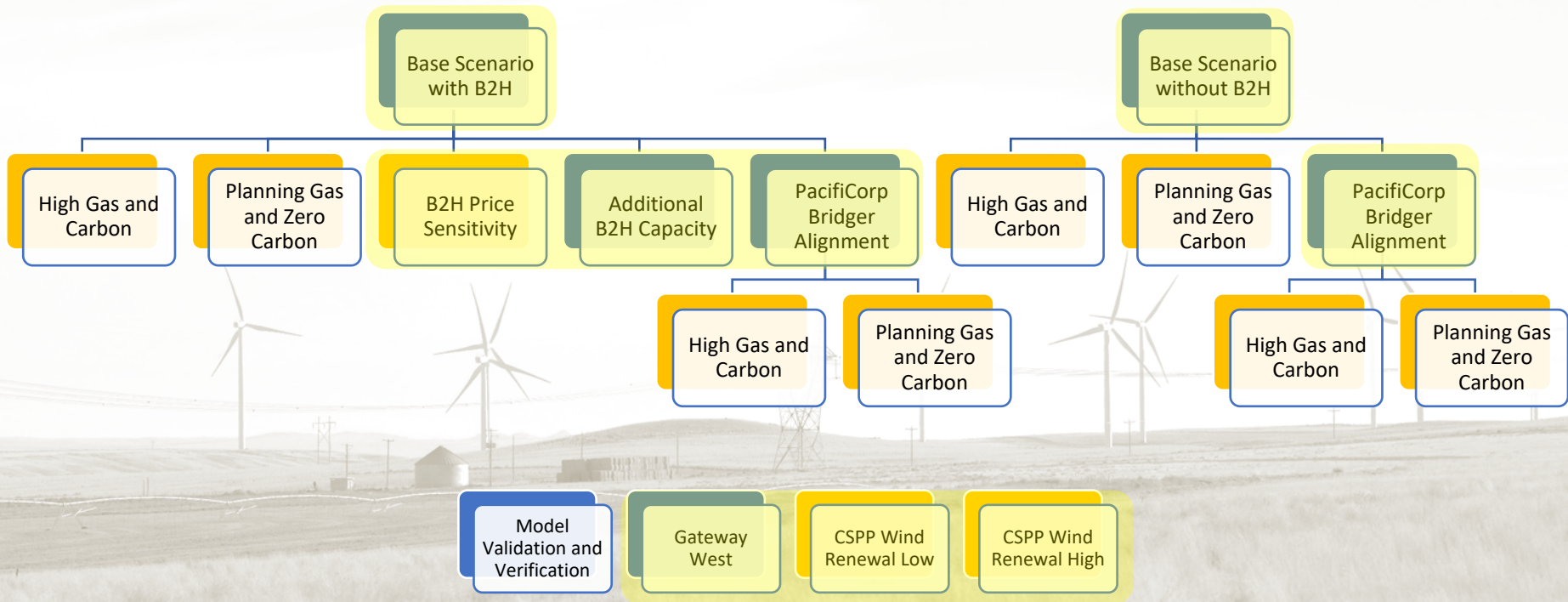
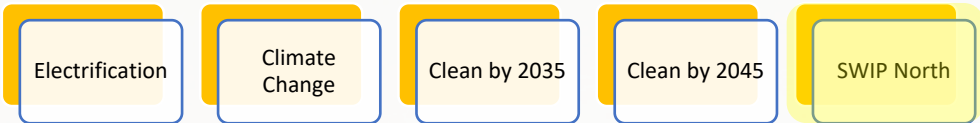
Technological Obsolescence



Color Key

- Blue box: Long-Term Capacity Expansion (LTCE) Run
- Yellow box: Production run sensitivity

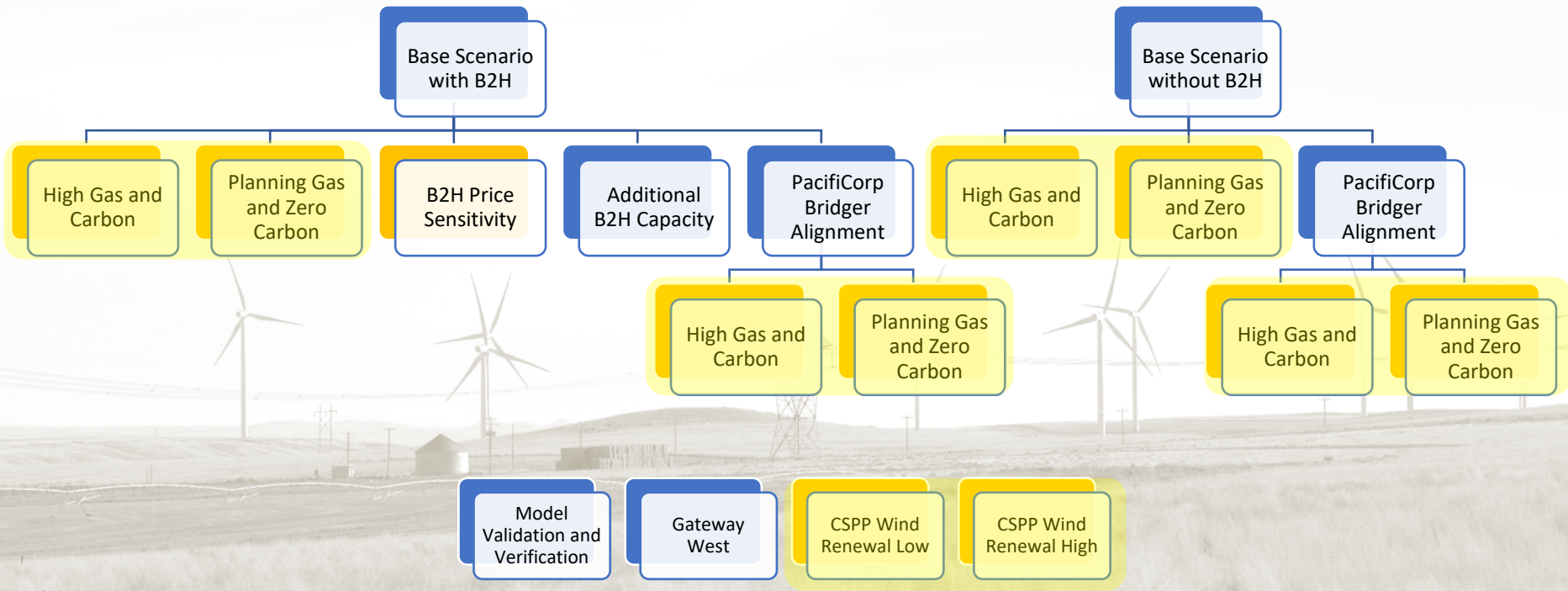
Partnership



Color Key

- Long-Term Capacity Expansion (LTCE) Run
- Production run sensitivity

Federal and State Policy



Color Key

- Blue box: Long-Term Capacity Expansion (LTCE) Run
- Yellow box: Production run sensitivity

Qualitative Risks

Portfolio	Energy Supply	Market	Siting and Permitting	Technological Obsolescence	Partnerships	State and Federal Policy
B2H	Medium	Medium	Medium	Low	Medium	Medium
No B2H	Medium	Medium	High	Medium	Medium	Medium



Thank you!

Questions?