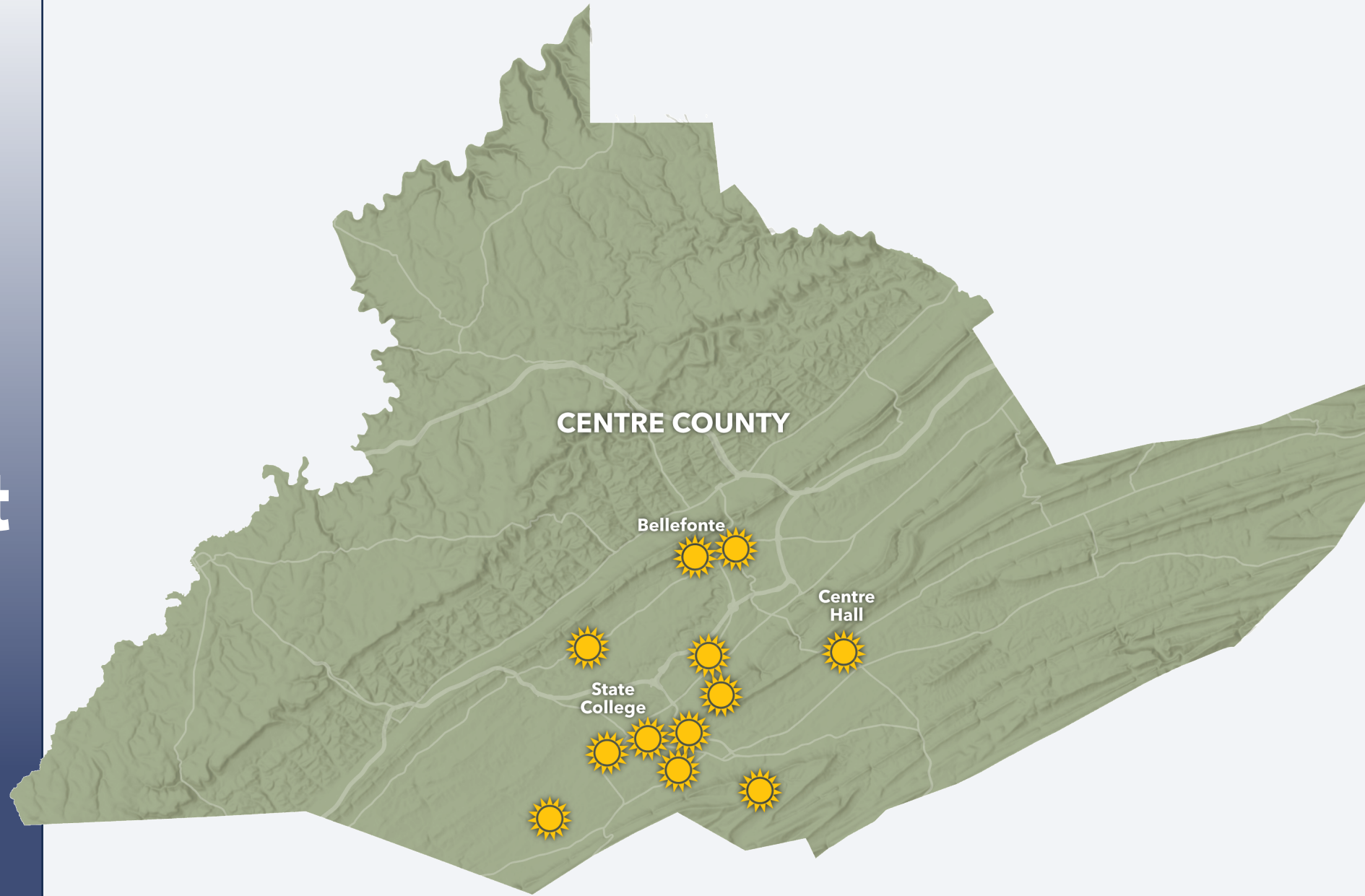


**Power  
Purchase  
Agreement  
(PPA)  
January 2025**



# Agenda

- **Cost and Rate Projections**
- **Document Package**
- **Summary**

An aerial photograph of a large solar farm, showing rows of solar panels stretching towards the horizon. A white grid is overlaid on the image, creating a perspective effect. The sky is blue with some white clouds. The title "Cost and Rate Projections" is centered in a bold, dark blue font.

# Cost and Rate Projections

# TOTAL PROJECTED COSTS

Entity	Consultant	Legal	2024-2026 consultant **	NPV Discount factor	P14 reimbursement	Total
State College Area School District	\$30,200	\$136,956	\$58,909	\$84,775	(29,938)	280,902
State College Borough Water Authority	\$9,798	\$44,431	\$15,043	\$25,996	(9,712)	85,557
State College Borough	\$6,836	\$30,999	\$8,068	\$17,214	(6,776)	56,340
Centre County Government	\$4,600	\$20,867	\$6,700	\$12,063	(4,562)	39,667
Centre Region Council of Governments	\$3,344	\$15,173	\$4,574	\$8,665	(3,317)	28,439
College Township Water Authority	\$1,545	\$7,010	\$2,184	\$4,027	(1,533)	13,233
Ferguson Township	\$1,227	\$5,561	\$1,813	\$3,225	(1,215)	10,611
Centre Hall Potter Sewer Authority	\$1,087	\$4,931	\$1,508	\$2,883	(1,078)	9,330
Patton Township	\$860	\$3,891	\$1,191	\$2,230	(850)	7,323
College Township	\$840	\$3,811	\$1,187	\$2,198	(833)	7,202
Harris Township	\$190	\$853	\$325	\$513	(186)	1,695
Prior members	\$9,149	\$13,862				23,011
<b>Total</b>	<b>\$69,675</b>	<b>\$288,346</b>	<b>\$101,501</b>		<b>(60,000)</b>	<b>563,310</b>

CCSG PPA - at 3 tiers	Projected Costs and Savings								
	1.5% Escalated market rate starting at 8 ¢/kwh (3)								
	Entity	% Commitment to PPA	Expected Total Costs (1)	Member electricity rate range (2)		Yr 1 saving	Ave Annual Savings	15-year projected savings	Payback
				Year 1	Year 15				
			¢/kwh		Total \$				
State College Area School District	80%	\$280,902	7.3	8.5	\$136,542	\$190,290	\$2,854,354	Year 2	
State College Borough Water Authority	60%	\$85,557	7.6	9.0	\$20,711	\$30,728	\$460,927	Year 3-4	
State College Borough w/RECS	80%	\$56,340	7.6	8.9	\$9,599	\$16,960	\$254,405	Year 4-5	
Centre County Government	90%	\$39,667	7.1	8.3	\$21,861	\$29,968	\$449,517	Year 1 - 2	
Centre Region Council of Governments w/RECs	80%	\$28,439	7.6	8.9	\$5,443	\$9,616	\$144,243	Year 4-5	
College Township Water Authority	60%	\$13,233	7.6	9.0	\$3,007	\$4,461	\$66,910	Year 4	
Ferguson Township w/RECS	90%	\$10,611	7.5	8.7	\$3,010	\$4,888	\$73,319	Year 3-4	
Patton Township w/RECs	80%	\$7,323	7.6	8.9	\$1,418	\$2,505	\$37,572	Year 4 - 5	
College Township	80%	\$7,202	7.3	8.5	\$2,752	\$3,835	\$57,527	Year 2-3	
Harris Township w/RECs	60%	\$1,695	7.9	9.3	\$81	\$297	\$4,453	Year 8-9	
<b>Total</b>							<b>4,403,227</b>		

## Notes

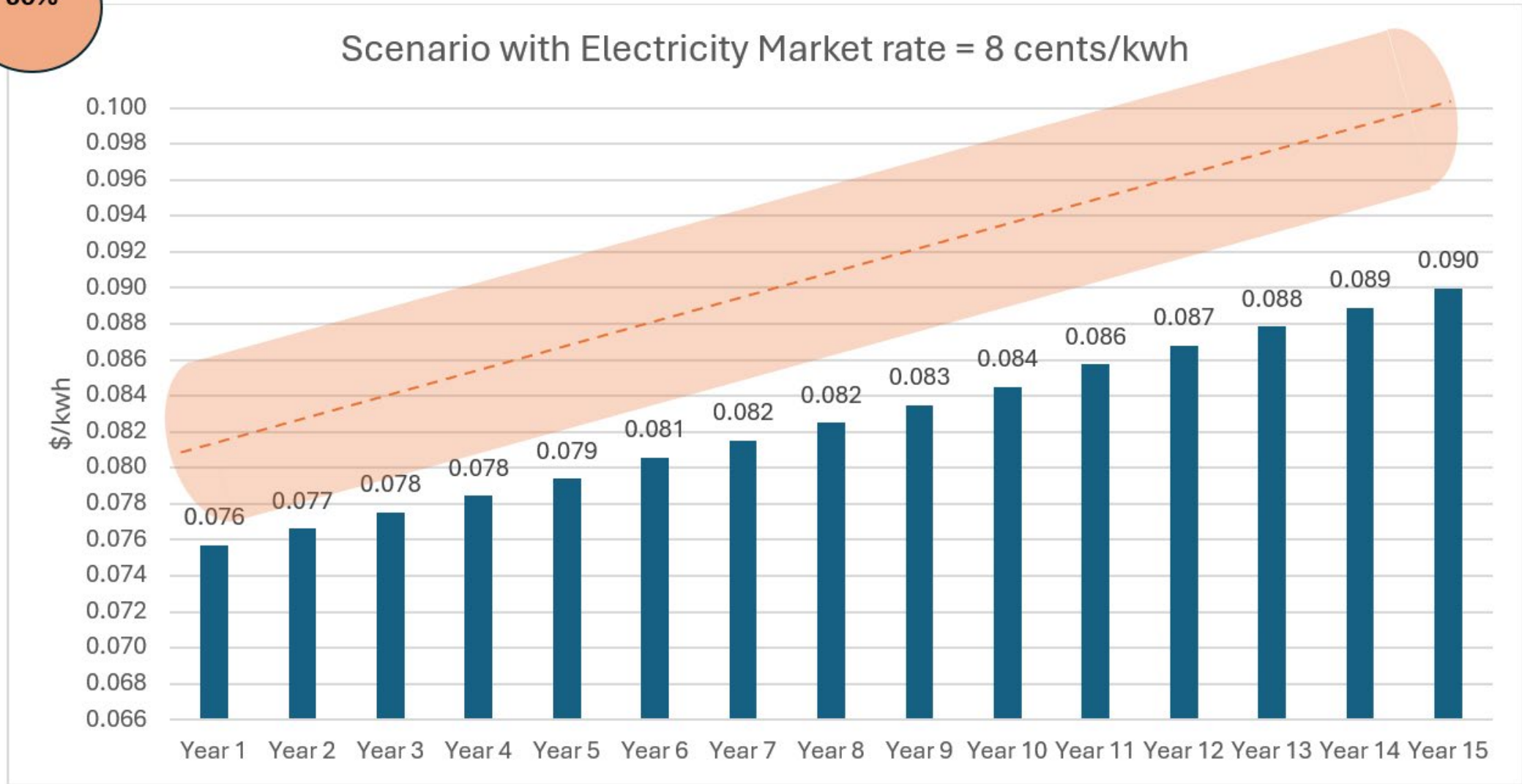
(1) Cost includes consultant, legal, discount factor (NPV) and on-going consultant minus the P14 reimbursement

(2) electricity rate for generation, does not include the West Penn Power transmission and distribution costs

(3) 8 ¢/kwh rate Year 1 and 1.5% increase annually

Potential change from initial commitment - for 3 tiers

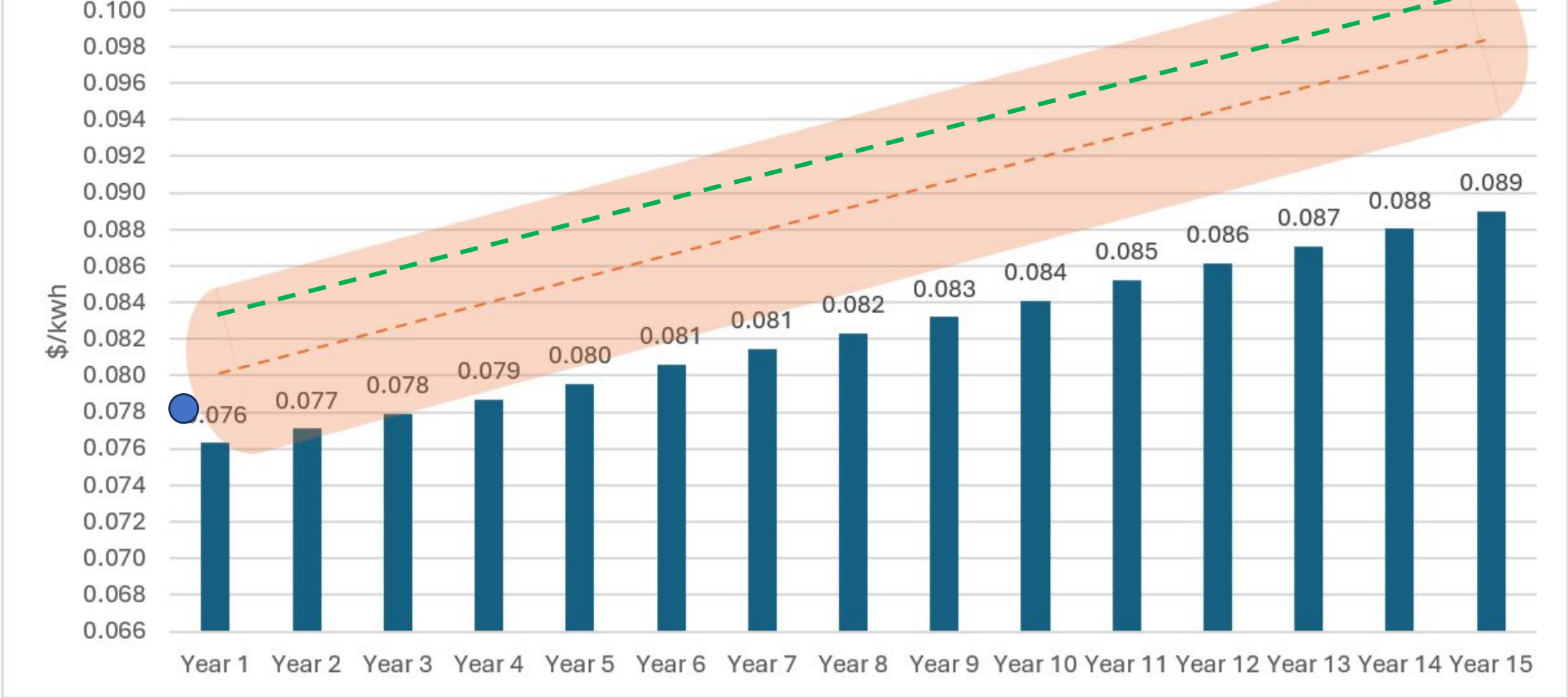
60%



Red line = Projected market rate

80%  
RECs

Scenario with Electricity Market rate = 8 cents/kwh+1.5 escalator

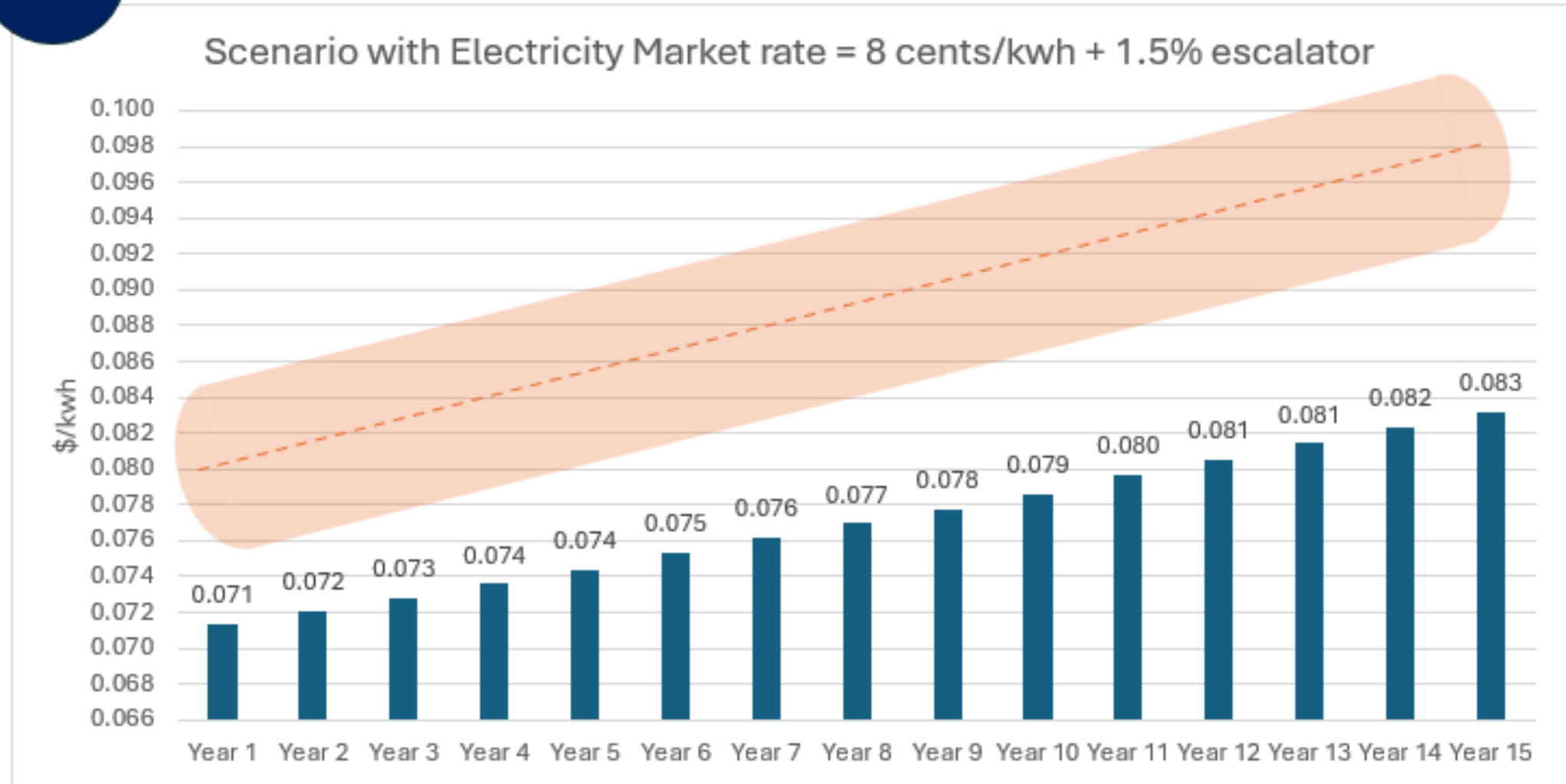


Red line = Projected market rate

Green line = market rate with RECs

Blue dot = current contract w/ RECs

90%

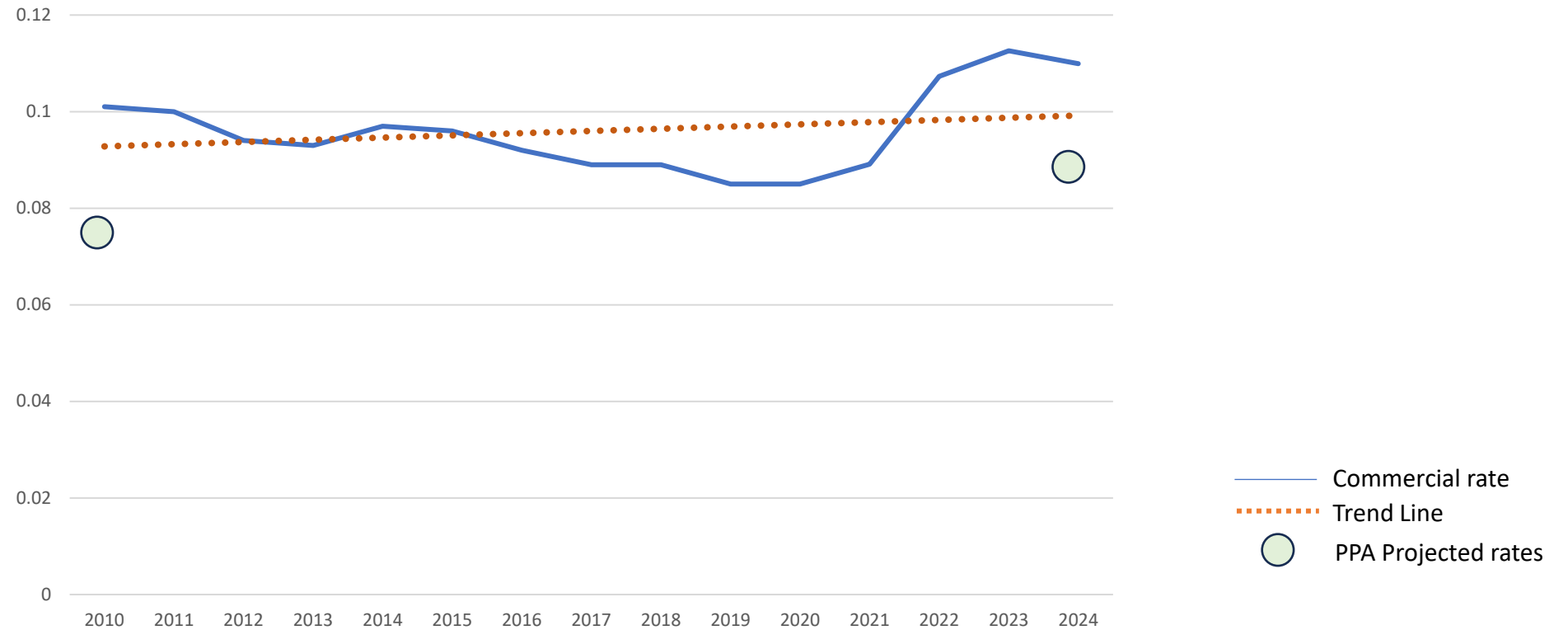


Red line = Projected market rate

# HISTORICAL ELECTRICITY RATE ANALYSIS: PENNSYLVANIA COMMERCIAL

2010 - 2024

## 15-YEAR HISTORICAL ELECTRICITY RATES



<https://www.eia.gov/electricity/monthly/>

An aerial photograph of a large solar farm, showing rows of solar panels stretching towards the horizon. A white grid is overlaid on the image, with lines converging towards the center. The sky is blue with some white clouds. The text 'Document Package' is centered in a bold, dark blue font.

# Document Package

# Power Purchase Agreement Structure

## Solar Developer

### Prospect 14

- Contract is 15 years
- Entities receive % of electricity from solar generation
- The solar PPA is at a “fixed” price
  - There is a 1.5% escalator and settlement cost of ~+/- 5% annually

## Retailer

### Direct Energy


- Contract is 5 years
- Manages solar distribution
- For the energy usage not-covered by solar generation
  - Either fixed price or left at market price

## Energy Services

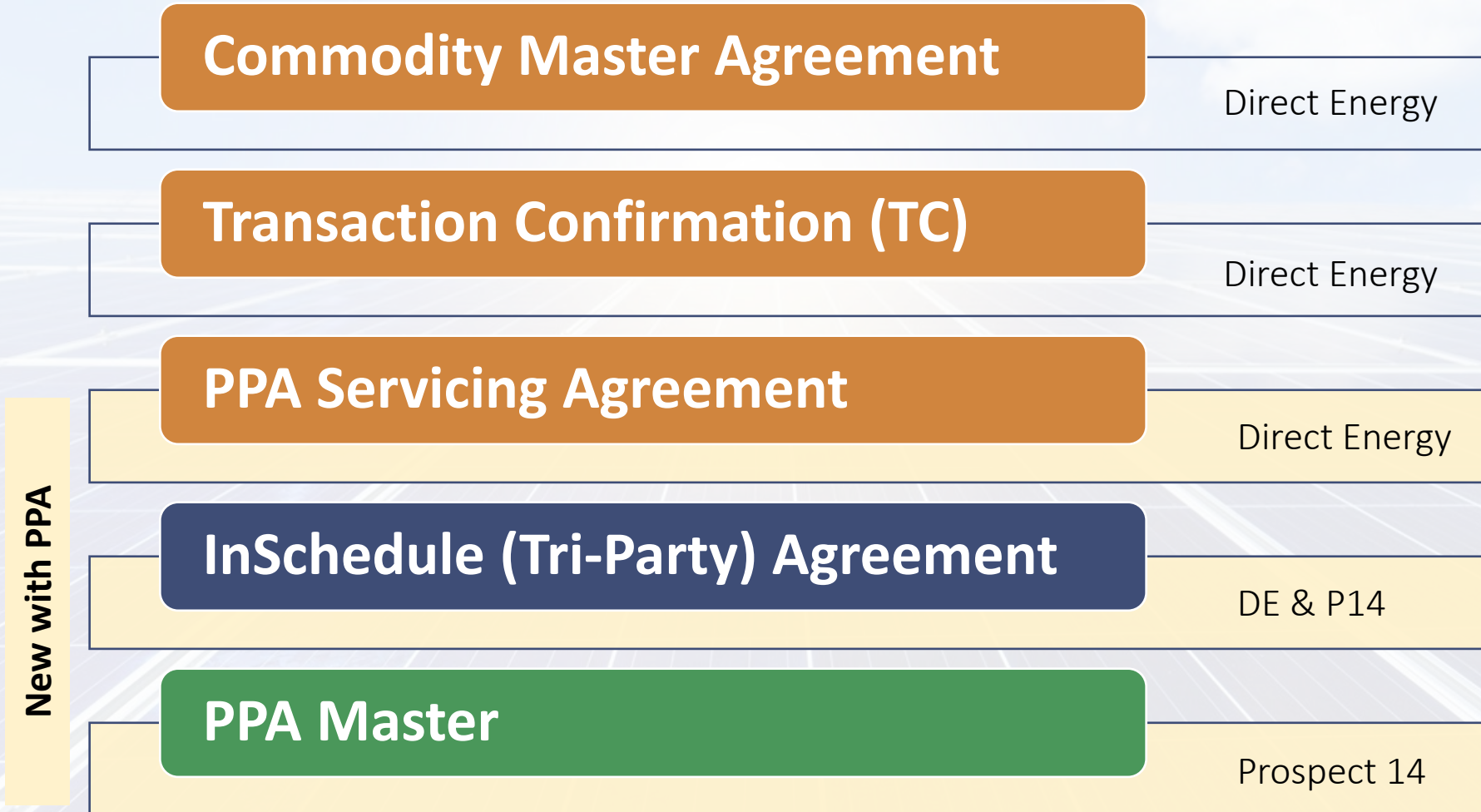
### GreenSky

- Contract is 6 years
- Monitor the PPA
- Submit monthly approvals
- Periodic review of charges and generation
- Advise on non-solar electricity and RECs

**PPA Attorney**  
**Faegre Drinker**

  
*Work completed, not needed going forward*

# PPA Contracts



# Closing and on-going structure

## Closing Checklist

- Outline of documents

## Board Resolution

- Authorize ED to sign

Closing process

## Centre Co Solar Group MOU

- History
- On-going relationships

On-going structure

## GreenSky consulting



- On-going technical management

# PPA Management – On-going Energy Services



**Set up PPA**

**Monitor the PPA**

**Submit monthly approvals**

**Periodic review of charges and generation**

**Advise on non-solar electricity and RECs**

**\$101,500 total (2025-26) – PPA execution**

# Power Purchase Agreement

32.7  
GWh  
Annually

Entity	Commitment to PPA	Estimated PPA Generation	Share of PPA
		<i>kwh</i>	<i>MW</i>
State College Area School District	80%	15,187,981	12.15
State College Borough Water Authority	60%	2,908,792	2.33
State College Borough	80%	2,080,000	1.66
Centre County Government	90%	2,269,894	1.82
Centre Region Council of Governments	80%	1,179,326	0.94
Ferguson Township	90%	525,861	0.42
College Township Water Authority	60%	422,249	0.34
Patton Township	80%	307,183	0.25
College Township	80%	306,101	0.24
Harris Township	60%	62,756	0.05
<b>Total</b>	<b>77%</b>	<b>25,250,143</b>	<b>20.20</b>

*% recommendation – COG has not approved a final tier to participate in*



# THE KEY TAKEAWAYS

- Stability: Locks in low energy prices
- Savings: Projected savings over life of project
- Sustainability: Diversifies the grid and reduces emissions