

A blue-tinted map of North America with a grid overlay. A black dot is placed over the location of Denver, Colorado, with the word "DENVER" written in black capital letters to its right.

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## DIA SOLAR IV PROJECT

John Ackerman, Deputy Manager Commercial  
March, 2013



DENVER INTERNATIONAL AIRPORT  
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# DIA Solar IV Project

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## -Presentation Overview

- Project Overview
- Financial Structure
- DIA Solar 4/Power Purchase Agreement (Ordinance)
- Ground Lease (Ordinance)
- Loan Agreement (Ordinance)
- DIA Benefits

# Project Overview

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- Proposing a 2 megawatt facility at DIA
- Project won REC through XCEL's new Solar Rewards Program, November, 2012
- Facility located adjacent to existing DIA II and DIA III solar projects
- Power to be sold to DIA through 20 year Power Purchase Agreement similar to DIA II and DIA III projects
  - Floor PPA rate of \$.017/kwh
  - Increases with tariff – but DIA to pay only 80% of AHIC (Average Hourly Incremental Cost) tariff rate going forward
- Construction to begin 7-1-13 – completion by 10-1-13

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# Project Overview

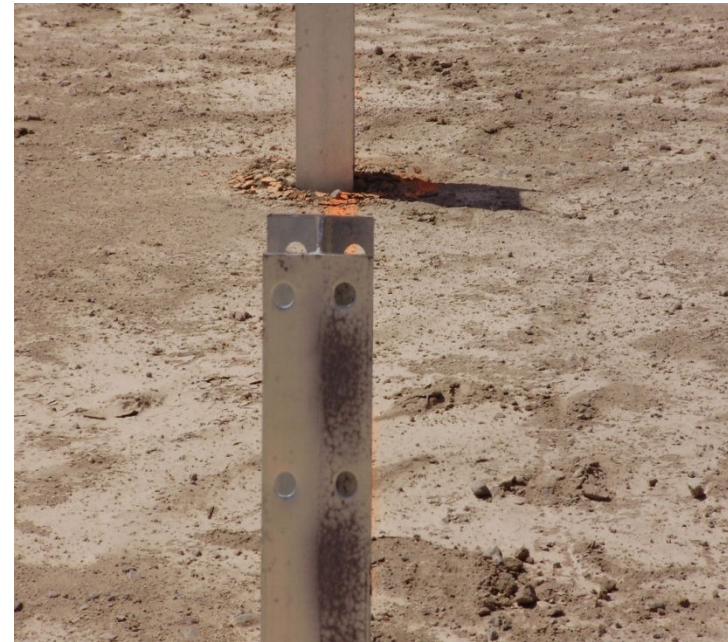
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- DIA Solar IV Project will be the fourth at the Airport
  - Total 10MWDC
- Project will be financed and owned by Constellation Energy as part of a portfolio of projects through a wholly-owned subsidiary.
- Portfolio provides significant cost savings in purchasing and financing transaction costs.
- Project will use debt financing provided through the Federal Qualified Energy Conservation Bond Program (QECB)

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# Project Overview

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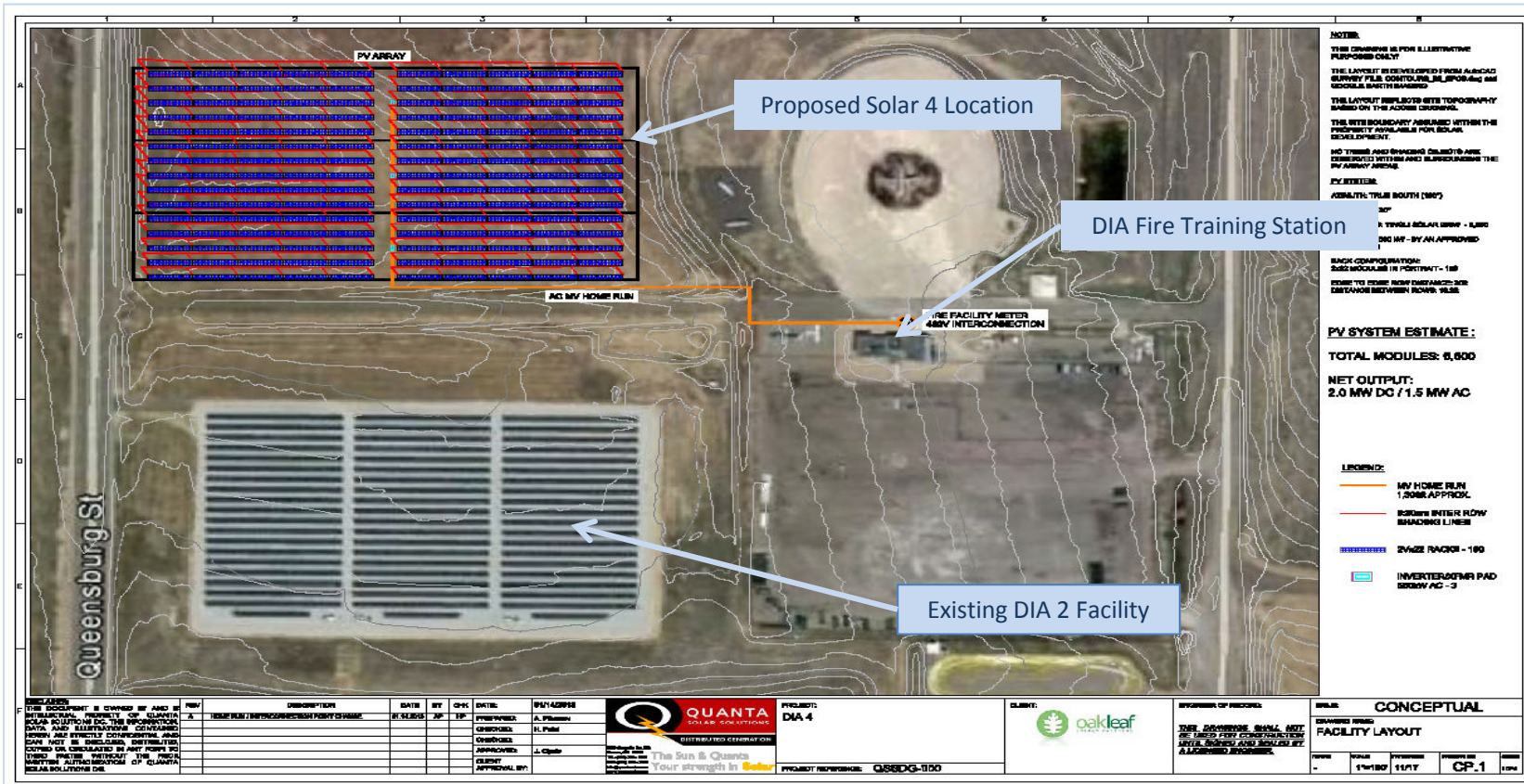


## Drilled Pier Mounting System

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# Project Location

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# Financial Terms

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- DIA Signs 20 year PPA- purchases all power output from the system:
  - DIA pays DIA Solar IV PPA rate equal to 80% of the AHIC Rate charged by XCEL – locks in 20% savings
  - AHIC rate adjust annually with tariff
  - DIA pays a minimum floor PPA rate of \$0.017/kWh
  - No capital outlay from DIA or ongoing O&M obligations
- Site Lease - 20 years
  - DIA Leasing ~12 acres at market lease rate \$340.21/acre
- DIA providing 20 year \$1M loan to Solar Project
  - Subordinated to QECCB loan, interest free
  - Can deduct loan payment shortfalls from PPA payment obligation
  - Loan guaranteed by project parent company (Exelon/Constellation)

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## DIA Benefits

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- Positive net present value (NPV), IRR of 6.1%
- Projected power charge savings of 20% relative to DIA's cost for grid power. If XCEL rates go up, value of Solar project goes up.
- Lock in historically low floor PPA rate of \$.017/kwh – hedge value.
- No capital outlays from DIA
- Advances DIA and CCD alternative energy objectives
  - Adds 3.1 million kWh to portfolio
  - This project reduces CO2 emissions by 2472 tons per year, the equivalent of 400 homes
- Creates jobs

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