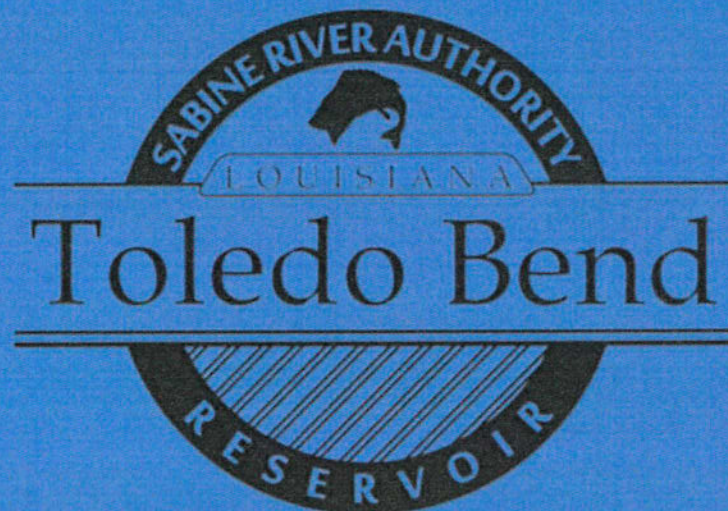


Sabine River Authority of Louisiana

Special Call Meeting

Board of Commissioners

April 13th, 2023



Topics for Discussion

- Objective
- History
- Operating Guide
- Original Power Contract
- Current Power Contract
- New Power Contract
- Water Sale
- Process Moving Forward

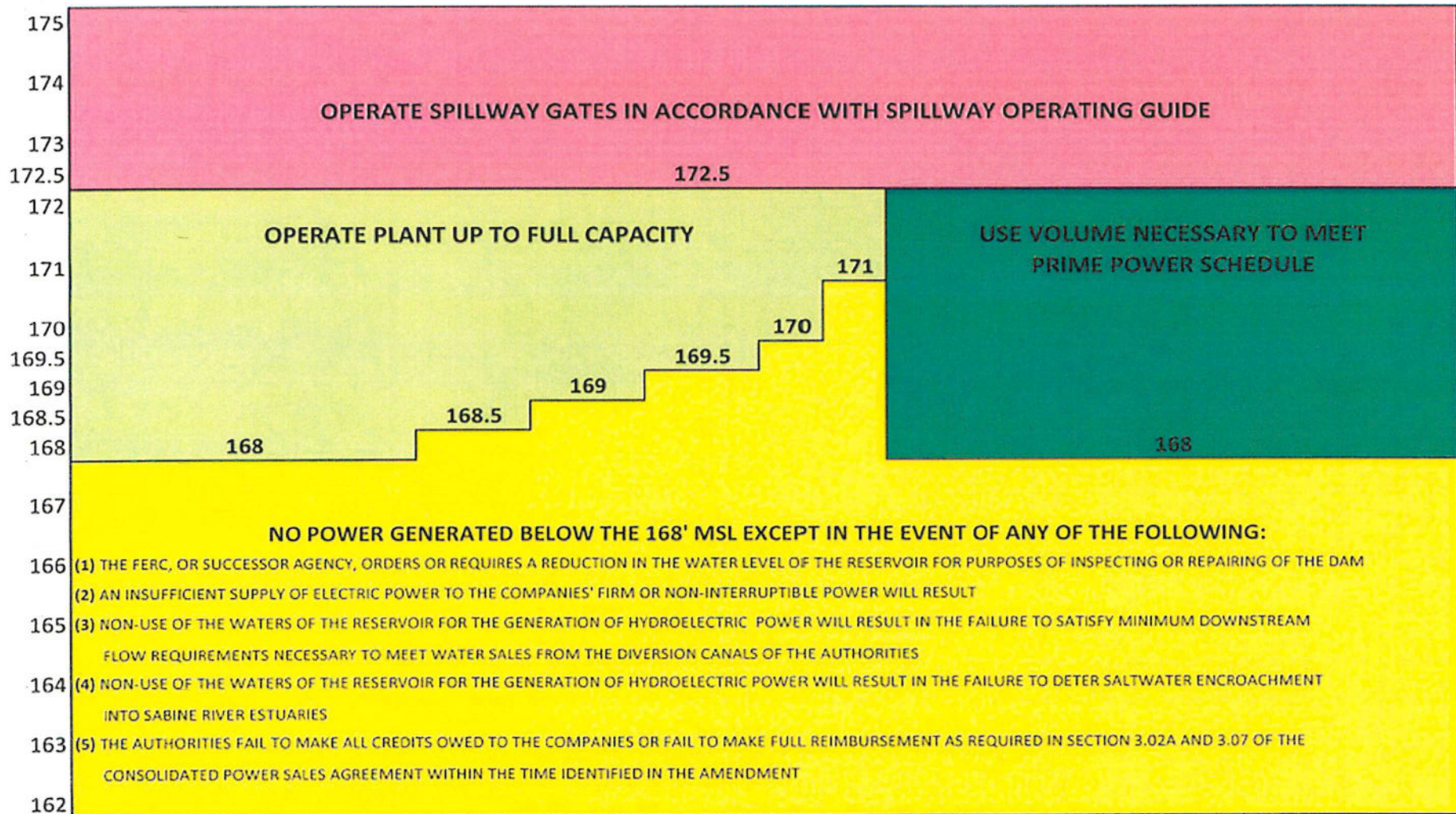
Objective

Explain the current operations of Toledo Bend Reservoir and how a large water sale may impact the operations and water levels.

History



ELEV OCT NOV DEC JAN FEB MAR APR MAY JUN JUL AUG SEP



Original Power Contract

Toledo Bend 50 year power sales agreement came to an end April 30, 2018
Original Power Companies - Gulf States Utilities, Louisiana Power and Light, and CLECO

- 1) Companies guaranteed payment for \$30 million bond issue, out of the \$70 million spent to build the Toledo Bend Project
- 2) Companies provided majority funding for the insurance, maintenance and operations of the Toledo Bend Generation Plant with minimum support from the two SRA's – Replacement or Major repairs were paid for by the Sabine River Authorities
- 3) Power companies received guaranteed amount of water (approximately 1 million acre feet) to generate electricity during the prime power season – May through September - between reservoir levels of 172' and 162' MSL, until 168' MSL law went into effect in 2008
- 4) Generation and pricing changed through the years, the last ten year average generation of 166,000 MWH/year, was the basis for establishing a new five year contract in 2018.

Current Power Contract

Louisiana Utilities – Entergy, CLECO, and SWEPCO

- 1) Prior to the end of the 50 year contract, power companies sent letters to not extend the existing contract. After eighteen months of negotiations and help from the Louisiana Public Service Commission, a five year contract was signed.
- 2) Two contracts – Power Purchase Agreement- buying the power only and a Maintenance and Operations contract with all expenses and insurance as the responsibility of the two SRA's.
- 3) Short term – 5 year contract with guaranteed price for first 166,000 MWH, then market price for any additional generation
- 4) FERC – Added obligations relative to our new license – Shoreline Management Plan, US Forestry Service, Downstream Releases, American Eel monitoring, Historic Properties Management Plan, Erosion Monitoring and Management, United States Army Corps Engineers and Toledo Bend Recreation Plan.

New Power Contract

- 1) Beginning June 1, 2023 - Nextera Energy Marketing - buying the power and SRA's responsible for all Insurance, Maintenance and Operations of the power house
- 2) Contract for 80,000 MWH, guaranteed price structure, but must deliver or purchase power, quantities spread through out the year based upon historic ability to generate power
- 3) Term – 11 year contract
- 4) Energy Contract Quantity (On-Peak MW/hour/16 hours/5 weekdays) Any additional generation is at the market price

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
31	22	47	34	24	20	18	10	11	0	0	17

Water Diversions

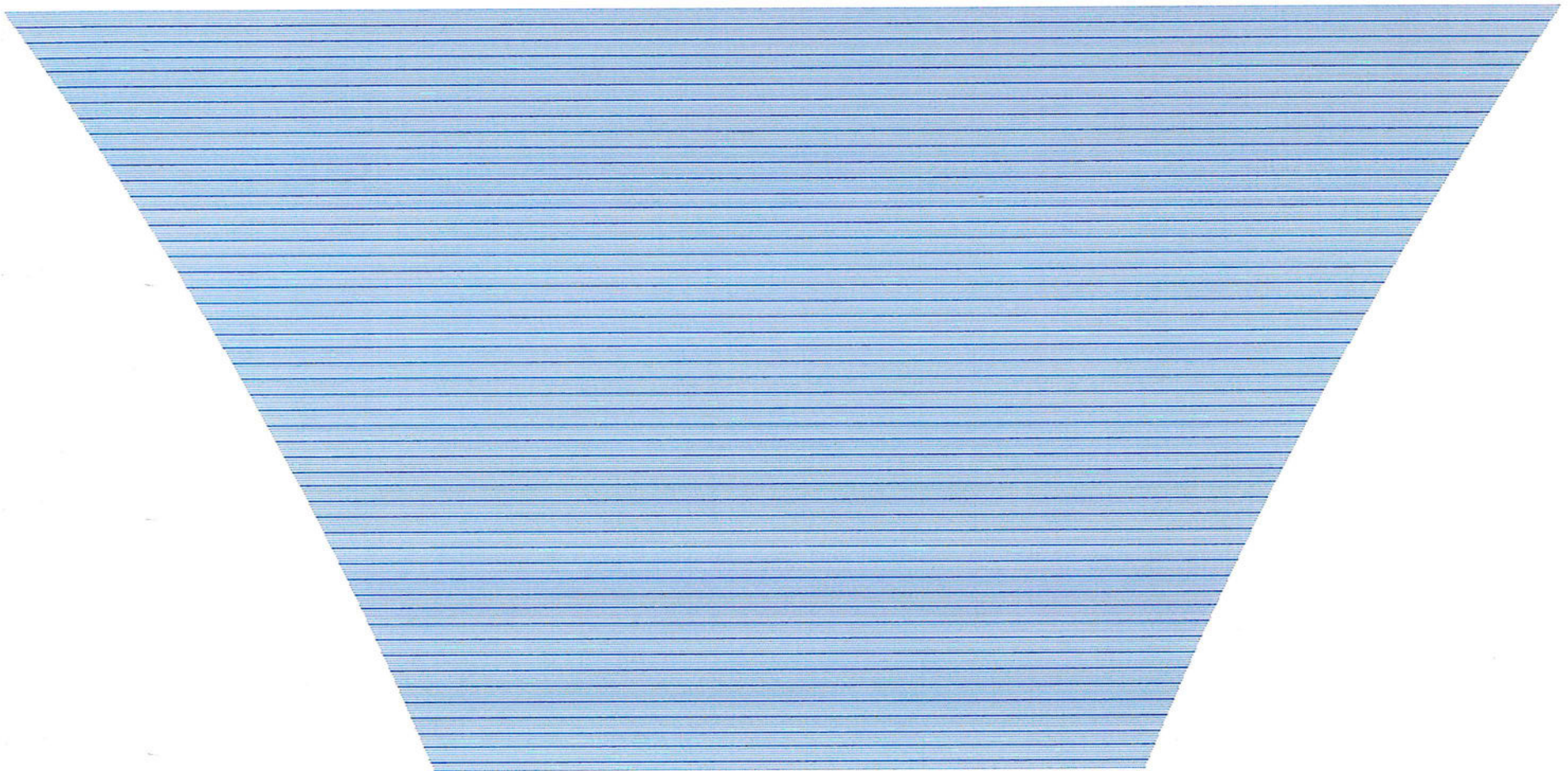
- Based on the Water Year October 1st 2021 through September 30th 2022
- Current diversions out of Toledo Bend Reservoir:
 - Louisiana.....29,685.88 AF
 - Texas.....6,021.02 AF
- Total diversions by the Authorities:
 - Louisiana....101,216.50 AF
 - Texas.....63,783.08 AF

Water Sale by volume

- Volume at “full pool” 172’ MSL is 4,476,951 AF
600,000 AF would be 13.4% of full pool volume
- The median of the inflows of the last of 54 years is 3,777,200 AF
600,000 AF would be 15.9% of median inflows
- The median water used for power generation (2001-2022) was 2,981,830 AF
600,000 AF would be 20.1% of water used for power

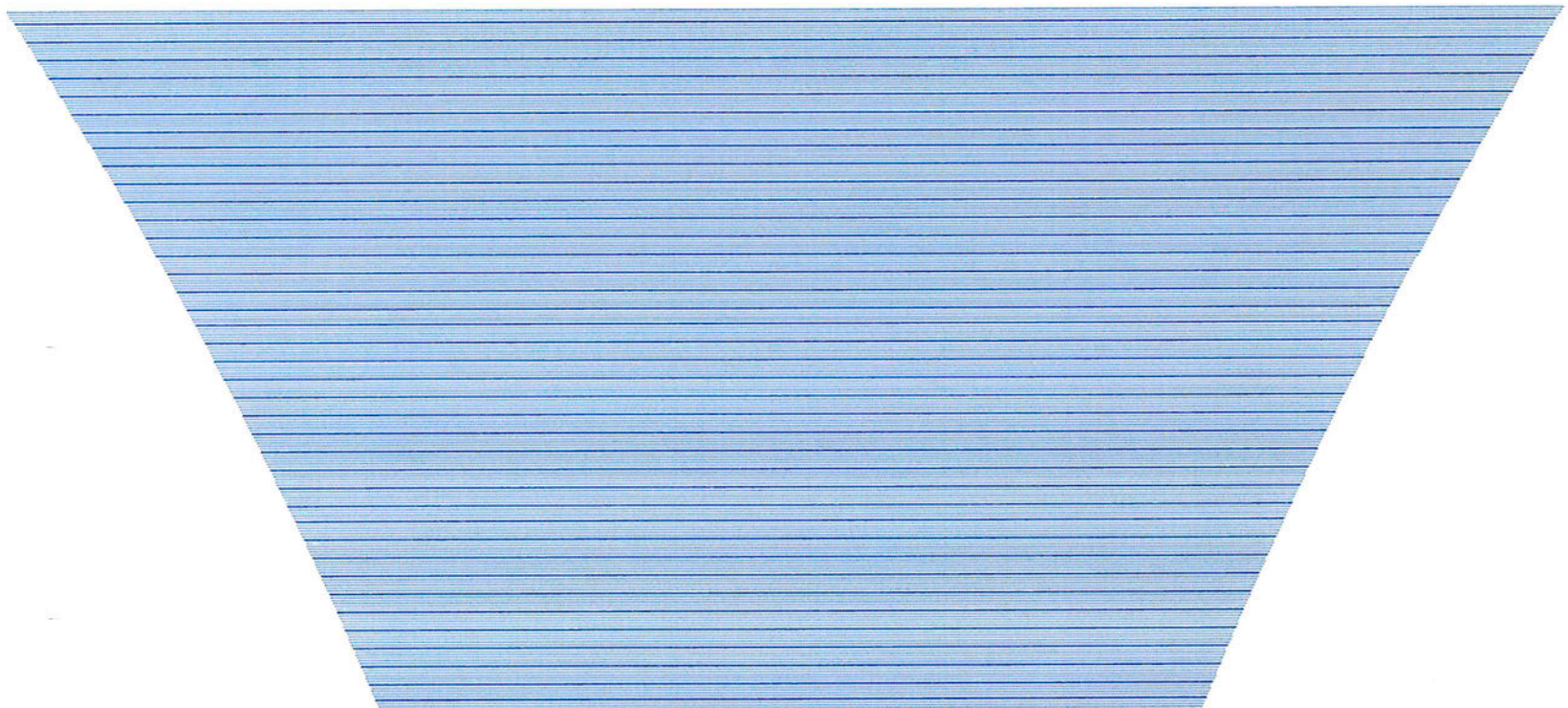
Volume at 172' MSL - 4,476,951 AF

172
171.19
170.38
169.57
168.76
167.95
167.14
166.33
165.52
164.71
163.9
163.09
162.28
161.47
160.66
159.85
159.04
158.23
157.42
156.61
155.8

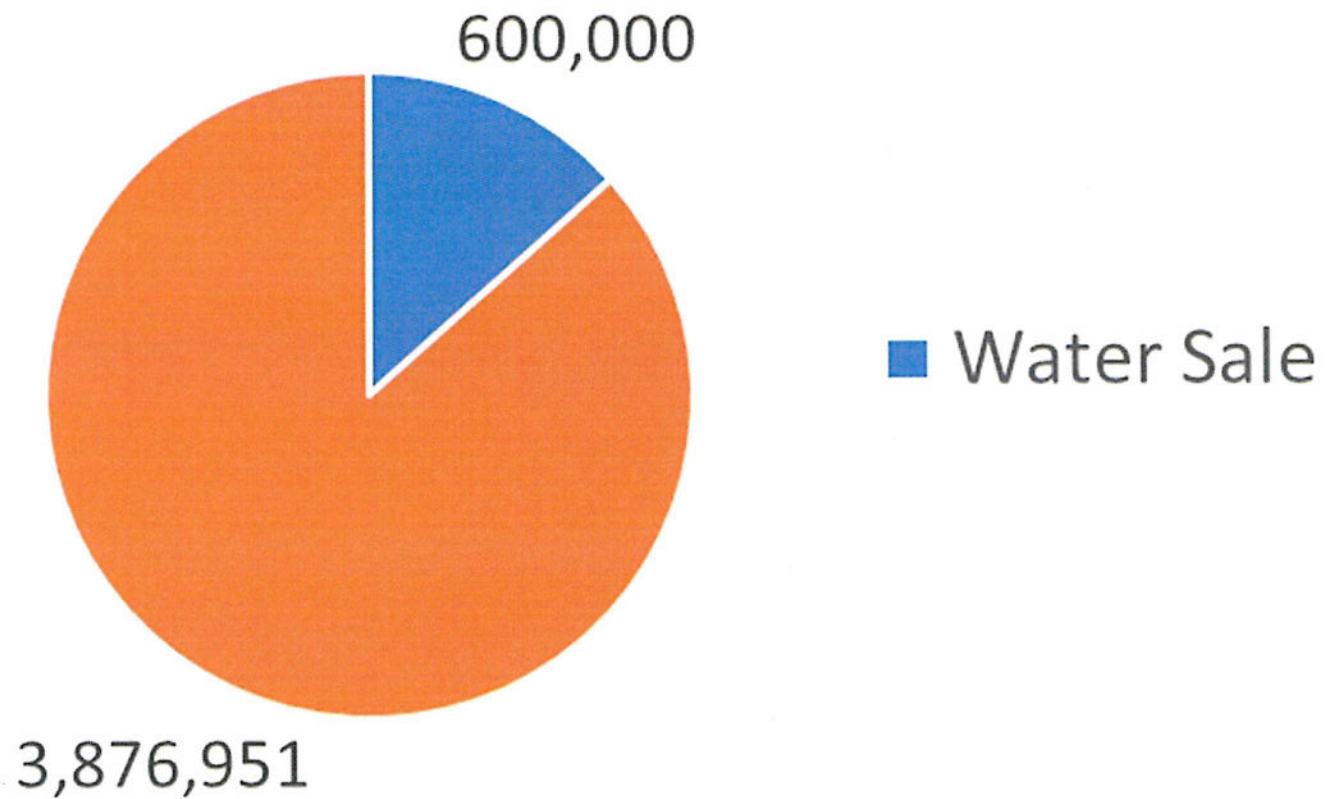


Volume at 168.53' MSL - 3,876,951 AF

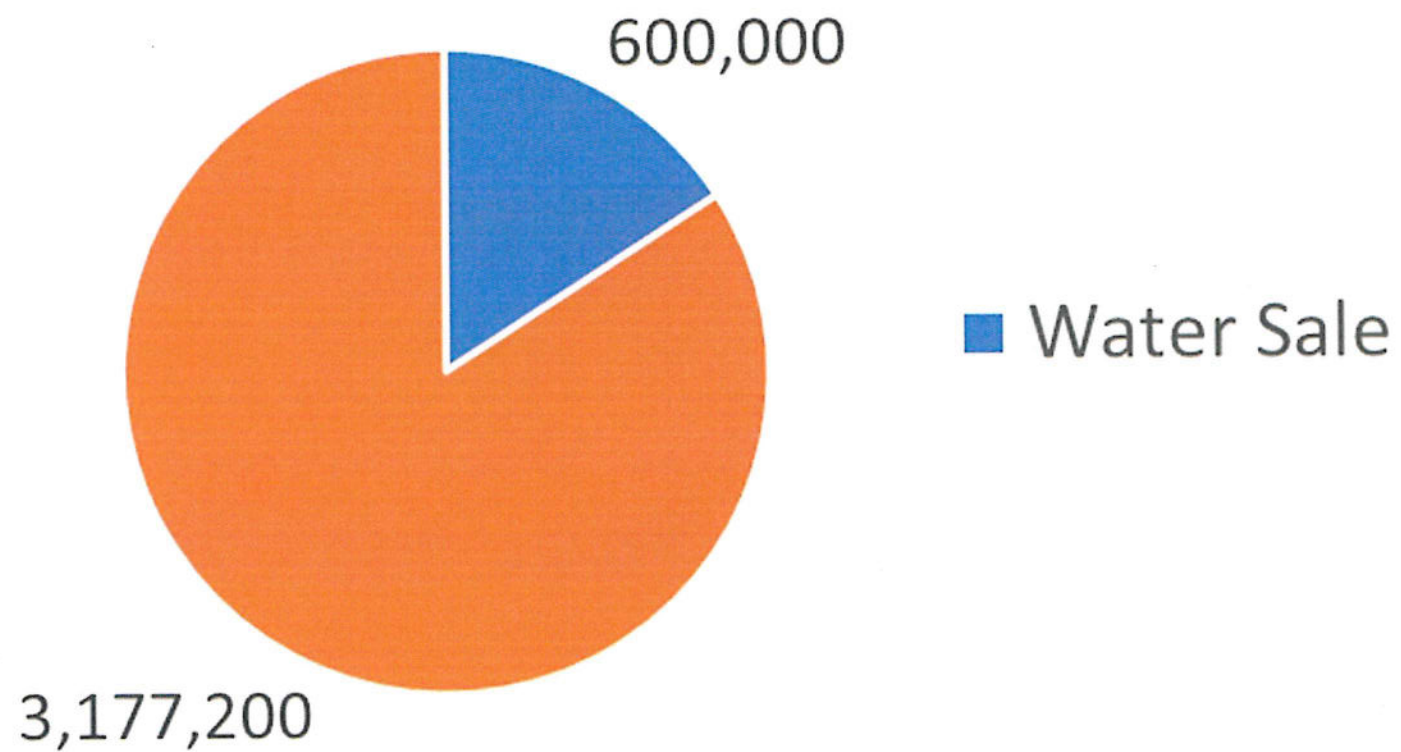
172
171.19
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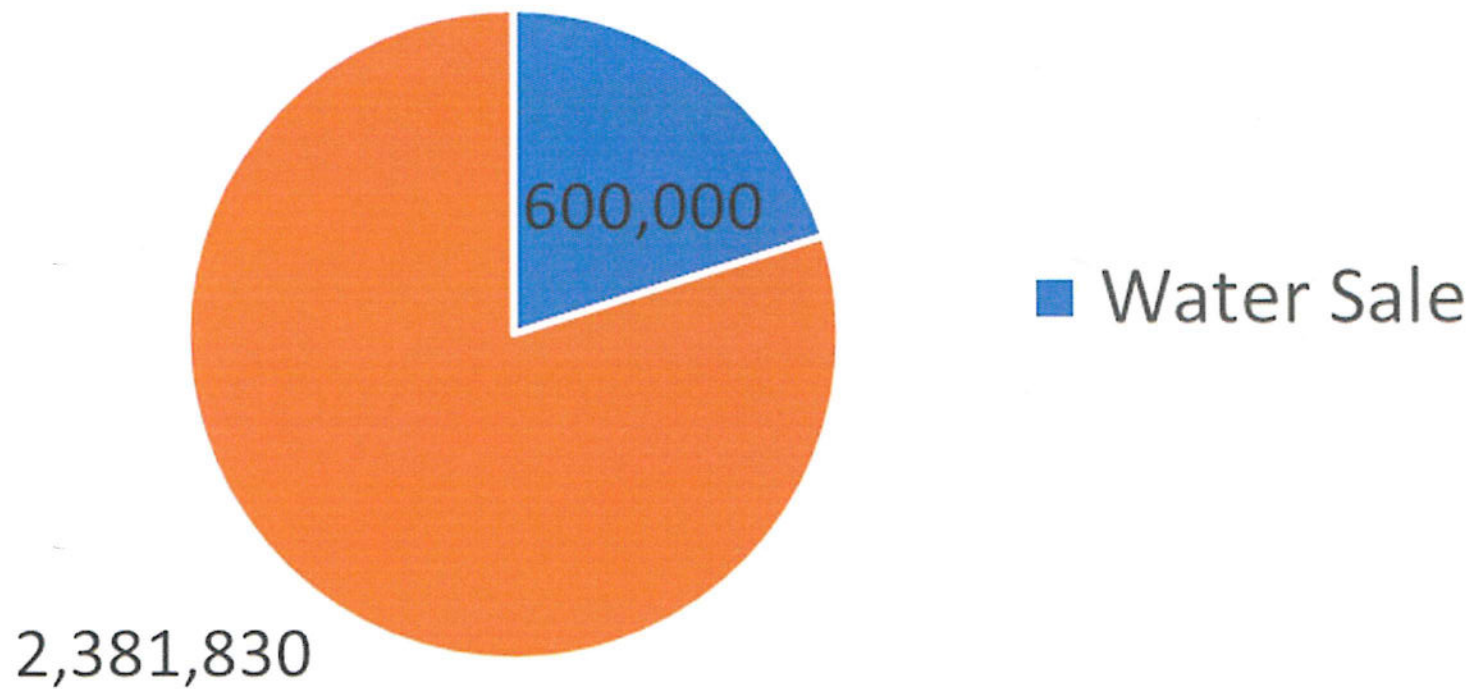
Water Sale Compared to Full Pool Volume



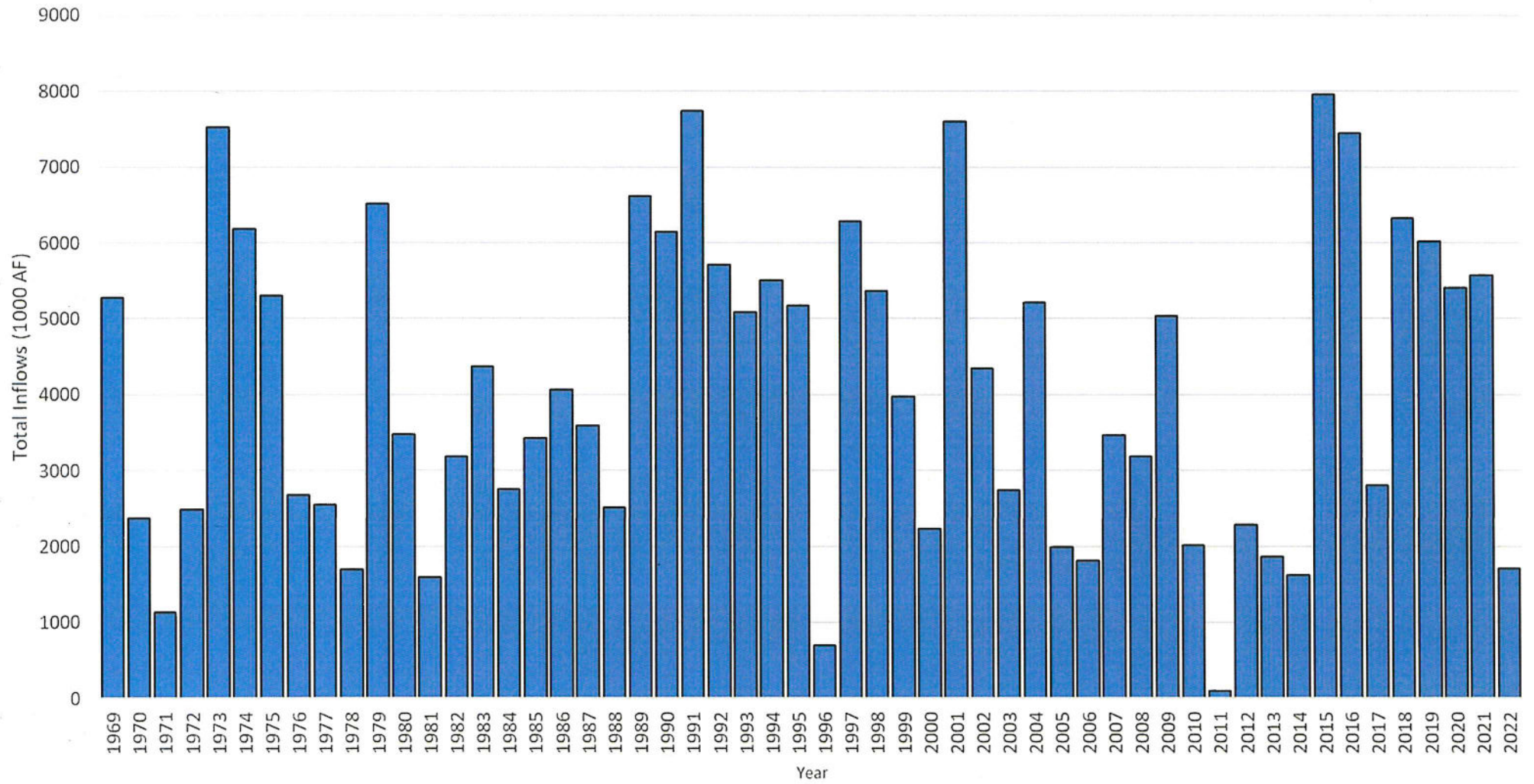
Water Sale Compared to Median Inflows



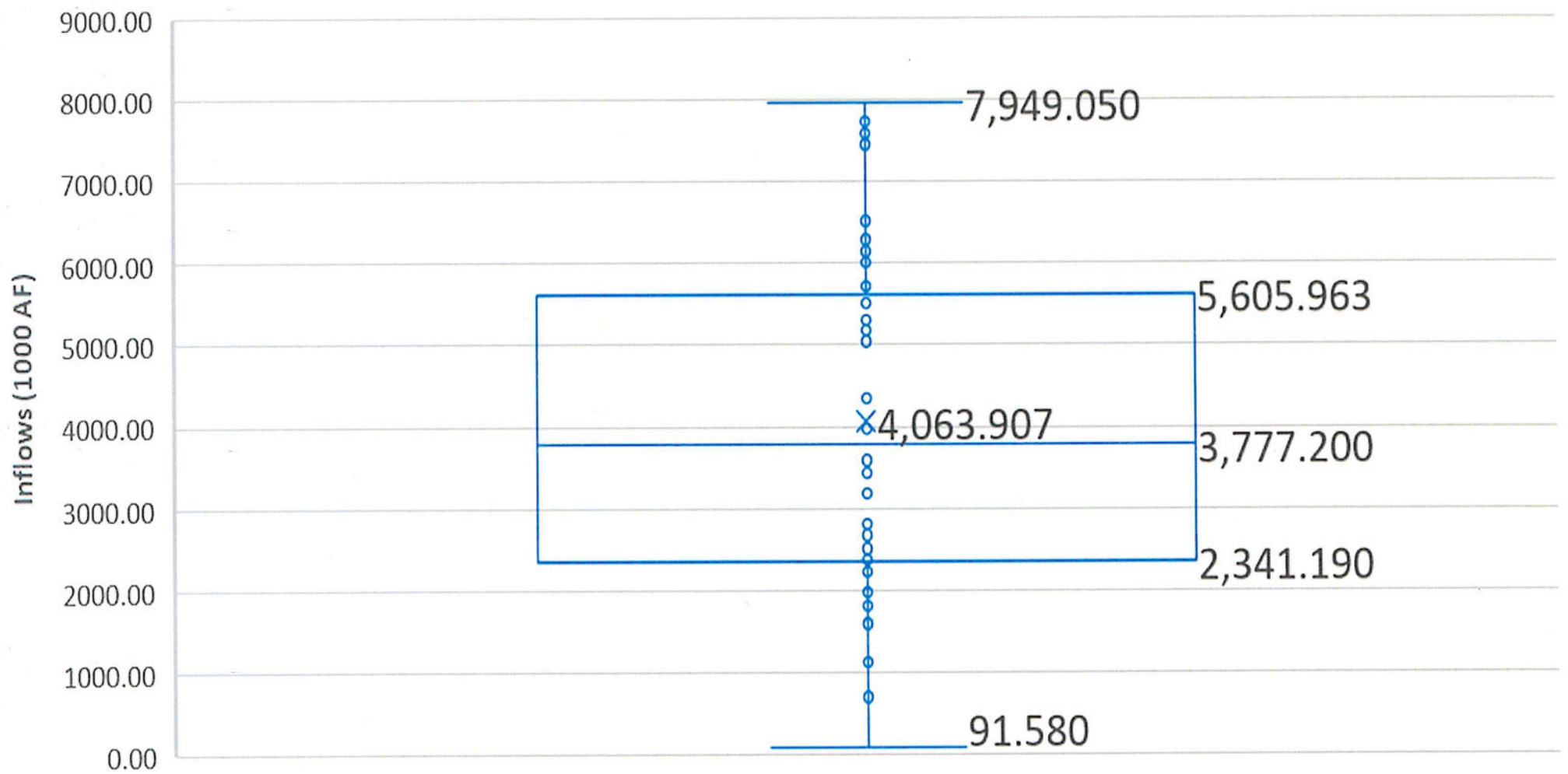
Water Sale Compared to Water for Power



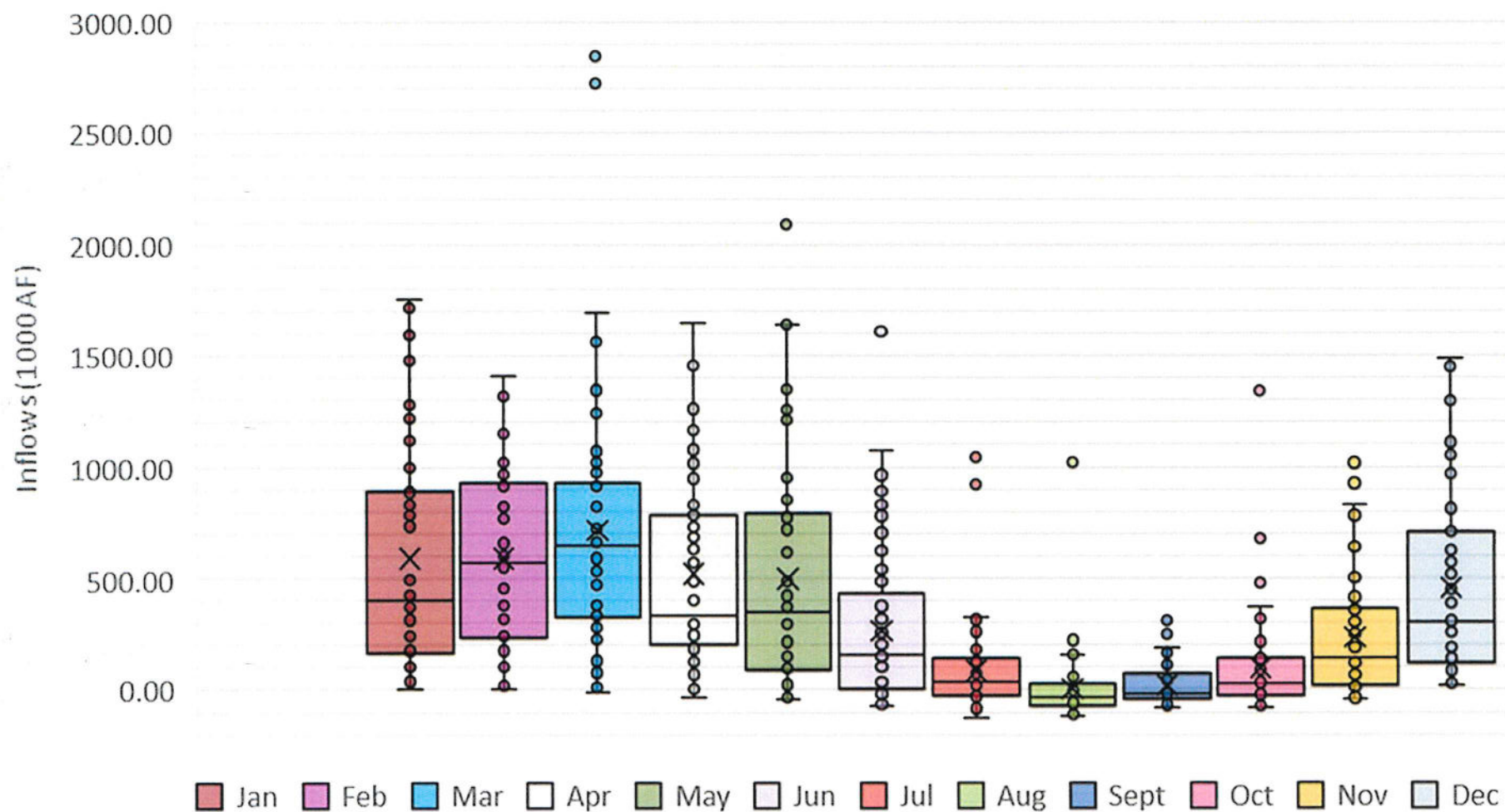
Total Inflows Per Year 1969-2022



YEARLY TOTAL INFLOWS 1969 - 2022

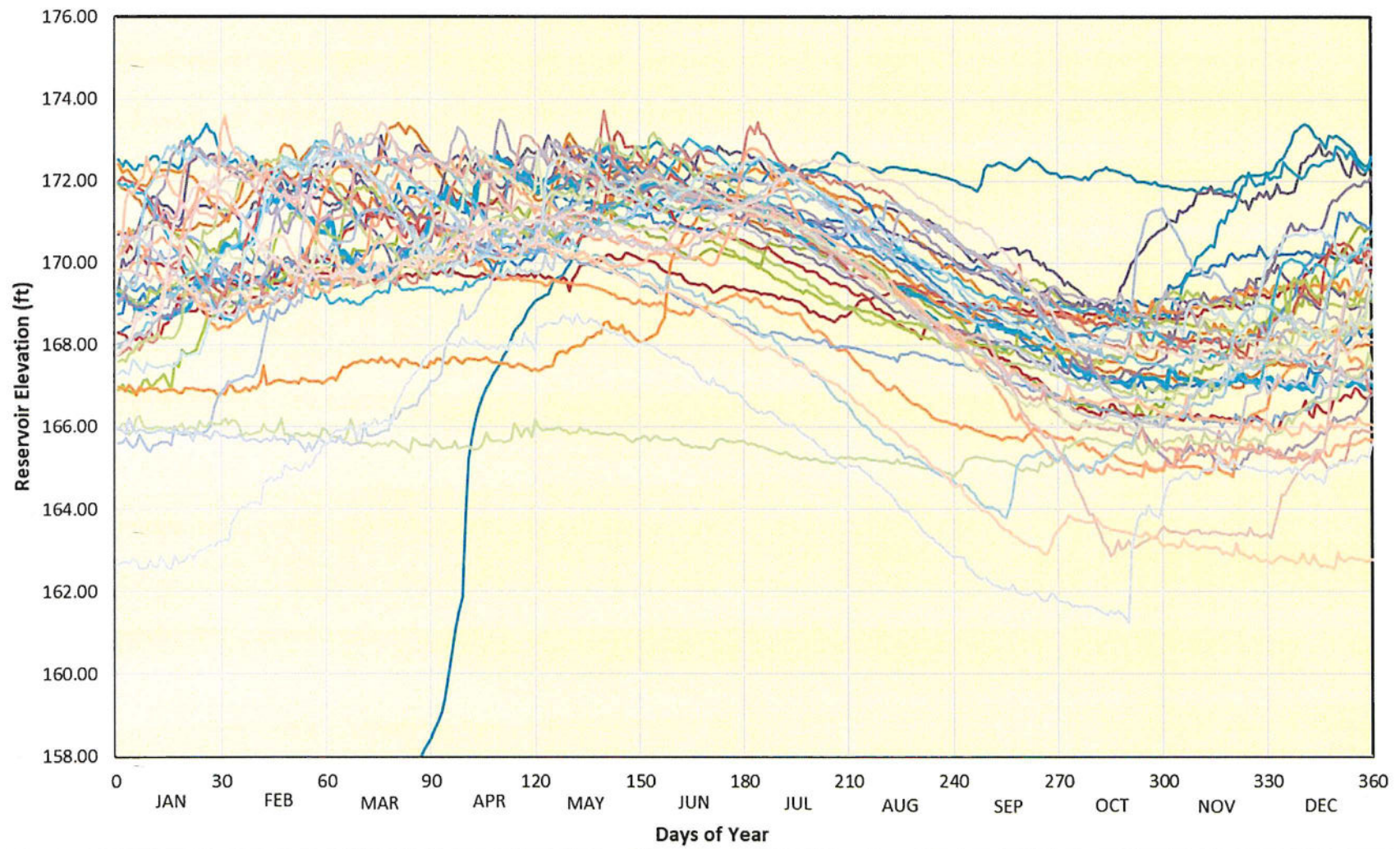


Toledo Bend Reservoir Inflows by Month 1969-2022

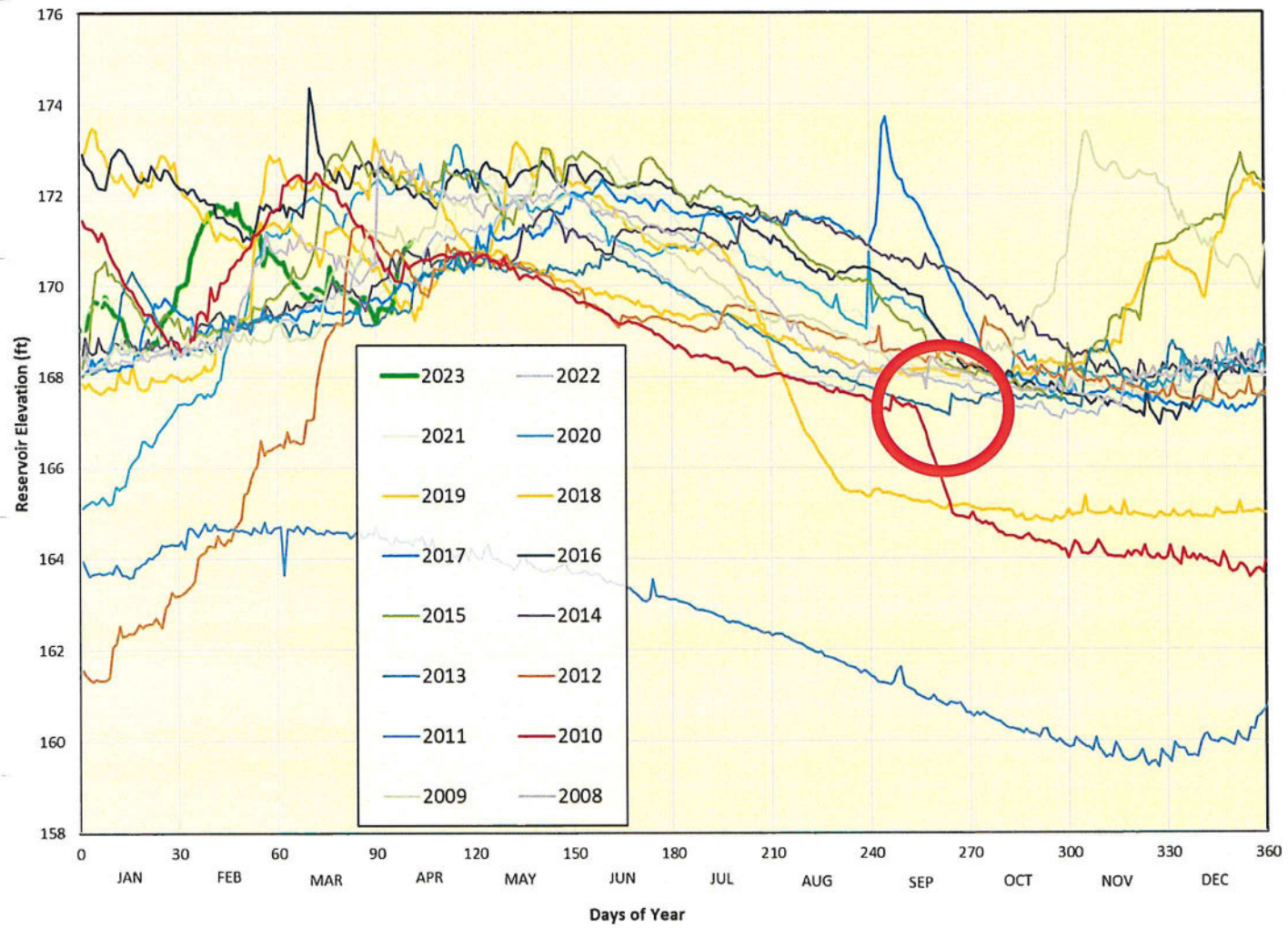


Month	75 th Percentile Inflows (AF)	Median Inflows (AF)	25 th Percentile Inflows (AF)
January	872968	400325	178828
February	900073	572785	242450
March	890040	642255	333965
April	774340	333275	209898
May	764743	348550	102408
June	402783	159650	11110
July	135195	35535	-23068
August	26773	-32840	-67358
September	71898	-22670	-40463
October	135693	24410	-27133
November	356750	141535	26363
December	686515	301500	121788
Total	6,017,770	2,904,310	1,068,790

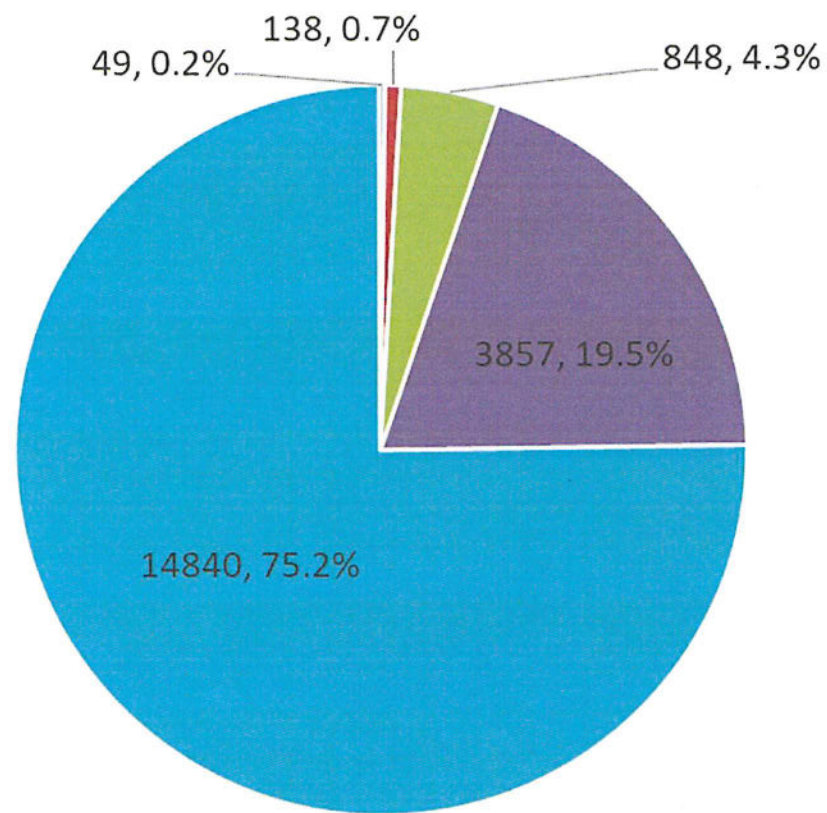
TOLEDO BEND HISTORIC ELEVATIONS 1968-2007



TOLEDO BEND HISTORIC ELEVATIONS



Reservoir Levels on Toledo Bend 1969 - 2022



■ Days < 160' ■ 160' < x <= 162' ■ 162' < x <= 165' ■ 165' < x <= 168' ■ Days > 168'

Proposed Water Sale

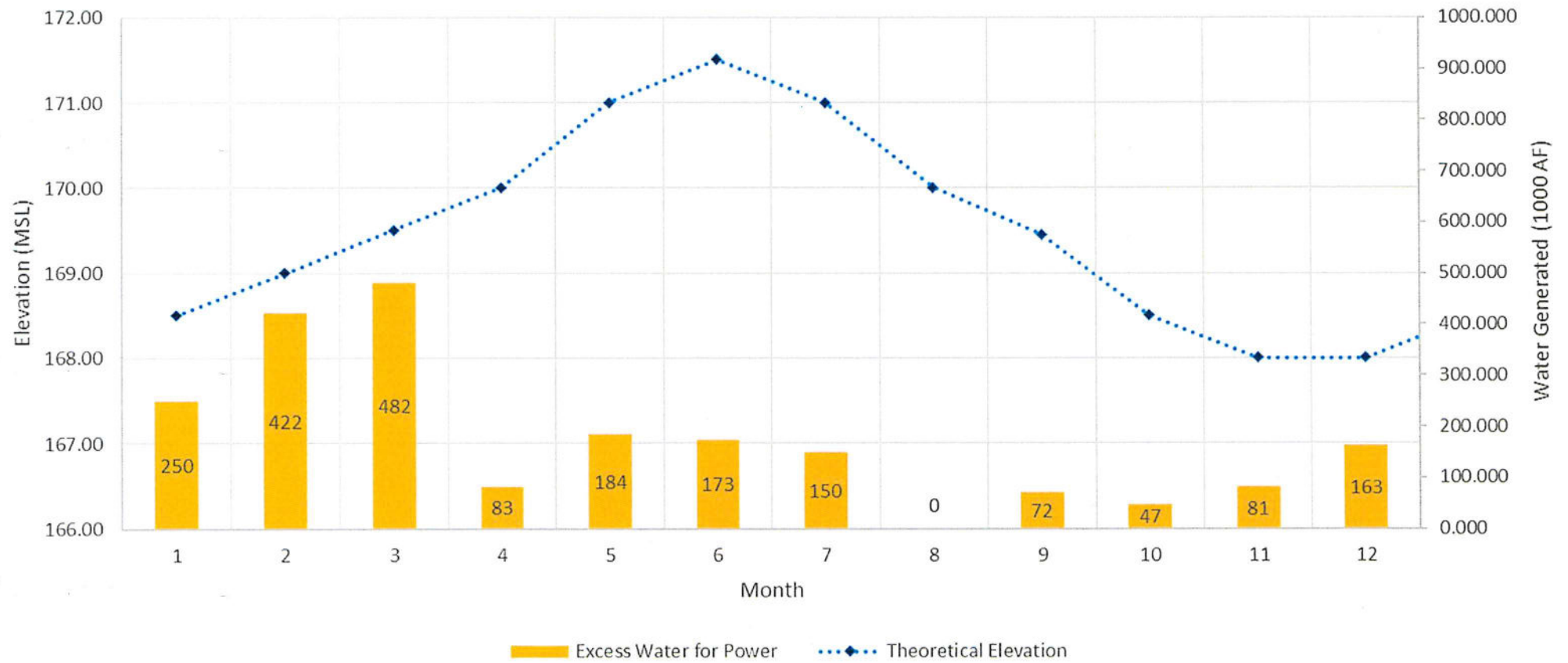
- Maximum diversion 600,000 AF per year
- Maximum diversion of 55,000 acre feet per month December through June
- Maximum diversion of 45,000 acre feet per month July through November
- Option to purchase additional water based on the availability of excess water relative to the operation guide, solely at the discretion of SRA.

Obligations with water sale

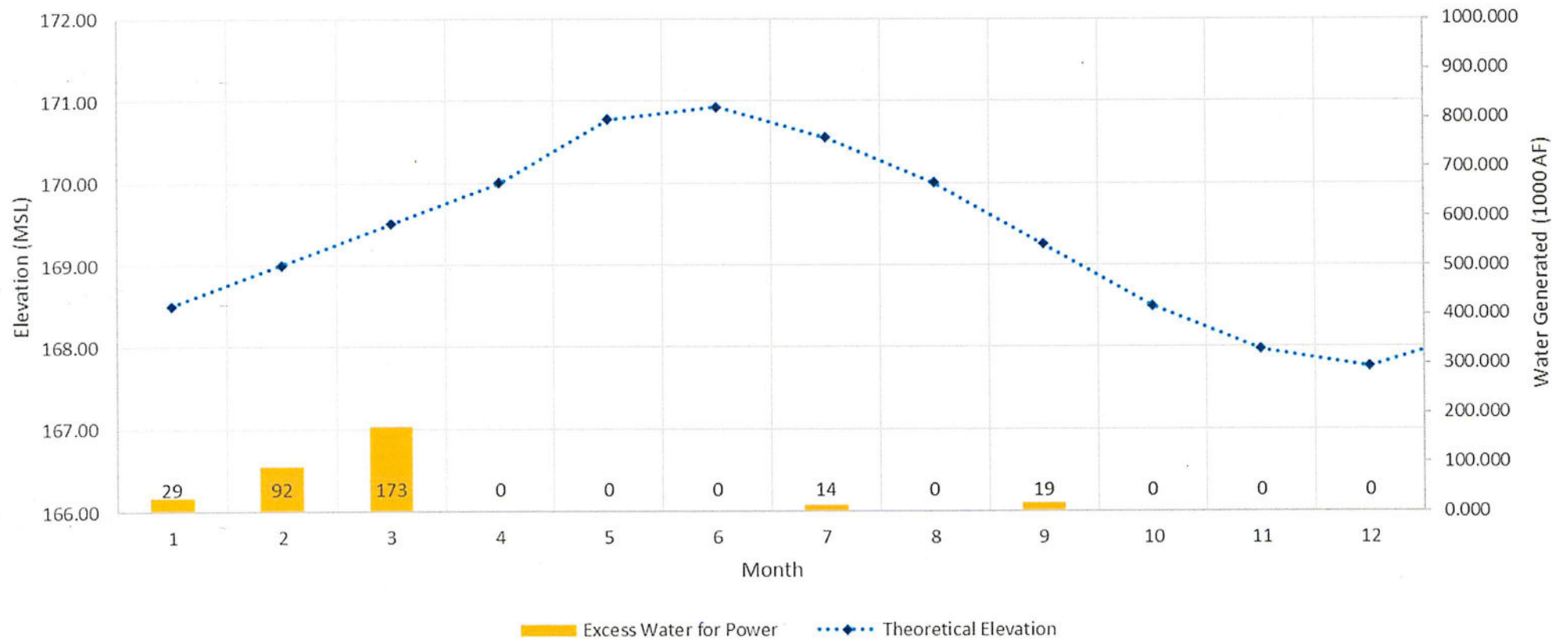
Water out of the Reservoir

- 600,000 AF Per Year for Purposed Water Sale
- 35,707 AF Per Year for Current Water Sales (both States)
- 160,028 AF Per Year for Spillway Minimum Releases

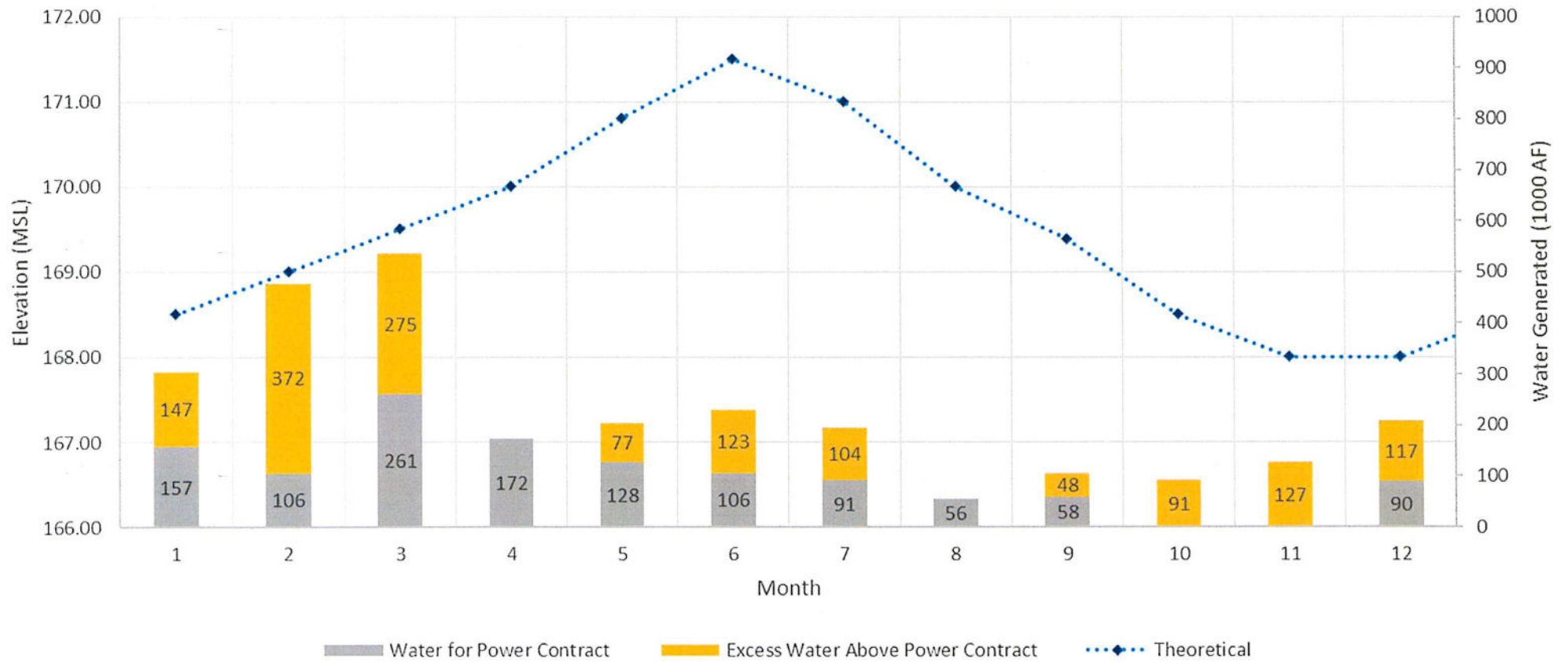
Median Inflows (Water Sale)



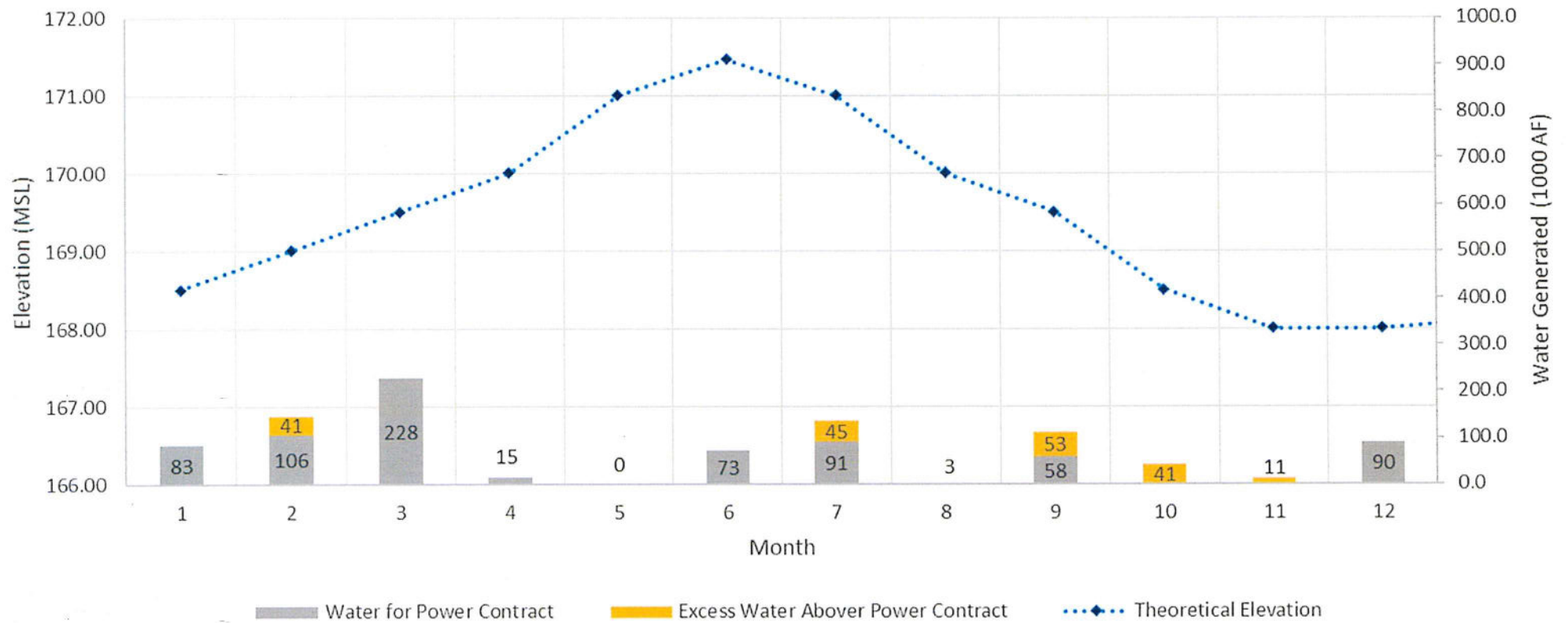
25th Percentile Inflows (Water Sale)



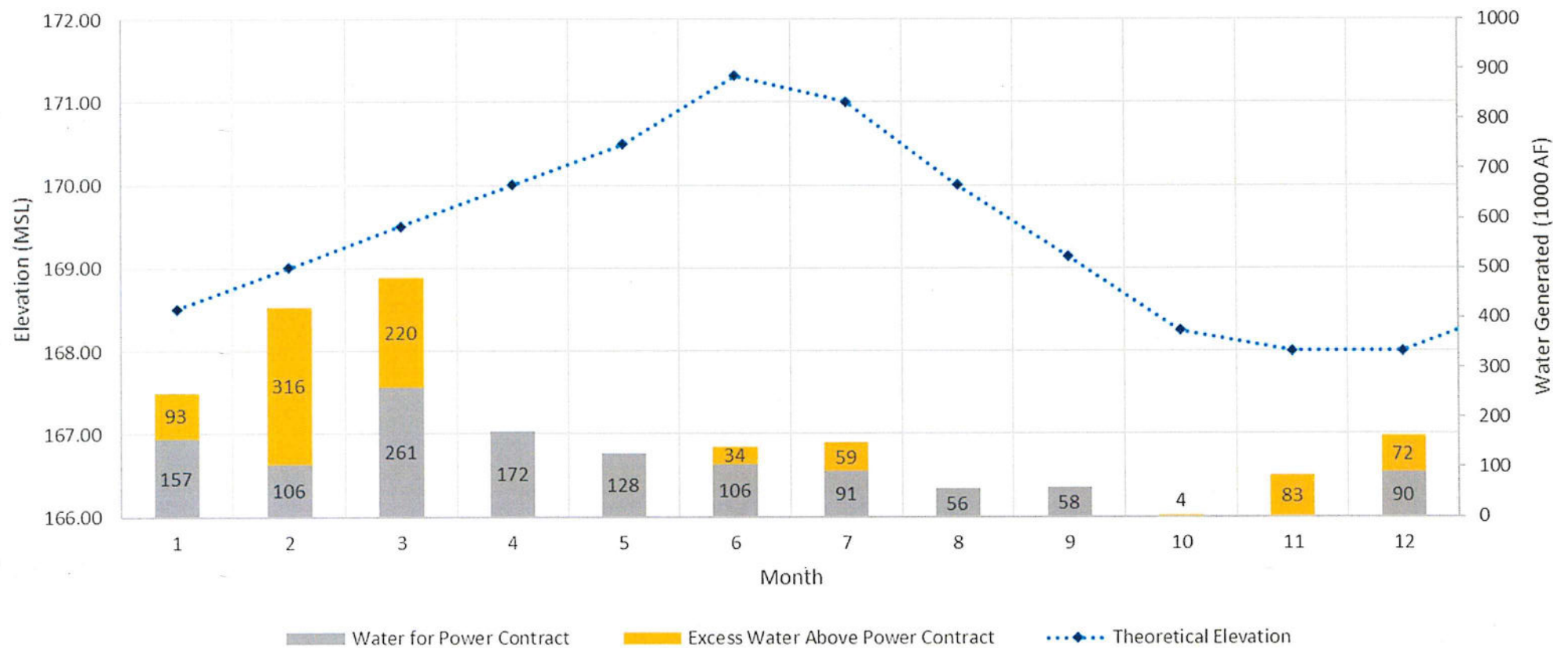
Median Inflows (Power Contract - No Water Sale)



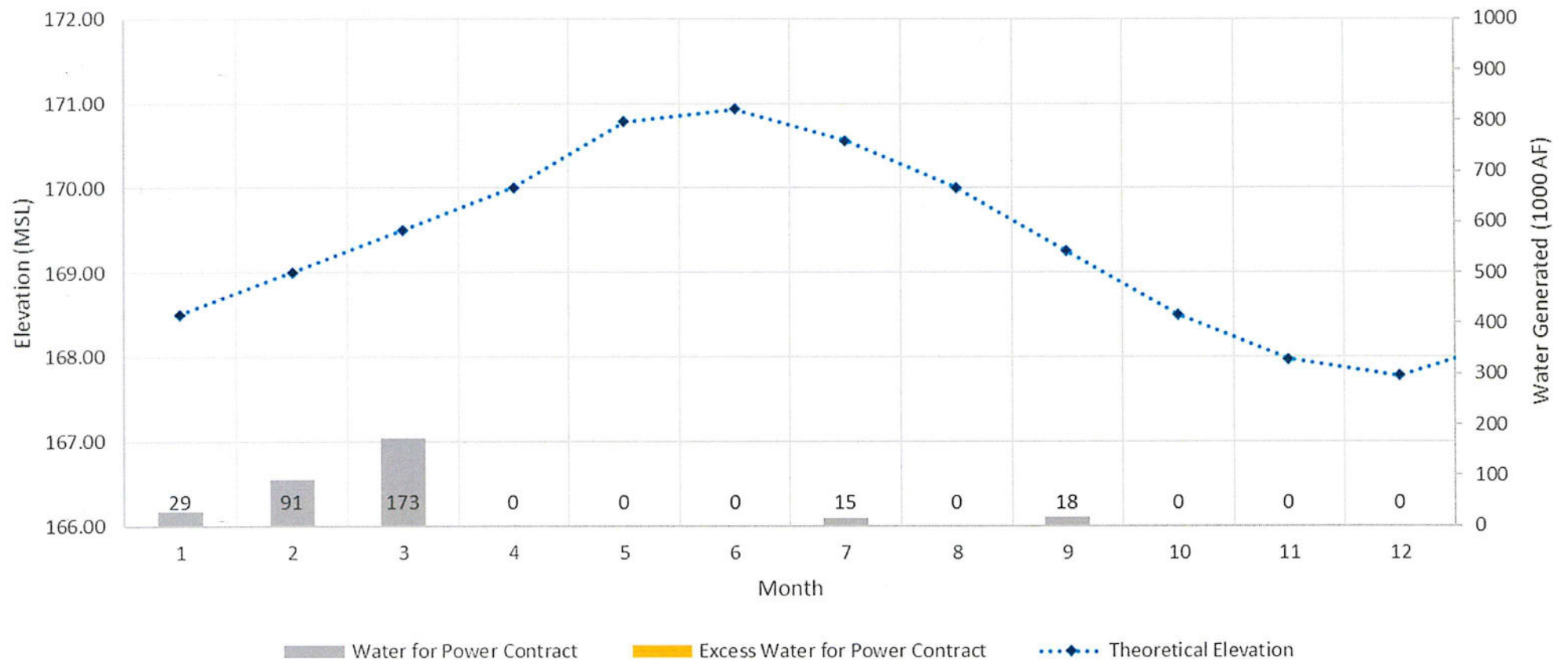
25th Percentile Inflows (Power Contract - No Water Sale)



Median Inflows (Water Sale & Power Contract)



25th Percentile Inflows (Water Sale & Power Contract)



Process Moving Forward

Begins with SRA accepting the proposed terms for the water sale, with our attorneys approval, and agreeing to move forward with trying to get all the Louisiana concurrences as per the statue. Approvals or concurrences from the Governor, Water Resources Committee, Senate Committee on Natural Resources, House Committee on Natural Resources and Environment, and at least four of the six parishes bordering on Sabine River.

The statue will not let the Sabine River Authority sign the water sale until the concurrences are received. Also agreement from Sabine River Authority of Texas and Sabine River Compact are being requested. FERC approval and any process that they may the SRA go through for the sale.

Signing the contract, which triggers the timing for payments to reserve the quantity agreed to in the proposed agreement.