Transitioning the World to Renewable Energy

Revenue Stabilization & Tax Policy Committee
September 27, 2021
Global Portfolio & Company Values

Environment
We aim to exceed industry standards in mitigating environmental impacts and advancing best practices.

Community
We participate in and contribute to our local project communities.

Safety
Our top priority is protecting the safety of the public, our employees, and everyone who works with us.
Pattern in New Mexico

- Over $3.5 Billion invested by the end of 2021
- New Mexico headquarters, Albuquerque
- Field offices in Curry County and Corona
- Responsible for over 30 permanent jobs in development and wind facility operation
- Additional 100 permanent jobs by end of 2021
- Thousands of construction jobs including:
  - 650+ jobs 2016-2019, Broadview & Grady Wind
  - 1,000+ jobs 2020-2021, Western Spirit Wind and Western Spirit Transmission
  - 3,300+ jobs expected before 2025, SunZia Wind and SunZia Transmission
Pattern Energy has successfully developed and financed ~1,600MW of wind and transmission projects in New Mexico.

<table>
<thead>
<tr>
<th>OPERATING</th>
<th>CONSTRUCTION</th>
<th>DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadview Wind</td>
<td>Western Spirit Wind</td>
<td>SunZia Wind</td>
</tr>
<tr>
<td>Grady Wind</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Size</th>
<th>County</th>
<th>Status</th>
<th>Interconnection</th>
<th>Offtaker</th>
</tr>
</thead>
<tbody>
<tr>
<td>324 MW</td>
<td>Curry, NM</td>
<td>COD 2017</td>
<td>Western Interconnect; 35-mile 345kV Developed &amp; constructed by Pattern, owned &amp; operated by Pattern</td>
<td>SCE</td>
</tr>
<tr>
<td>220 MW</td>
<td>Deaf Smith, TX</td>
<td>COD 2019</td>
<td>Western Spirit Transmission; 155-mile 345kV Developed &amp; constructed by Pattern, to be sold to PNM</td>
<td>SMUD</td>
</tr>
<tr>
<td>1,050 MW</td>
<td>Curry, NM</td>
<td>Expected COD 2021</td>
<td>Western Spirit Transmission Project; 500+-mile 500kV Developed by SWPG</td>
<td>LADWP, SJCE</td>
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<tr>
<td>3,200+ MW</td>
<td>Guadalupe, Lincoln, and Torrance, NM</td>
<td>Expected full construction ramp in 2022, COD 2025</td>
<td>SunZia Transmission Project; 500+ mile 500kV Developed by SWPG</td>
<td>In process</td>
</tr>
</tbody>
</table>
Pattern Investment in New Mexico

Broadview/Grady
• $732 million capital cost
• $18.9 million in Payments in Lieu of Taxes
• $2.2 billion in total direct, indirect & induced economic benefit

Western Spirit Wind & Transmission
• $2+ billion capital cost
• $88.3 million in Payments in Lieu of Taxes
• $5.03 billion in total direct, indirect & induced economic benefit

SunZia Wind
• $6+ billion estimated capital cost
• $268 million estimated Payments in Lieu of Taxes
• Moss Adams currently conducting economic study of total direct, indirect & induced economic benefit
New Mexico Renewables - Economic Impacts

Taxes from Renewable Energy Development

- Gross Receipts Tax (direct & induced)
  - Construction
  - Operations
  - Consumed electricity and other purchase commodities
- Corporate Income Tax
- Personal Income Tax
  - Payroll
  - Land Lease Payments to Property Owners
  - Operating revenue of vendors providing contract services
- Property Taxes (if a non-IRB project) or
- Payments in Lieu of Taxes (PILT) to each issuer and school districts located within the issuer’s jurisdiction

Revenue Sharing on State Trust Lands

- NMSLO estimates about nine million acres of land in NM available for lease to renewable energy companies
- Current wind and solar leases bring in ~$2 million per year in lease payments to the state
  - 16 active Wind leases = 619 MW
  - 11 active Solar leases = 303 MW
- More revenue on the horizon (expecting ~$3 million per year):
  - 12 Wind Lease Applications = 2,570 MW
  - 35 Solar Lease Applications = 3,146 MW
Landowner Payments: $26.6 million annually
- Consistent income that flattens peaks and valleys
- Keeps local farmers and ranchers on their land

Jobs: 4,000+ wind and solar jobs in the state
- Employments numbers highest during construction
- Additional jobs in Engineering, Tech, Law

"RE 100" has 300+ companies publicly committed to 100% renewable electricity
- 2028 is average target year for RE100 companies to reach its goal

Manufacturing facilities – must show long-term development pipeline to attract investment
New Mexico State Land Office Tour
Water & Natural Resources Committee Tour
Contact Information

Jeremy Turner
Director, NM Project Development
Jeremy.Turner@patternenergy.com

Albuquerque Office
Pattern Energy
317 Commercial St. NE, Ste 100
Albuquerque, NM 87102