In April 2011, Governor Brown signed into law the California Renewable Energy Resources Act ("SB 2 (1X)")
Heber-1 Geothermal Energy Project
California Mandated RPS Compliance and LADWP Projected Renewable Generation by Technology

RPS Generation

- Green Purchase
- New Solar
- New Biogas
- New Wind
- Existing Solar
- Existing Small Hydro
- Existing Wind
- Generic RPS
- New Geothermal [Heber-1 and Other Geothermal Projects]

City of Los Angeles
Department of Water and Power
Heber-1 Geothermal Energy Project

Advantages of Geothermal Energy

- Baseload renewable, 24/7 except maintenance
- Closed loop system with zero emissions
- High-capacity factor (90-95 percent)
- Low noise, low visual profile, and no future fuel volatility
- Reliable energy
- Incurs insignificant integration costs
Heber-1 Geothermal Energy Project

Project Summary

- Developer/Seller: Ormat Nevada, Inc., Buyer: SCPPA
- Project Location: Imperial County, California
- Generation Capacity: 46 MW, Annual energy output 383 GWh
- Energy Cost: $80 per MWh with 1.5 percent annual escalation
- Term: 10-year Power Purchase Agreement
- Delivery Commencement Date: February 2, 2016
- Point of Delivery: Mead 230-kV [LADWP Balancing Authority] utilizing Imperial Irrigation District (IID) and Western Area Power Administration (WAPA) Transmission Services and System; alternative path utilizing California Independent System Operator (CAISO) Transmission System if IID's or WAPA's Transmission Services are not available

SCPPA Participants' Shares:

<table>
<thead>
<tr>
<th>Participant</th>
<th>Generation Capacity</th>
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<tbody>
<tr>
<td></td>
<td>[2016 - 2018]</td>
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<tr>
<td>LADWP</td>
<td>30.67 MW (255 GWh)</td>
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<tr>
<td>IID</td>
<td>15.33 MW (128 GWh)</td>
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</tbody>
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- RPS Compliance: Energy purchased represents 1.3 percent of the LADWP's RPS goals