

Core Scientific Power Purchase Agreement



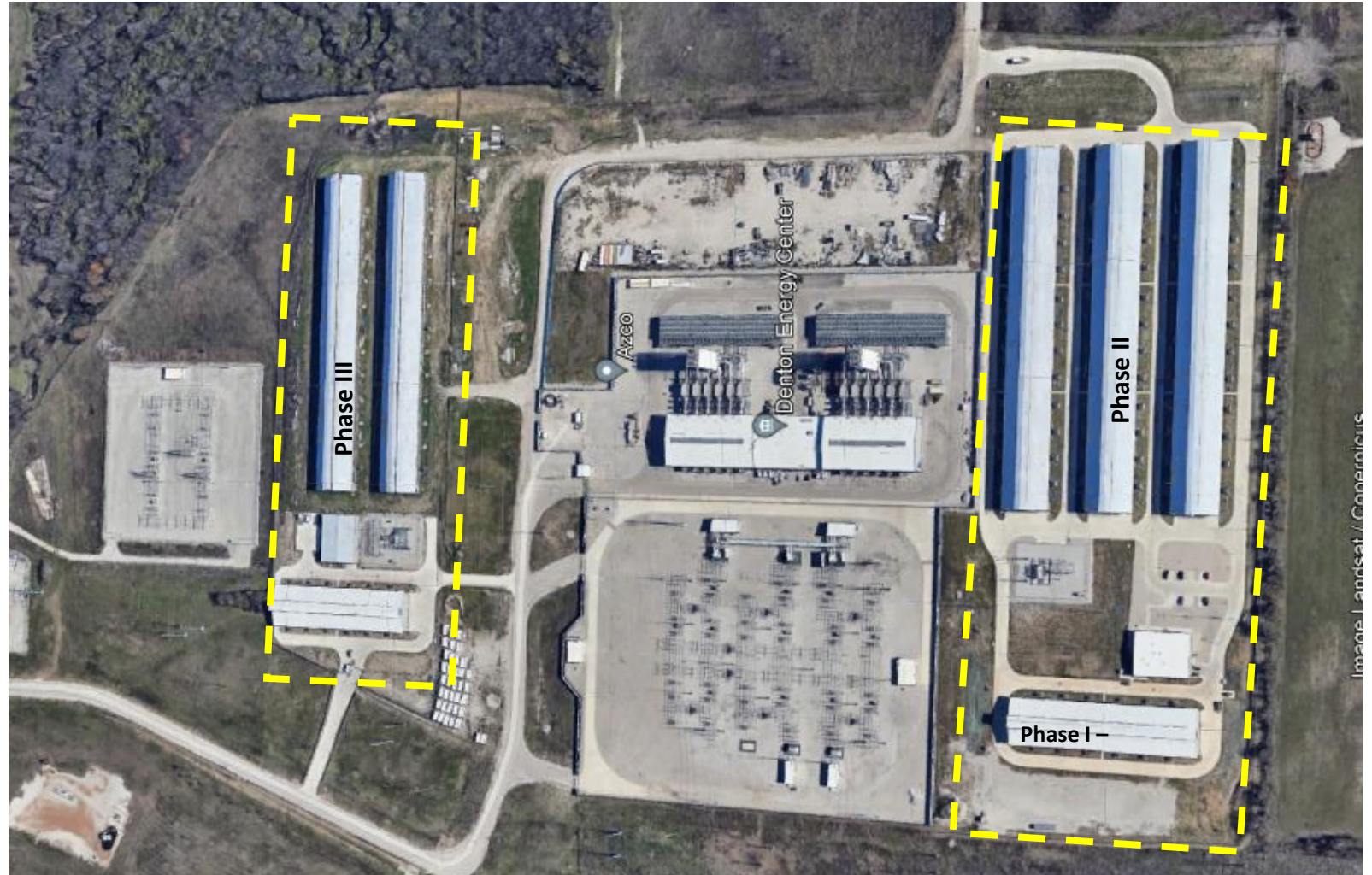
Current Project Status

Phase I Complete

Phase II ~ 80% complete

Phase III - 0% complete

Two largest buildings in
Phase III are not
complete and are
proposed for
conversion to High
Performance
Computing



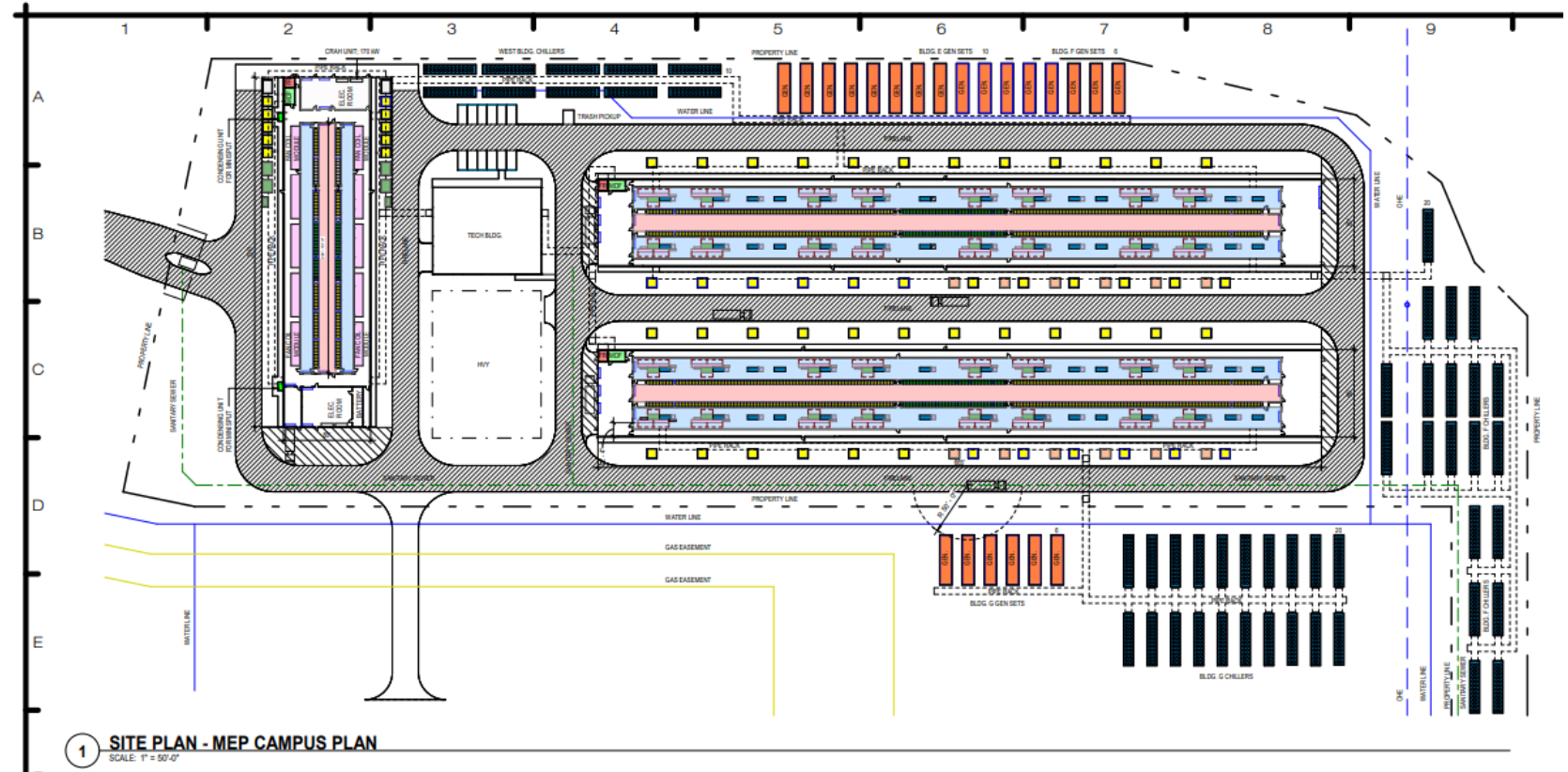
High Performance Computing Considerations

HPC Changes to Site Plan

- Core has indicated their intent is to convert Phase III to High Performance Computing (HPC) for artificial intelligence applications
- Targeting April – July of 2025
- 22 back-up generators
- 60 air cooled heat exchangers

Level 3 Data Center

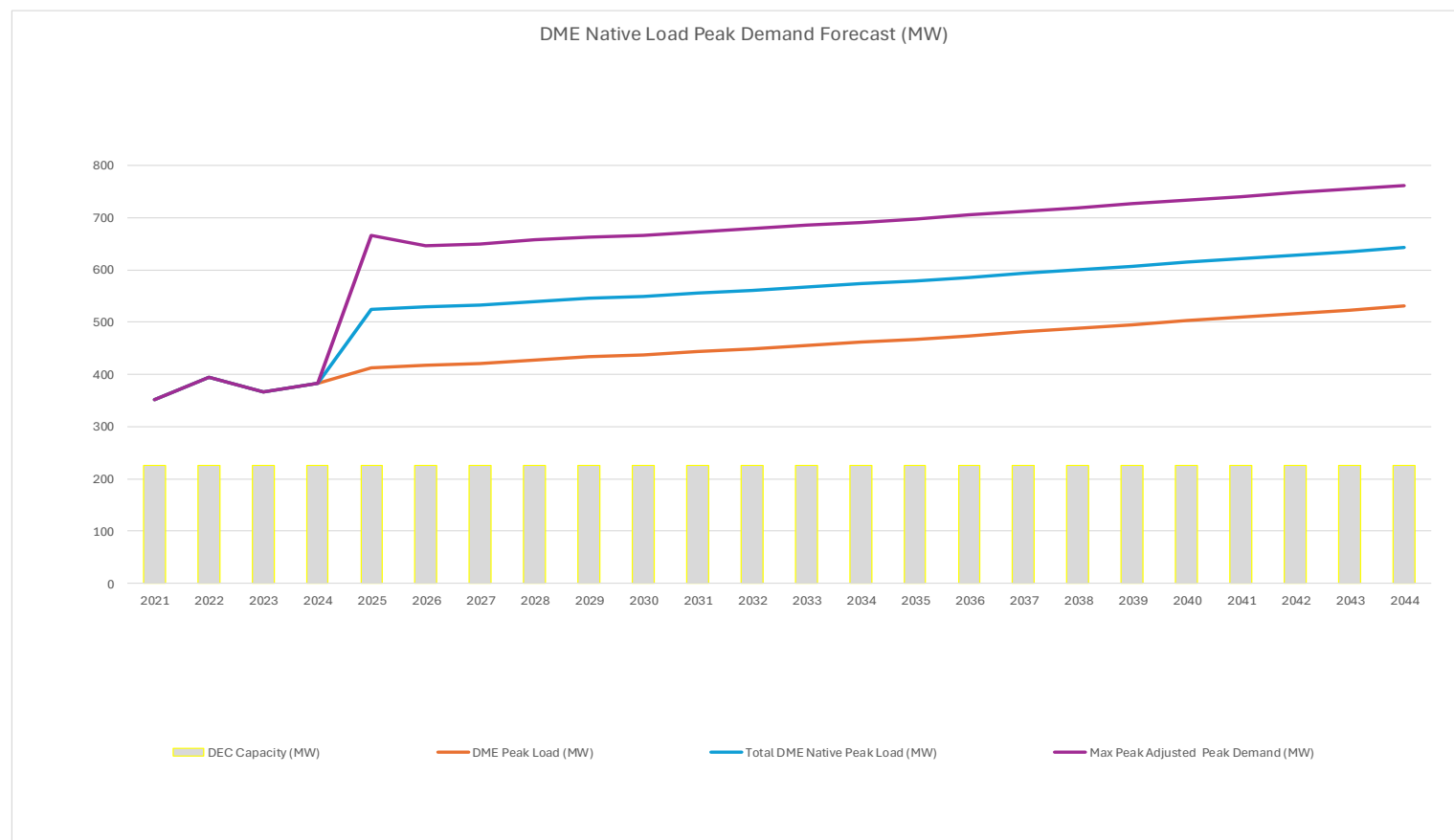
- 24 hr/day baseload demand
- Operation not price sensitive to wholesale market



DME Implications – Jurisdictional Monopoly Must Serve

1. Modify Power Purchase Agreement to convert HPC to a firm tariff price
 - 24/7 load profile with contribution to DME's 4 coincident peak
 - Firm load subject only to ERCOT mandated load shed or DME outages
 - Tariff price must recover a portion of DME's fixed operating costs (excluding Distribution System)
2. Renewable Energy supply by DME will require immediate delivery
 - Not sufficient time to procure additional long-term renewable PPAs with immediate delivery
 - Purchase of energy futures contracts with Renewable Energy Credit (REC) purchases will be made to support Phase III HPC operations.

Forecasted DME Peak Demand (MW)



Peak Demand Growth to Continue

- Forecasted known peak demand to increase by over 56% by 2044
 - Additional large loads are very likely
- Max peak demand could rise by 84% by 2044 with electrification and continued robust economy

PPA and Lease Changes

- Power Purchase Agreement
 - Establish new demand-based rate for the HPC operation
 - Add early termination fee to protect other DME customers from responsibility for costs directly apportioned to serving Core's HPC load.
 - Add monitoring and telemetry requirements for on-site back-up generation
 - Amend load shed language to be consistent with ERCOT protocols
- Lease
 - Amend to add additional property (5.5 Acres) required for back-up generation and heat exchangers

Questions and Discussion

