



Resolution for RICE Contract

(Reciprocating Internal Combustion Engines)

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NPPD Board of Directors Meeting &
Operations Committee
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Information on RICE Equipment Scope

Scope of Equipment Purchase:

- 1) Purchase 12 engine-generator sets, each set capable of a nominal 18+ Megawatts (MW) of generation**
- 2) Supporting Equipment includes:**
 - a. Catalyst/equipment for control of emissions
 - b. Inlet air filtration and exhaust stacks
 - c. Auxiliary equipment/systems/controls needed to operate the engine-generator sets

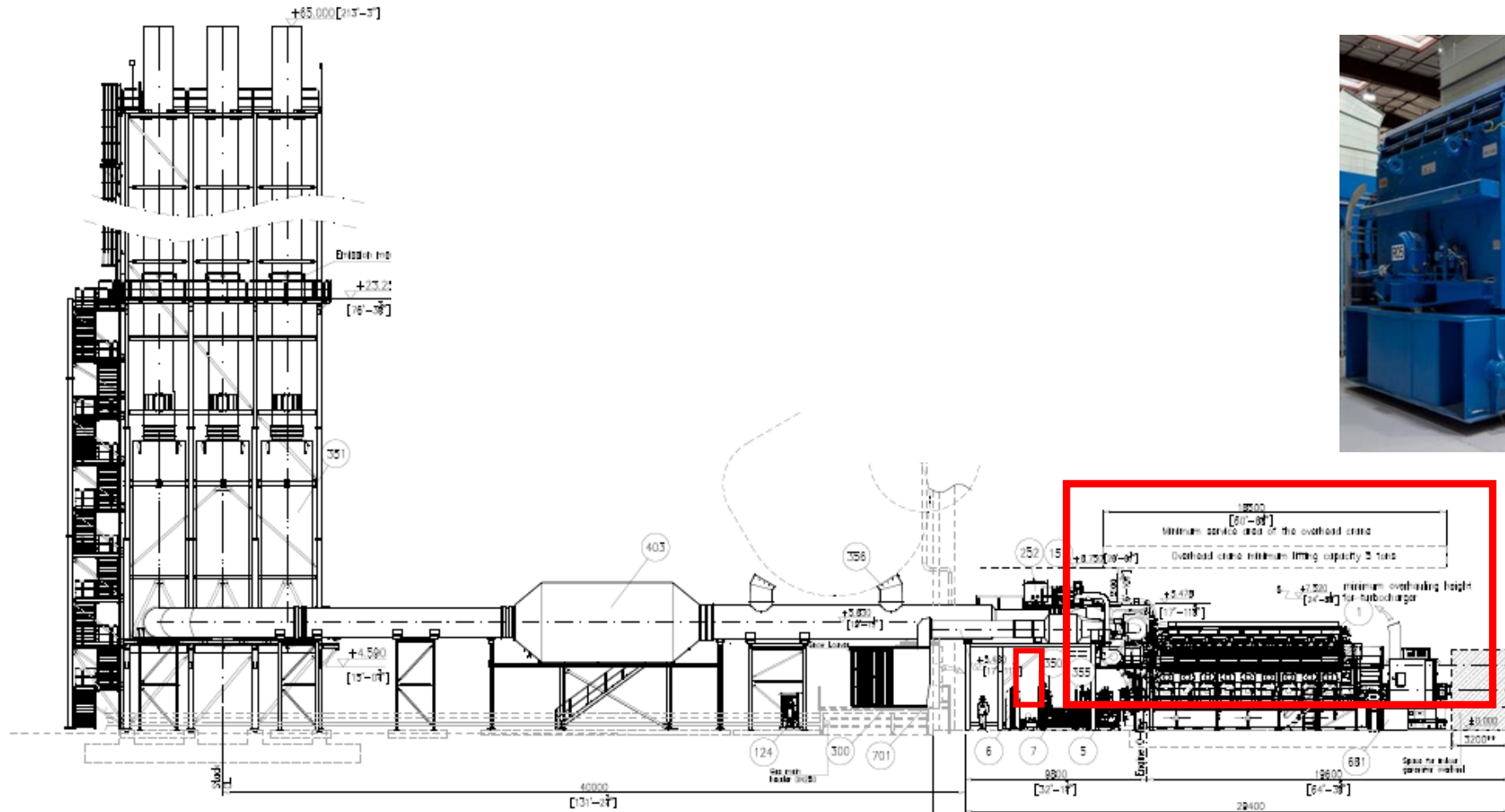
Information on RICE Scope (View of Engine only)



Information on RICE Scope (Engine-generator set)



Information on RICE Scope (cross section view of a typical RICE set-up)



Example of RICE-Only Facility (Facility in Alaska)



- 1) The RICE Engines are inside the long building
- 2) Most of what is seen in the picture is EPC contractor (or other contractor) scope of work and is a RICE-only facility
- 3) The NPPD facility will be customized to meet our needs at Princeton Road Station for RICE, CT's, and potential future build out (more to come on that in future updates)

Information on RICE Long Term Service Agreement (LTSA) Scope

- 1) Up to 5-year agreement for ongoing maintenance of the engines after they are commissioned**
 - ✓ Uses NPPD staff who are trained but also work under the direction of a Technical Advisor provided by the manufacturer
- 2) Provides the platform for the RICE vendor to offer guarantees on annual reliability and performance**
- 3) Includes certain operational spare parts needed during the term of the LTSA**
- 4) NPPD is considering up to 5 years to ensure we have the skills to maintain these engines before taking full responsibility**
- 5) Funded by capital project (during warranty) and future O&M budgets thereafter**

Information on RICE Spare Parts Scope

1) These are parts not covered by the LTSA but are otherwise recommended by the vendor and include:

- ✓ Safety spare parts – Recommended to be at site to mitigate any forced outage during operation
- ✓ Swing sets allows for critical components of an engine to be swapped out and repaired for future installation

2) Is only for parts that come directly from the vendor

Status of Negotiations

NPPD continues to negotiate with both bidders

1) Have firm pricing on major equipment, LTSA and Spare Parts

- ✓ Scopes are not identical but that is not a concern from a technical standpoint

2) Terms and Conditions are area of focus

- ✓ This may ultimately decide who has the best bid

3) Delivery is in 2026

4) Expect to complete negotiations in the near future and management request the ability to immediately execute contracts

Recommendation

Approve resolution authorizing management to enter into contracts/agreements for the purchase of the RICE components, a Long-term Service Agreement, and the purchase of spare parts from the RICE vendor, after negotiations have been concluded and the contract(s) are in final form and substance.



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Questions

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