



# THE POWER OF PEOPLE



## Action on Amendment for the Tax-Exempt Revolving Credit Agreement & Action on Establishing a Letter of Credit Program

NPPD Board of Directors Meeting  
Finance Committee  
August 2025

Laura Kapustka  
Executive Vice President & Chief Financial Officer



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# Objective

- Requesting Board action on:
  - Amendment to Tax-Exempt Revolving Credit Agreement, and,
  - Establish a new Letter of Credit program
    - To be used for SPP financial security payments

# Overview of proposed changes to the Tax-Exempt RCA

- Tax-Exempt RCA is a \$150 million program backed by US Bank
  - Has been in place since June 29, 2017, and matures September 12, 2025
- Amendment provides for:
  - Extension of the program for 3½ years (to March 2029)
  - Implementation of new pricing structure that is cost competitive
- Documents presented for NPPD Board consideration:
  - **Supplemental Resolution Authorizing a Second Amended and Restated Tax-Exempt Revolving Credit Agreement and Related Documents**
    - **Second Amended and Restated Tax-Exempt Revolving Credit Agreement**
    - **Fourth Amended and Restated Fee Letter**

# Overview of the New Letter of Credit Program for SPP Financial Security Payments

- Letter of Credit will be a \$100 million program backed by Truist Bank
  - Program term will be 3 years
- NPPD currently has generation interconnection studies in place with SPP which require financial security to be pledged as milestones are met
  - To date, NPPD has paid SPP financial security payments in cash
  - The financial security amounts are becoming significant
- In an effort to manage cash requirements, the District and PFM determined that the lowest cost and most flexible option was to establish a program that could issue letters of credit (in lieu of cash)
  - Truist Bank is able to provide a letter of credit in the format required by SPP
- Documents presented for NPPD Board consideration:
  - **Supplemental Resolution Authorizing a Reimbursement Agreement and Related Documents**
    - **Reimbursement Agreement**
    - **Resolution Authorizing SPP Notes**

SPP = Southwest Power Pool



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## Questions

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