

**Financial Costs Associated With Policy Objectives, Environmental Regulations,  
 Fuel Price Volatility and Adding New Generation Capacity  
 (\$2010 NPV 30 Years)**

Source of Risk	Potential Cost to GRU Customers	Note	Comment
Policy Goal to Meet Kyoto Targets	100% Solar- net of avoided fuel	-\$1,521,286,370	a Rejected
	Solar @4 MW per year (net)	-\$109,977,693	b Adopted
	GREC- with CO2 reg.	\$398,922,000	c GREC in 2014
	GREC- Base case	\$35,560,000	d GREC in 2014
	GREC- Worst case	-\$61,513,000	d GREC in 2014
Carbon Cap And Trade	No GREC	-\$1,199,244,885	e
	GREC- market price resale	-\$800,322,885	
	Benefit	\$398,922,000	c GREC in 2014
Renewable Portfolio Standard	Solar Only	-\$61,267,759	e Natural gas additions
	Solar and GREC	\$0	With GREC in 2014
	Benefit	\$61,267,759	
Fossil Fuel 10% Higher	No GREC	-\$277,738,000	f
	GREC - market sale	-\$188,623,000	f GREC in 2014
	Benefit	\$89,115,000	
CAIR and CAMR	Market Purchases	very volatile	g rejected
	Control Equipment	-\$257,453,120	h Control equipment
Reliability of Existing Units	Outages	-\$97,744,108	i Do Nothing Until 2023 GREC in 2014
		-\$70,064,610	
	Benefit	\$27,679,498	
Natural Gas Volatility	Hedging Pgm @.35 \$/mmBtu	-\$40,744,018	j Do Nothing
		-\$20,372,009	k GREC in 2014
	Benefit	\$20,372,009	
GREC Ownership Risks	Construction @10%	\$37,500,000	l. Structure of PPA
	O&M @ 10%	\$26,457,154	l. Structure of PPA
	Financing @ 50 BP	\$23,620,376	l. Structure of PPA
	Benefits from PPA	\$87,577,530	Structure of PPA

a. 788,000 MWh/yr @\$230/MWh  
 b. Existing FIT Program  
 c. Scenario from Interrogatory 104 - benefit from avoided carbon costs  
 d. Scenario from Interrogatory 104  
 e. HB 2425 CO2 midrange impact  
 e. HB 2425 RPS impacts without GREC, 7% RPS @\$25/REC  
 f. Interrogatory 104 scenarios with adjusted fuel prices

g. Evaluation performed based on Nox and SO2 Market in 200  
 h. Air emission control capital cost plus ongoing O&M  
 i. 21 days of DH 2 @ \$70/MWh replacement power thru 2032  
 j. based on GRU's hedging target of .35\$/mmBtu  
 k. 15% natural gas @ \$8/mmBtu, 12 HR, 15% volatility  
 k. Based on estimated taxable value of \$375,000,000