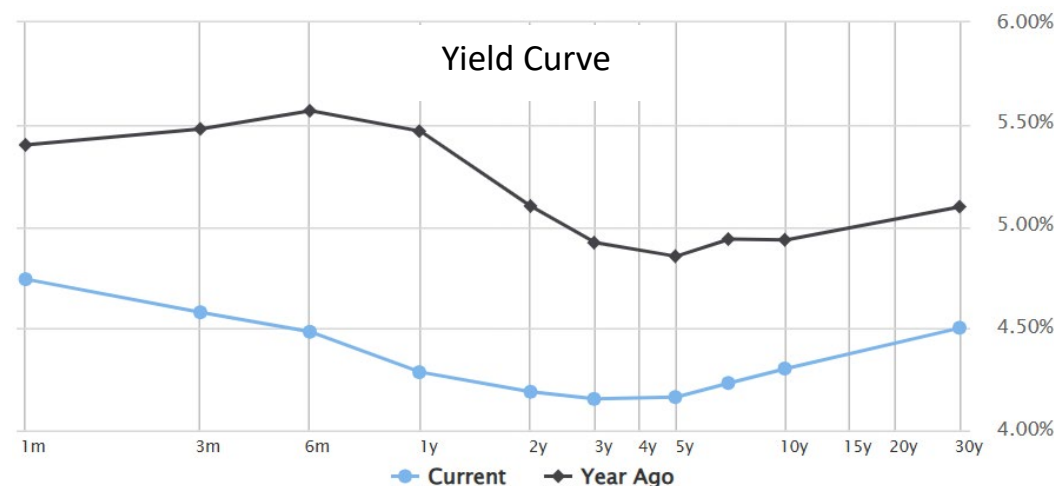
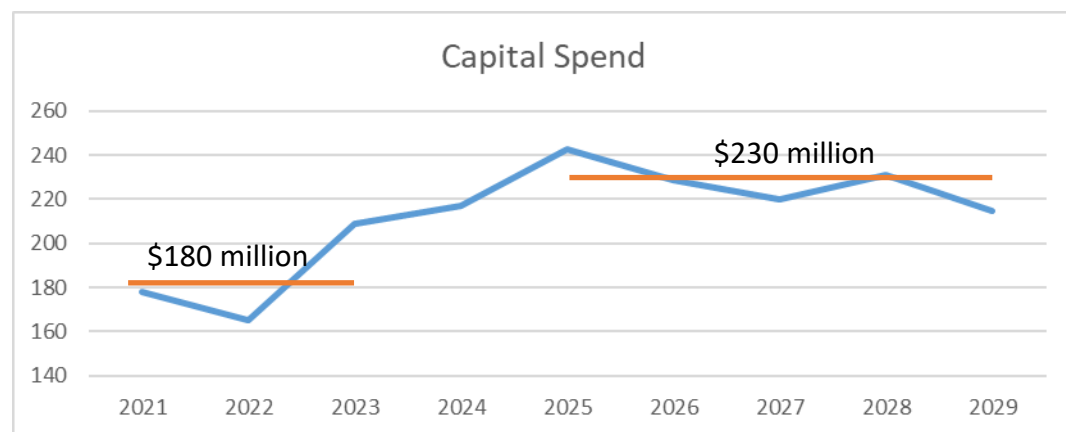




Borrowing Capacity Expansion

Randy Kruger | CFO

Need for Additional Short-Term Capacity



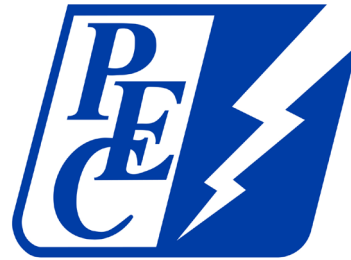
- With growth, forecasted capital spend levels and short-term funding needs are increasing
- The yield curve is flattening and short-term rates are expected to decline further. This creates incentives to allocate a larger portion of PEC's short-term debt to the front end of the curve
- Additional capacity will increase flexibility to time long-term debt offerings. With existing capacity, we need to term out CP every 12 months. With additional capacity that timing is extended to 24 months

Existing and New Agreements

Unsecured Facility	Capacity	Term	Current Maturity	Amended Maturity
CFC LOC	100,000,000	Perpetual	none	none
CoBank Revolver	100,000,000	364-Day	10/17/2024	11/28/2025
BoA Revolver	105,000,000	364-Day	11/29/2024	11/28/2025
BoA Multi-Year Revolver	200,000,000	3-Year	12/1/2026	11/30/2027
NEW CFC Multi-Year Revolver	100,000,000	3-Year	-	11/30/2027
	<u>605,000,000</u>			

Backstop CP Program
(see bullet four)

- Increase commercial paper (CP) program from \$200 million to \$300 million
- Add new \$100 million facility to back additional \$100 million in CP Capacity
- CP is the cheapest form of borrowing for PEC.
- Need unused lines to cover CP in the event of a CP market disruption (2008 financial crisis, COVID lock downs, 2023 regional bank crisis).



PEDERNALES ELECTRIC COOPERATIVE