Discussion Topics

• Basin Electric Power Cooperative
• Subsidiaries
• Financial Ratings
Who We Are
Basin Electric

• Operate at cost - Cooperative
• Largest G&T
• 3 Tier System
  –Class A
  –Class C
141 MEMBERS

1,900 EMPLOYEES

$7.6 BILLION IN TOTAL ASSETS

SERVING 3 MILLION CONSUMERS

INCORPORATED 1961

9 STATE SERVICE TERRITORY

2,300+ MILES HIGH-VOLTAGE TRANSMISSION

MEMBER OWNED

MEMBER DRIVEN

MORE THAN 6,698 MW OF GENERATION
Membership

Basin has 141 member systems

The member distribution systems ultimately serve 3 million end use consumers
Basin Electric

- Regulated by Board
- 11 Districts - each elect Board member
- Input from Member Managers
Subsidiaries
Dakota Coal Company

- Fuel supply subsidiary
- Formed in 1988
- Provides financing for Freedom Mine and purchases lignite production
  - Does not do the mining
  - Mining is contracted to North American Coal Company
- Supplies lignite to Synfuels Plant, Antelope Valley & Leland Olds
- Has a division and a subsidiary
  - Wyoming Lime Producers
  - Montana Limestone (subsidiary)
Dakota Gasification Company
Beulah, North Dakota
Dakota Gasification Company

- Completed in 1984 (coal to natural gas facility)
- Purchased in 1988 - shared mine and facilities with Basin Electric power plants
- Annually utilizes over 6 million tons of lignite coal mined from the Freedom Mine
- Gas is shipped on the Northern Border Pipeline
- Going forward DGC will primarily be a fertilizer facility
Member Load Growth
Member load is diversified across several growing sectors
Staying power of oil growth

- April 4, 1951
- The Clarence Iverson Number 1
- 30-miles northeast of Williston
- First successful oil well in North Dakota
  - Continues to be served by a Basin Electric member

- Horizontal drilling allows for as many as 28 wells on a single pad, using less than .5% of surface land.
- In 2019, 15.9k wells produced 1.44M bpd in ND, while just 442.0k bpd were produced from 47.1k wells in CA
- Once fully developed, as many as 80k wells will exist in the Bakken, the majority underground

- Oil production breakeven costs are rapidly decreasing due to technology such as walking rigs - what once took weeks now takes hours
2019 Forecast Comparison to National Average

<table>
<thead>
<tr>
<th>Category</th>
<th>BEPC</th>
<th>National Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>1.06%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Commercial</td>
<td>1.25%</td>
<td>0.83%</td>
</tr>
<tr>
<td>Total</td>
<td>1.16%</td>
<td>0.64%</td>
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</tbody>
</table>

*National Average updated 1-9-2019*
Resource Planning
Resource portfolio is increasingly diverse
Power Supply Planning Areas

Transmission Ownership in SPP and WECC-RMRG regions
Generator Management

- **Renewable Power**
  - Baldwin
  - Brady 1
  - Brady 2
  - Campbell County
  - Chamberlain
  - Crosswinds
  - Crow Lake
  - Day County
  - Edgeley
  - Hancock
  - Hyde County
  - Lakota
  - Lindahl
  - Minot Wind Project
  - Prairie Winds
  - Sunflower
  - Superior
  - Wilton 1
  - Wilton 2
  - Crosswinds (NIMECA)
  - Hancock (NIMECA)
  - Culbertson Waste Heat
  - Garvin Waste Heat
  - Hidewood Waste Heat
  - Manning Waste Heat
  - Pembrook Waste Heat
  - St. Anthony Waste Heat
  - Woodland Waste Heat
  - Zeeland Waste Heat

- **Natural Gas**
  - Deer Creek
  - Culbertson
  - Groton 1
  - Groton 2
  - Lonesome Creek 1
  - Lonesome Creek 2
  - Lonesome Creek 3
  - Lonesome Creek 4
  - Lonesome Creek 5
  - Pioneer 1
  - Pioneer 2
  - Pioneer 3
  - Pioneer 11
  - Pioneer 12
  - Pioneer 13
  - Pioneer 14-16
  - Pioneer 17-19
  - Pioneer 20-22
  - Arvada
  - Barber Creek
  - Hartzog

- **Coal**
  - Antelope Valley 1
  - Antelope Valley 2
  - Leland Olds 1
  - Leland Olds 2
  - Laramie River 1
  - Laramie River 2
  - Laramie River 3
  - Dry Fork
  - Neal 4
  - Walter Scott 3
  - Walter Scott 4
  - Neal 4 (NIMECA)
  - Walter Scott 4 (NIMECA)

- **Oil, Diesel, Jet Fuel**
  - Estherville
  - Madison
  - Spirit Mound 1
  - Spirit Mound 2
  - Webster Mound 2
  - Wisdom 1
  - Wisdom 2
  - NIMECA
    - Wisdom 2
    - Algona
    - Bancroft
    - Coon Rapids
    - Graettinger
    - Grundy Center
    - Laurens
    - Milford
    - New Hampton
    - Spencer
    - Sumner
    - West Bend

- **Nuclear**
  - Duane Arnold
Member Growth

- Forecast ever changing - the Bakken
- Barr Engineering forecast (sponsored by State)
- Much more growth now expected
- Bakken becoming the world leader (oil)
- Not impacted by oil prices due to low production costs
Market Dynamics
Ventura Gas Daily
(North Hub - MN Hub)

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Annual Price</th>
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<tbody>
<tr>
<td>2018</td>
<td>$2.96</td>
</tr>
<tr>
<td>2018 (through 9.26.18)</td>
<td>$2.74</td>
</tr>
<tr>
<td>2019 (through 9.26.19)</td>
<td>$2.45</td>
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US Wind Capacity by Year

<table>
<thead>
<tr>
<th>SPP Wind Statistics</th>
<th>MW's</th>
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</thead>
<tbody>
<tr>
<td>SPP Current Wind Level</td>
<td>21,400 (+ 2GW by year end)</td>
</tr>
<tr>
<td>SPP Max Wind Output (9/30/19)</td>
<td>17,109</td>
</tr>
<tr>
<td>SPP Max Wind to Load Penetration Level (4/27/19)</td>
<td>67.28%</td>
</tr>
<tr>
<td>12/31/2020 Expected SPP Wind Level</td>
<td>27,750</td>
</tr>
</tbody>
</table>

Source: U.S. Energy Information Administration, Preliminary Monthly Electric Generator Inventory
SPP Wind to Load Penetration
2018 vs 2019

January
February
March
April
May
June
July
August
September

2018 % Penetration
2019 % Penetration
Renewable Growth in the West

“Pacificorp aims for 7,000 MW of new wind, solar and batteries by 2025...with an emphasis on transitioning to clean energy and retiring 16 of its 24 coal plants over the next decade...”
Financial Ratings
Credit Ratings

Senior Secured A
Commercial Paper F-1+
Outlook - Stable

Senior Secured A
Commercial Paper A-1
Outlook - Stable

Senior Secured A-3
Commercial Paper P-2
Outlook - Stable

Foundation of our strength is our long-term Wholesale Power Contracts
Questions?