

Finance and Asset Management Committee



Renewable Energy Proposal – Palo Verde Mesa Property

Item 8-4

May 14, 2024

Overview of Lease

Subject

- Authorize an option agreement with The AES Corporation, LLC, for a long-term lease of up to 6,742 acres of land in the Palo Verde Valley, California

Purpose

- For carbon-free energy production and storage purposes to increase revenues or reduce energy costs and be in alignment with Metropolitan's 2022 Climate Action Plan

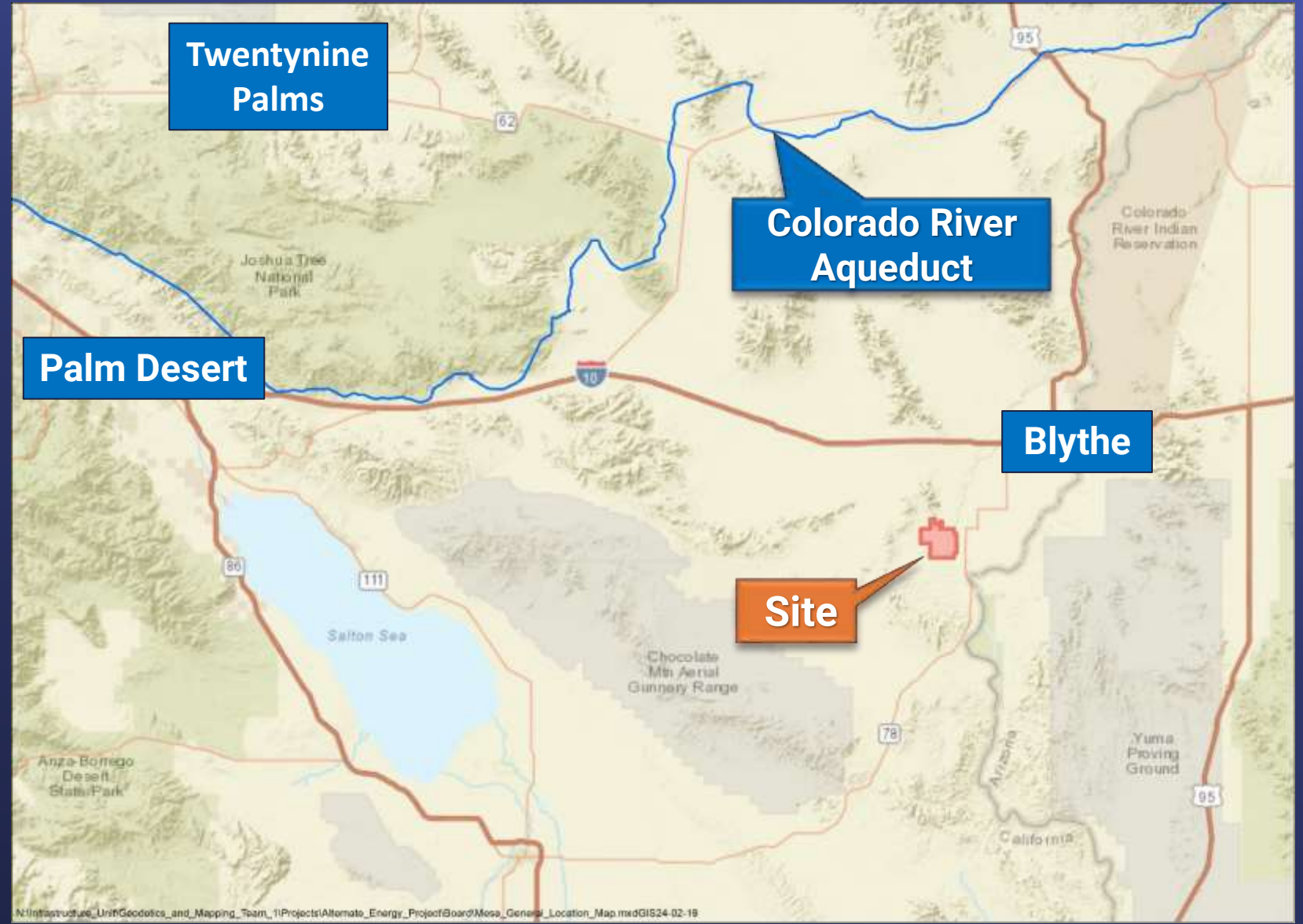
Today's Board Action

- Agenda
 - Location and Background on Palo Verde Mesa Property
 - Introduction to AES
 - Price and Terms of Option Agreement in closed session

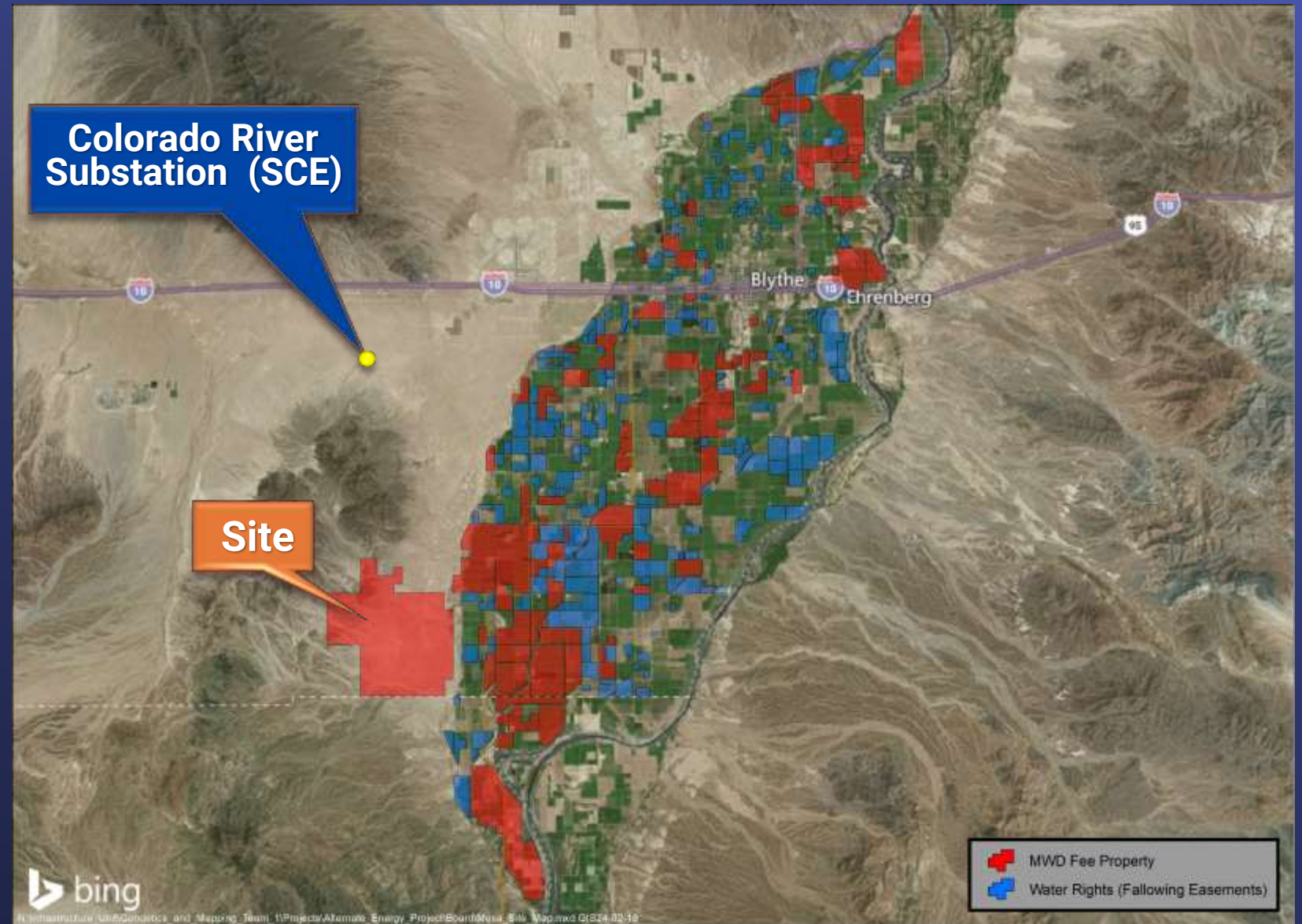
Service Area & CRA Map - PVID



General Location Map



Site Map



Background on Palo Verde Mesa

- 2001 -Property Purchased for \$42.5m
 - San Diego Gas & Electric Company
 - 16,344 acres
 - 9,602 acres of agricultural land
 - 6,742 acres on the Palo Verde Mesa
- Palo Verde Mesa Land is desirable land for carbon free energy generation
- 2010-14 Explored Renewable Energy
 - BrightSource Energy, Inc

Twin Palms & Twin Palms II

AES & Metropolitan Water District



Accelerating the future
of energy **together**

Who We Are

Our Team

- Chance Staley, Development Manager
- Drew Demos, Director of Land Acquisition
- Ken Koch, Permitting Project Manager



AES Purpose & Values

Accelerating the
future of energy,
together.



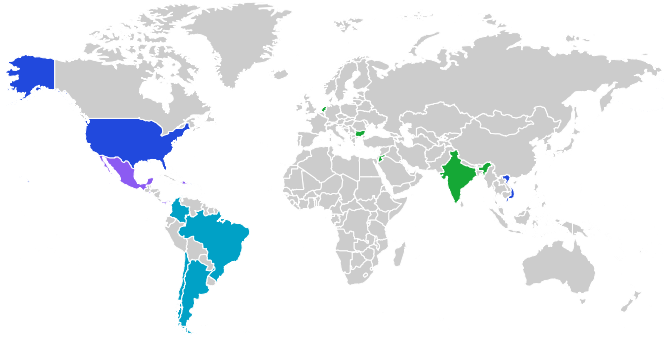
Safety first



Highest standards



All together



AES: a unique culture of **excellence**, **innovation** and **customer-centric** product development.

FLUENCE
A Siemens and AES Company



uplight



7x

Edison Award Winner



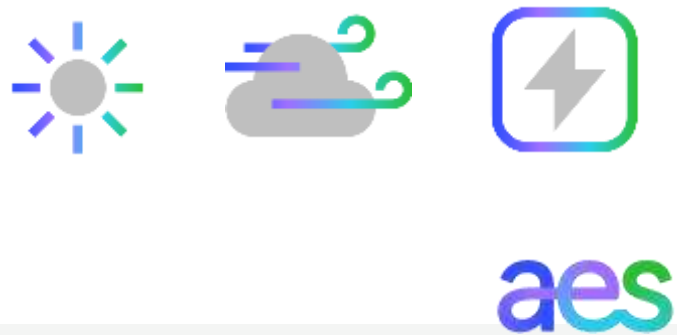
5B



AMS



AES' clean energy business in the US



1,400+ People

550 Projects

26 States

6.9 GW

Operating clean energy resources

51 GW

Clean energy projects in development



Fluence Energy, our joint venture with Siemens, was recognized in 2023 as the #1 Global Provider of Battery-Based Storage Systems by S&P Global Commodity Insights, reflecting AES' global leadership in energy storage.

Recognized for our commitment to sustainability



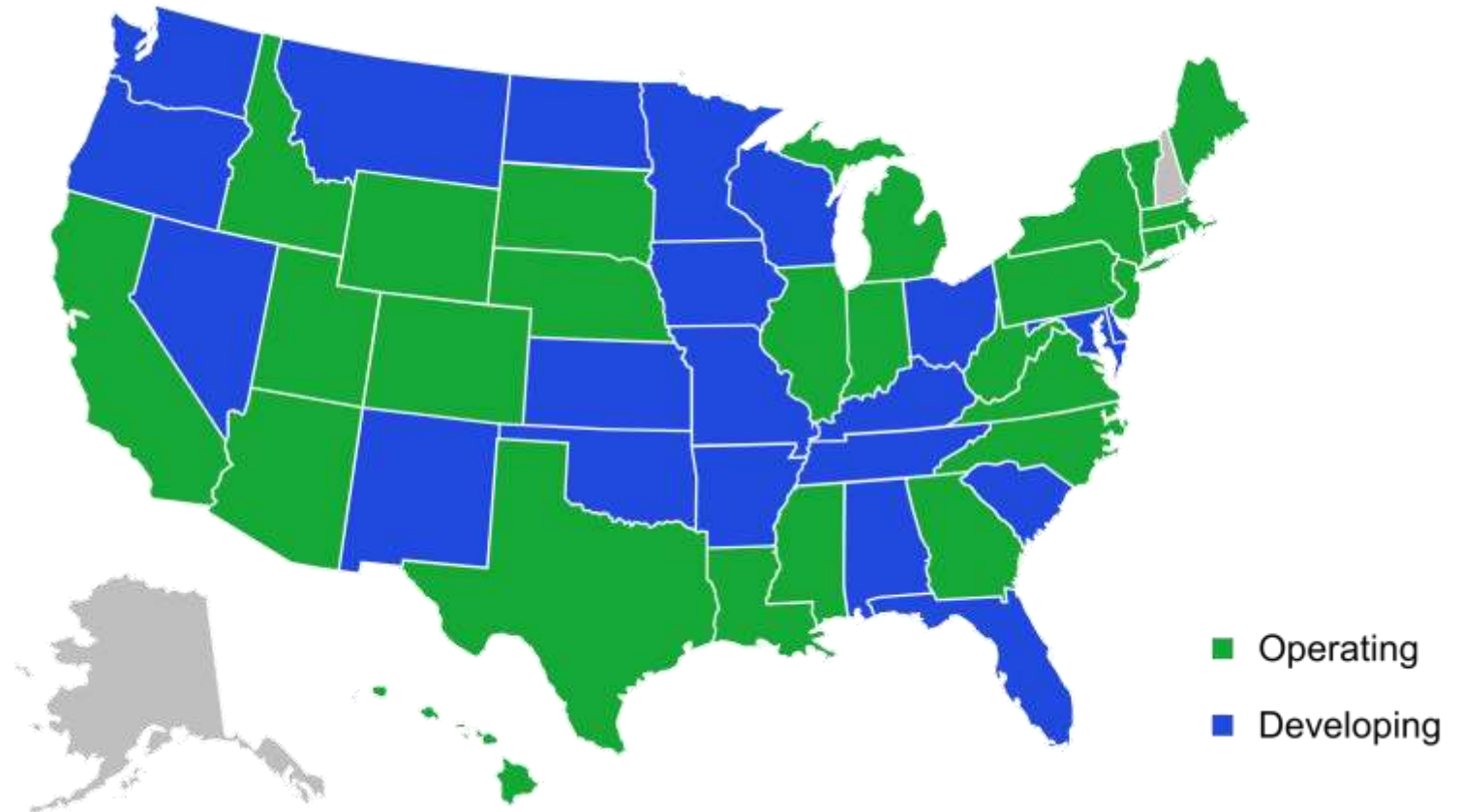
We are proud to be recognized by BloombergNEF for the past three years as one of the top two Sellers of Clean Energy to Corporations Through PPAs, reflecting our leadership in co-creating innovative energy solutions with our partners.



AES' clean energy business in the US portfolio

6.9 GW
operating

51 GW
in development



California Resume



- Developing and delivering innovative clean and reliable energy solutions, creating jobs, and investing in California communities since 1989
- 135+ projects in operation with 2+ GW of clean energy
- 5 projects currently in construction with 2 GW of clean energy
- 2.8 GW of reliability assets in operation



Project Timeline



Board Actions

Today's Action

- Have the board review and approve the key terms of the option agreement in closed session today

Future Action

- At a future date, once the project has been defined, the Board acting as a responsible agency will need to make a determination on the adequacy of the CEQA documents before issuing the lease

