# Cascade Digital Mining, LLC Contract Update

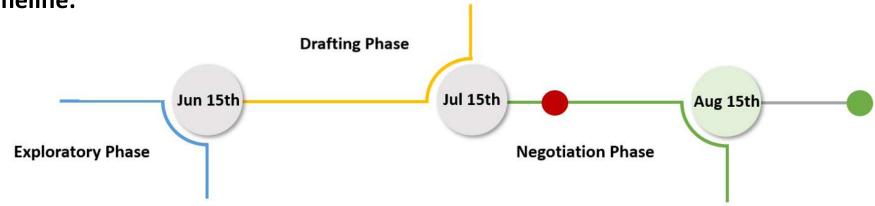
September 19, 2023



# Recap from 9/6 Board Meeting



#### Timeline:



## **Activity following 9/6 Meeting:**

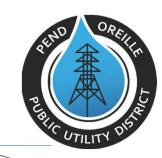
Explore shorter term ESA

Reduction of contract capacity to 55MW

Build upon current ESA and commercial discussions

Maintain risk mitigation features of current ESA

## General Terms



#### Term:

- Effective upon all Conditions Precedent
- Planned Term Oct 1, 2023 Mar 31, 2024

#### **Power Supply Products:**

- System Product
- Market Product
- Surplus Product

#### **Contract Capacity:**

• 55 MW

#### **District Delivery Fee:**

• \$192,500 / month

#### **Market Delivery Fee:**

• \$0 / month

## **Notable Changes:**

- 6-month term length
- 55 MW capacity
- Reduction of District Delivery Fee (as result of Capacity reduction)
- Elimination of Market Delivery Fee (pass-through in current ESA)
- Addition of Surplus Product
- Market Product process flexibility

# Surplus Product Process



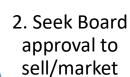
#### **Current Process:**

4. Complete transaction

1. Determine
Monthly
Surplus
Resources

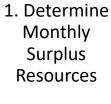


3. Solicit Bids from counterparties



## **Under Proposed ESA:**

4. If rejected, revert to current process.





3. If accepted, include surplus product on Monthly Invoice



2. Offer
Cascade
opportunity to
buy at defined
price

# Market Product Scheduling



### **Current ESA** — Timing is 1<sup>st</sup> Business Day through ~5<sup>th</sup> Business Day of Month prior

Market Product Request Indicative Price, Market Product Invoice issued Cascade payment of Market Product Invoice

Price is confirmed with Wholesale Counterparty

Confirmation Invoice or Credit is issued to Cascade Cascade Pays Confirmation Invoice

## **Proposed ESA** — Flexible timing window of 2+ months

Market Product Request & Simultaneous Deposit

District Solicits & Confirms Wholesale Pricing If the transaction exceeds Deposit by \$500k, Volume is reduced

Confirmation Invoice or Credit is issued to Cascade

Cascade Pays Confirmation
Invoice

# Payment & Performance Assurance



#### **Payment:**

- Prepayment of charges including: District Delivery Fee, System/Surplus Product, Transmission, etc.
- Pre-funding of Market Product

#### **Performance Assurance:**

- Letter of Credit issued or confirmed by a Qualified or Alternate Institution
- Fixed and Variable Performance Assurance Components

#### **Parent Guarantee:**

From Allrise Capital Inc.

## **Notable Changes:**

- Market Product payment timing and confirmation
- Reduction in Letter of Credit (proportional to scope of ESA)

# Next Steps & Disclaimers



- Action Items for later this morning:
  - Approval of WSPP Confirmation Template
  - Approval of Electric Service Agreement
- Questions
- Disclaimers:
  - Proposed ESA is subject to final approvals of the parties' authorized representatives.
  - The overview given here is not an exhaustive list of all terms in the proposed FSA.
  - There are several conditions precedent to the ESA becoming effective.