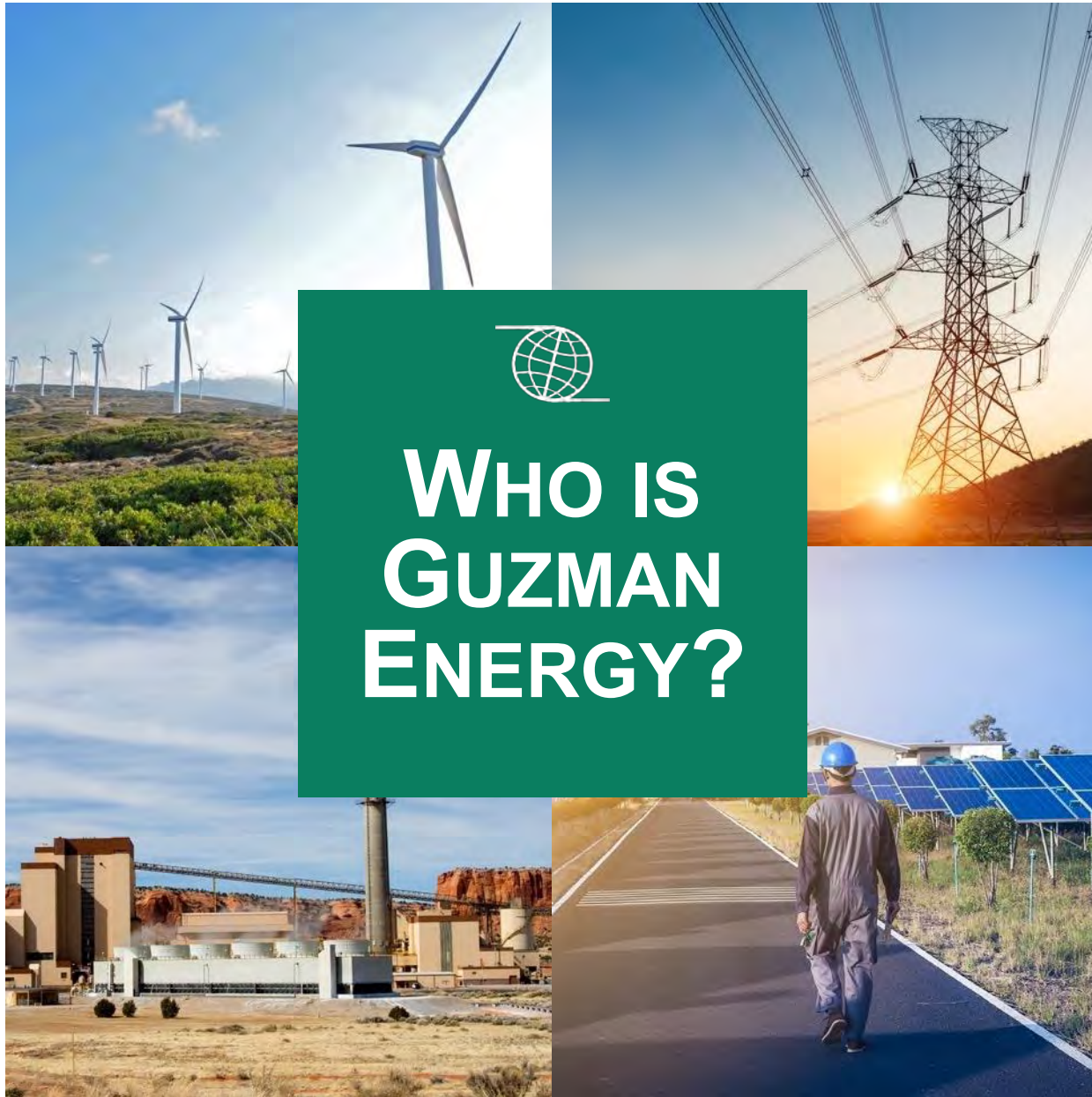


MAY 2, 2017



PREPARED FOR CITY OF SOCORRO





Guzman Energy is a new kind of power company, one that customizes energy solutions for rural power cooperatives and municipal energy companies to achieve lower rates, price certainty, and more flexibility.

We use our energy trading expertise and market-driven solutions to provide communities with the lowest cost mix of power generation resources to meet their needs.

Guzman Energy is part of the Guzman Group of companies, which has a 30 year history of building innovative and successful businesses.



LEO GUZMAN

Personifying the American dream, Leo Guzman arrived in the U.S. from Cuba as a teenager in the 1960s and rose to become the first Hispanic member firm of the New York Stock Exchange and a leader in program trading. A self-made man, he has successfully built and led businesses for more than four decades. His success is rooted in seeing opportunities where others don't, and in being bold when others are not.



1960s

ARRIVES IN U.S.
Lands in Miami from Cuba

1970s

COMPLETES EDUCATION
Engineering degree at
Columbia & MBA at
Stanford



1987

GUZMAN & COMPANY
Founds company to
focus on innovation in
the equity markets



1992

JOINS THE NYSE
The first Hispanic-
owned company to
become a member



2013

GUZMAN ENERGY
Founds company to
provide clients with reliable
energy at a lower cost

2016

BEGINS SERVING
COMMUNITIES IN
THE WEST



LEADERSHIP TEAM



**CHRIS M.
RILEY**

PRESIDENT

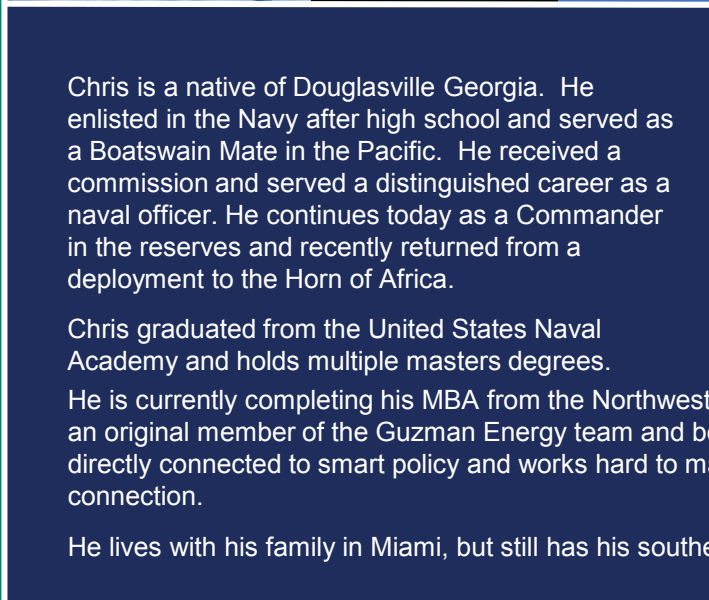
The son and grandson of rural Utah coal miners, Chris enlisted in the Navy at the age of 18. He later went on to receive his commission and, during his career as a naval officer, served as the Chief Engineer of a guided missile destroyer, and later as Commanding Officer of a coastal patrol warship. Chris is a graduate of the United States Naval Academy and of Harvard Business School. Having seen first hand the effects of market transformation on communities, he developed a passion for understanding the complexities of market change and for identifying and correcting market inefficiencies. He currently lives in Miami, but still feels the call of the West.



**JEFFREY
M. HEIT**

MANAGING
DIRECTOR

Jeff was born and raised in Denver and has spent his entire career in the power industry. He's held senior positions at Public Service of Colorado (Xcel Energy), Twin Eagle Resource Management and Integrys Energy, as well as a few others. With over 30 years of experience, he has seen the industry change many times in past few years. His passion and experience were the foundation on which Guzman Energy was built and he's proud to call it home. Jeff oversees Guzman's power operations nationally and continues to reside in Denver with his wife Tamie and their two grown children.



**CHRIS A.
MILLER**

CHIEF
OPERATING
OFFICER

Chris is a native of Douglasville Georgia. He enlisted in the Navy after high school and served as a Boatswain Mate in the Pacific. He received a commission and served a distinguished career as a naval officer. He continues today as a Commander in the reserves and recently returned from a deployment to the Horn of Africa.

Chris graduated from the United States Naval Academy and holds multiple masters degrees.

He is currently completing his MBA from the Northwestern Kellogg School of Management. He is an original member of the Guzman Energy team and believes that economic competitiveness is directly connected to smart policy and works hard to make sure Guzman Energy empowers that connection.

He lives with his family in Miami, but still has his southern accent.

WHY PARTNER WITH GUZMAN ENERGY?

GUZMAN ENERGY
IS A SAFE AND
TRUSTWORTHY
COMPANY THAT
GIVES RURAL
COOPERATIVES
ENERGY OPTIONS,
WHICH ENABLE THE
FUTURE
COMPETITIVENESS
OF THEIR
COMMUNITIES



We are positioned to help you succeed in the changing energy market by providing market-driven solutions to make you more agile, innovative, flexible & competitive.



We are a successful and healthy privately held company with a strong balance sheet, \$1B capital backing.



We have deep expertise in the energy markets with offices in Denver and Miami staffed with experienced teams.



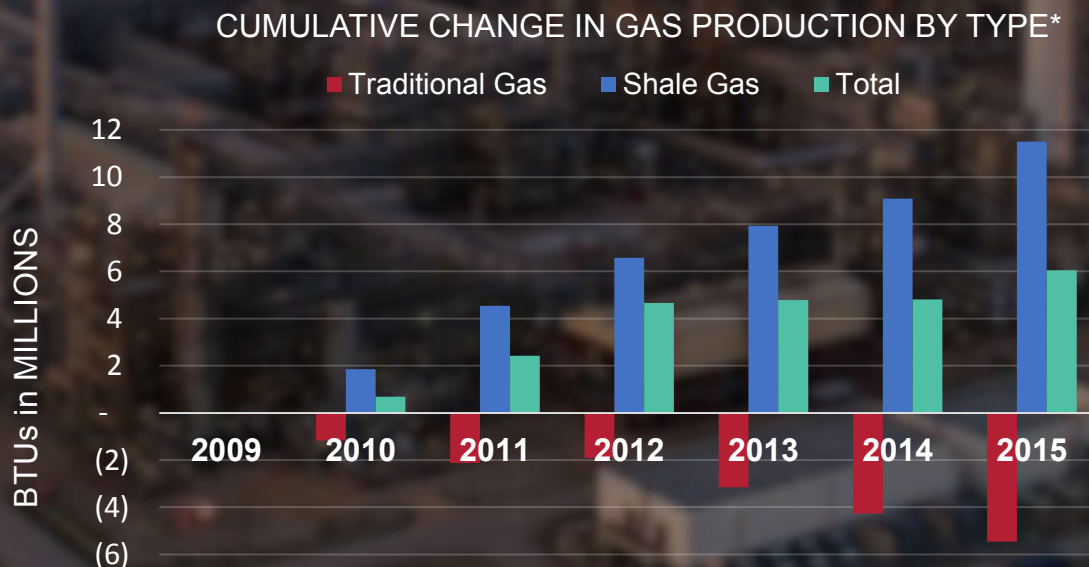
We have a strong record of achieving significant savings for our customers, KCEC, Aztec and Jicarilla.



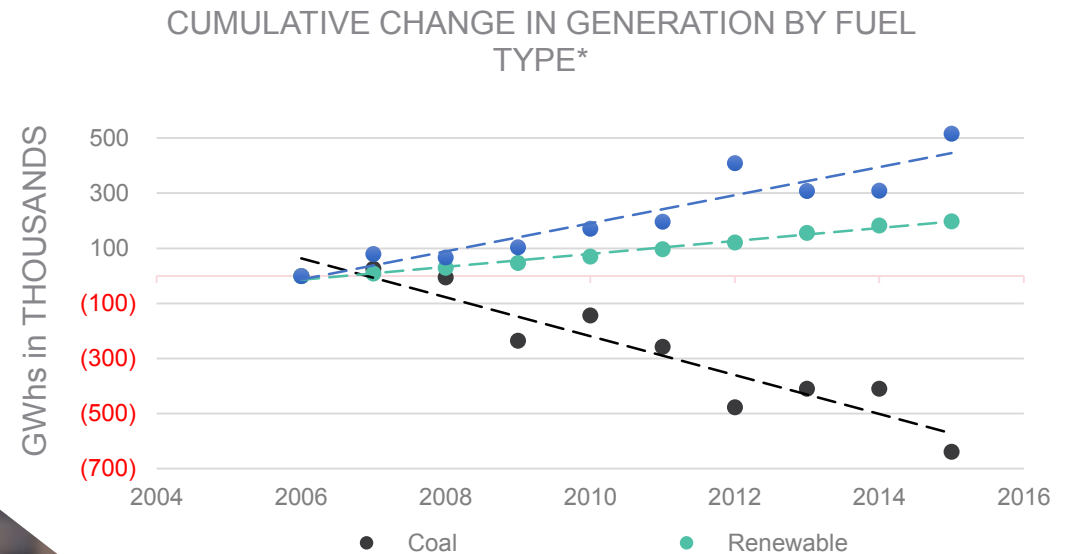
We are experienced and fully committed to expanding in the West.

THE LAST 10 YEARS HAVE SEEN A DISRUPTIVE CHANGE IN THE ENERGY LANDSCAPE

01 MASSIVE AMOUNTS OF CHEAP SHALE GAS



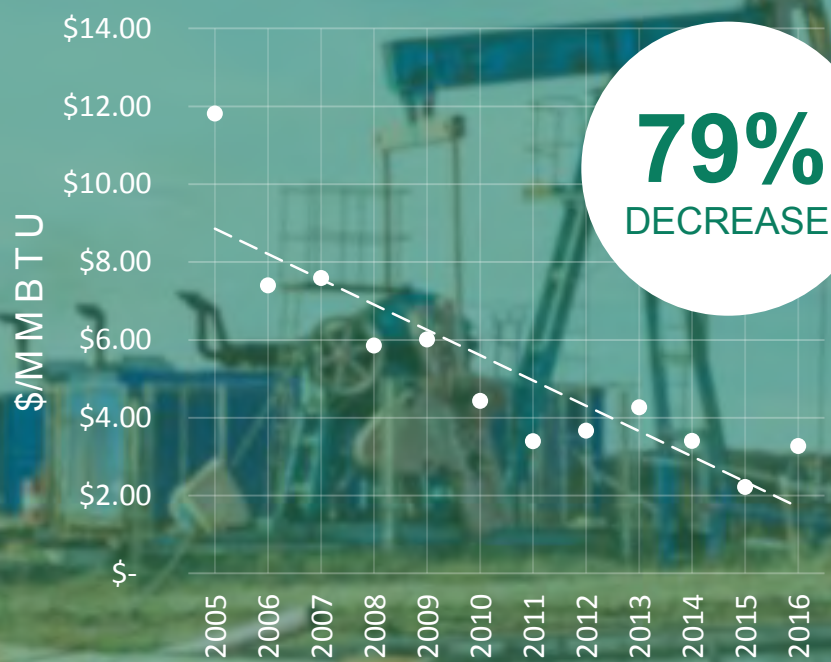
02 THE DEATH OF COAL



Energy is overwhelmingly shifting to cheap shale gas **at the expense of coal**. The owners of portfolios heavy in coal assets are simply no longer competitive

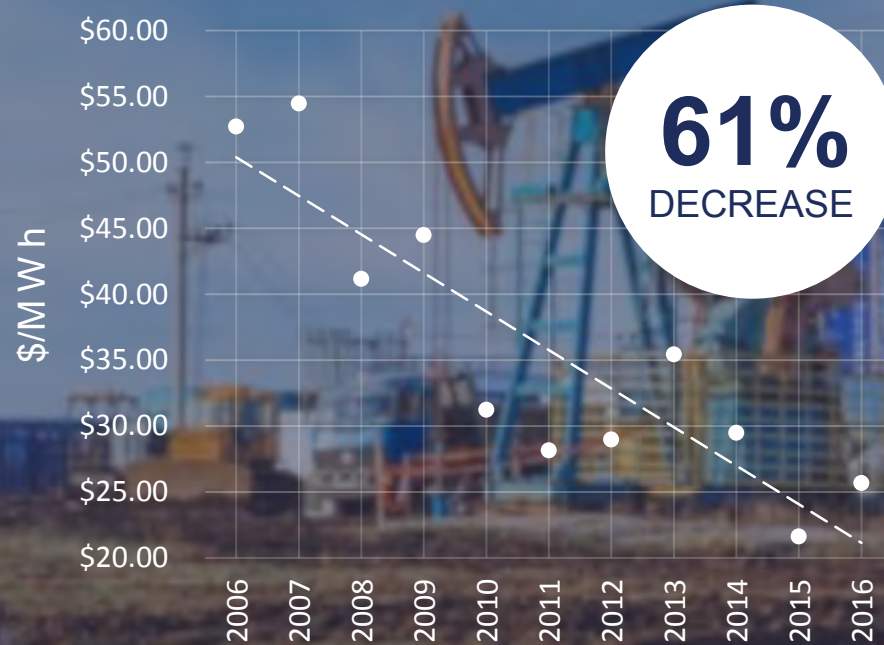
MARKETS HAVE REACTED TO THE IMPACT OF SHALE GAS & RENEWABLES

HENRY HUB NATURAL GAS
PROMPT YEAR PRICE



Source: ICE, Guzman Energy

WEST POWER
PROMPT YEAR (\$/MWH)



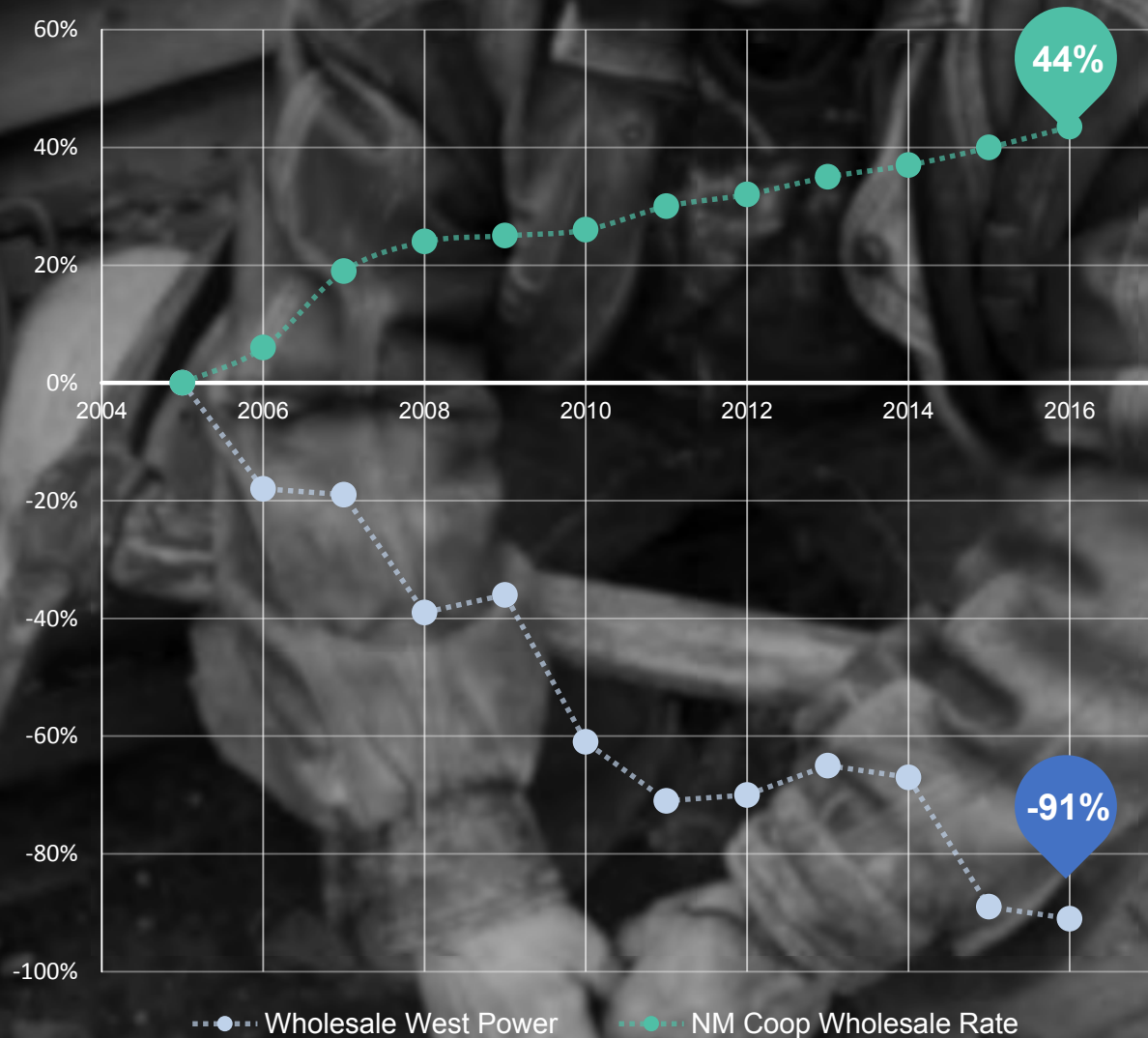
Source: ICE, Guzman Energy

THE OLD MODEL IS BROKEN AND WILL NOT FIX ITSELF

When markets change so drastically there will be winners and losers.

The only thing that matters is the ability of a company to capitalize on these changes

WEST POWER WHOLESALE RATE VS NEW MEXICO COOP WHOLESALE RATE



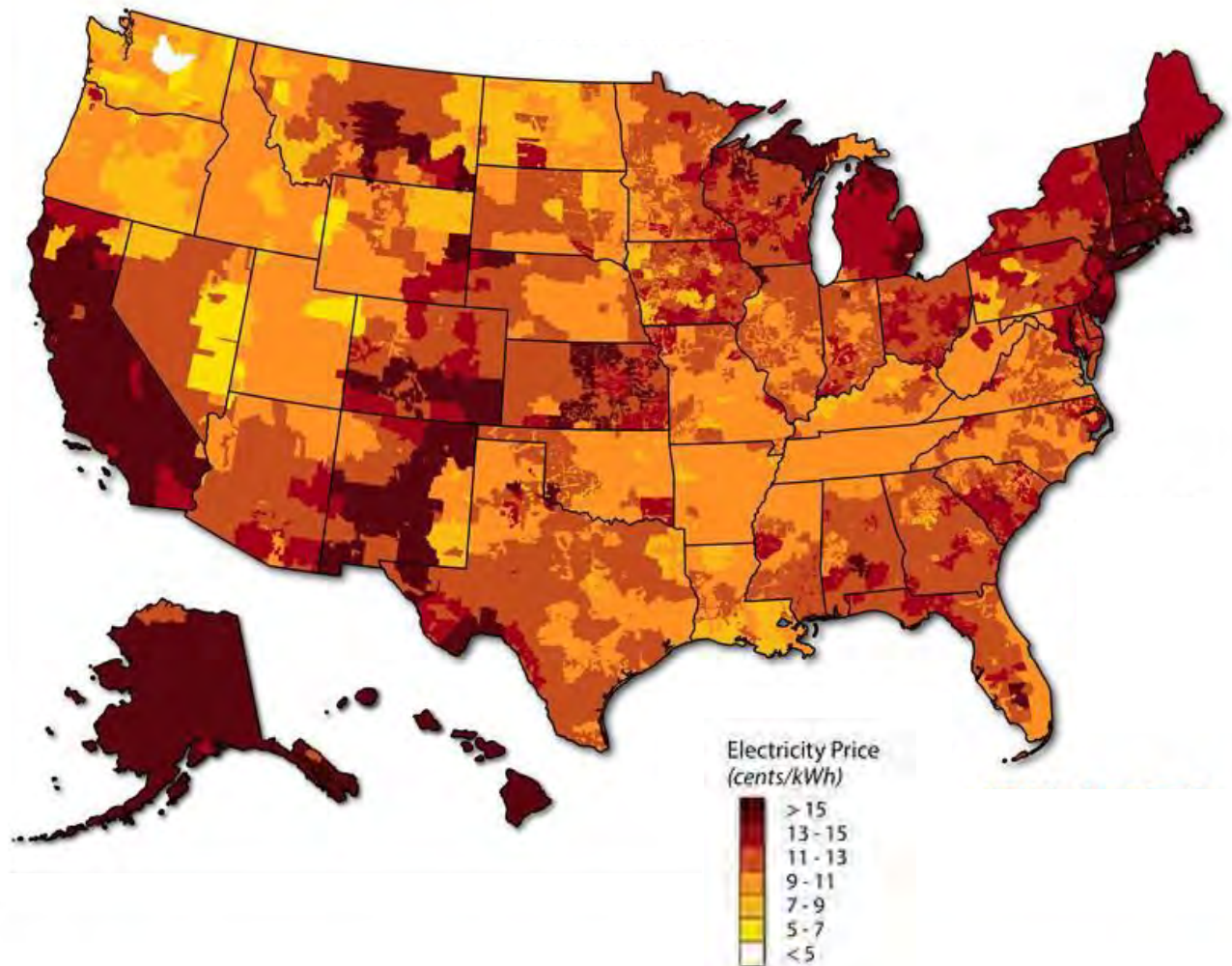
COMPETITIVE POSITION DICTATES COST

ELECTRIC RATES RESIDENTIAL, 2016

Annual average electricity rates by utility service territory. Map combines data provided by ABB Energy Velocity Suite and state averages reported by EIA.

This map was produced by the National Renewable Energy Laboratory for the US Department of Energy.

Billy J. Roberts | February 26, 2016



ACTION IS THE SAFE GROUND

GUZMAN ENERGY IS HIGHLY CAPABLE
AND CAN EXECUTE WITH PRECISION



KIT CARSON BENEFITS

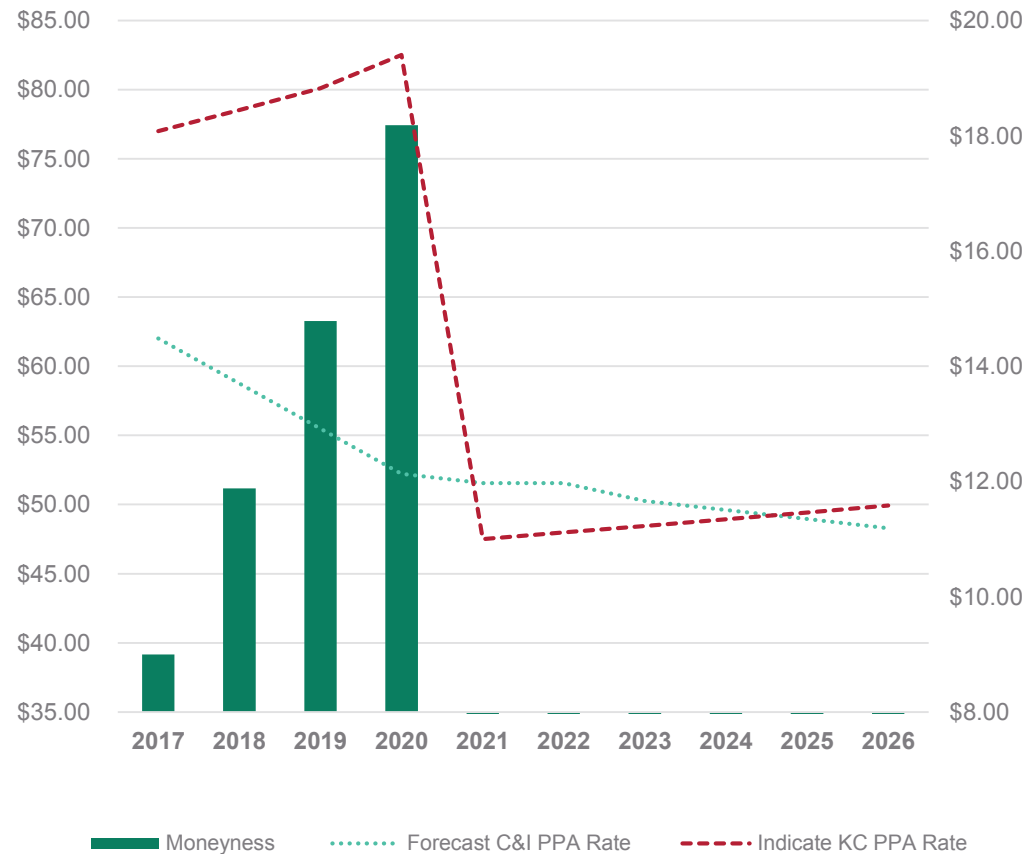
Brought their community lower rates in the future and removed the economic incentive of load defection.

"We wanted more renewable energy resources both local and in the portfolio. We wanted more flexibility and shorter contracts. Guzman brings that to the table"

"The model we are creating with Guzman is the model of the future"

- LUIS REYES, CEO AND GENERAL MANAGER OF KIT CARSON ELECTRIC COOPERATIVE

INCENTIVE TO GO BEHIND THE METER FOR KIT CARSON CUSTOMERS



IT MAY SEEM DAUNTING, BUT WE'VE DONE THIS BEFORE



KEY STAKEHOLDERS:

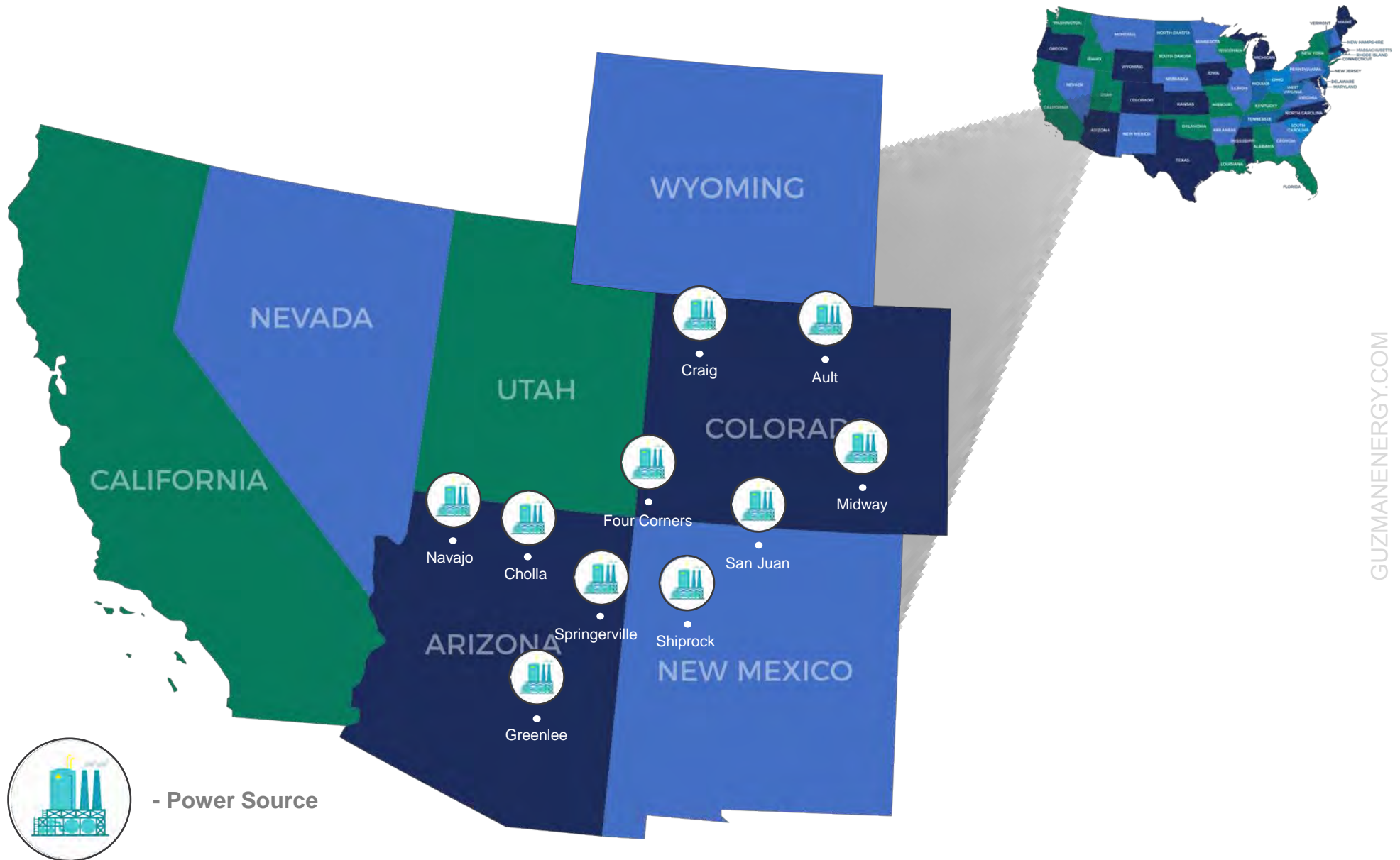
- New Mexico Public Utilities Commission
- Public Service New Mexico
- Rural Utility Service
- CoBank
- Communities



**WITH GREAT
SUCCESS**

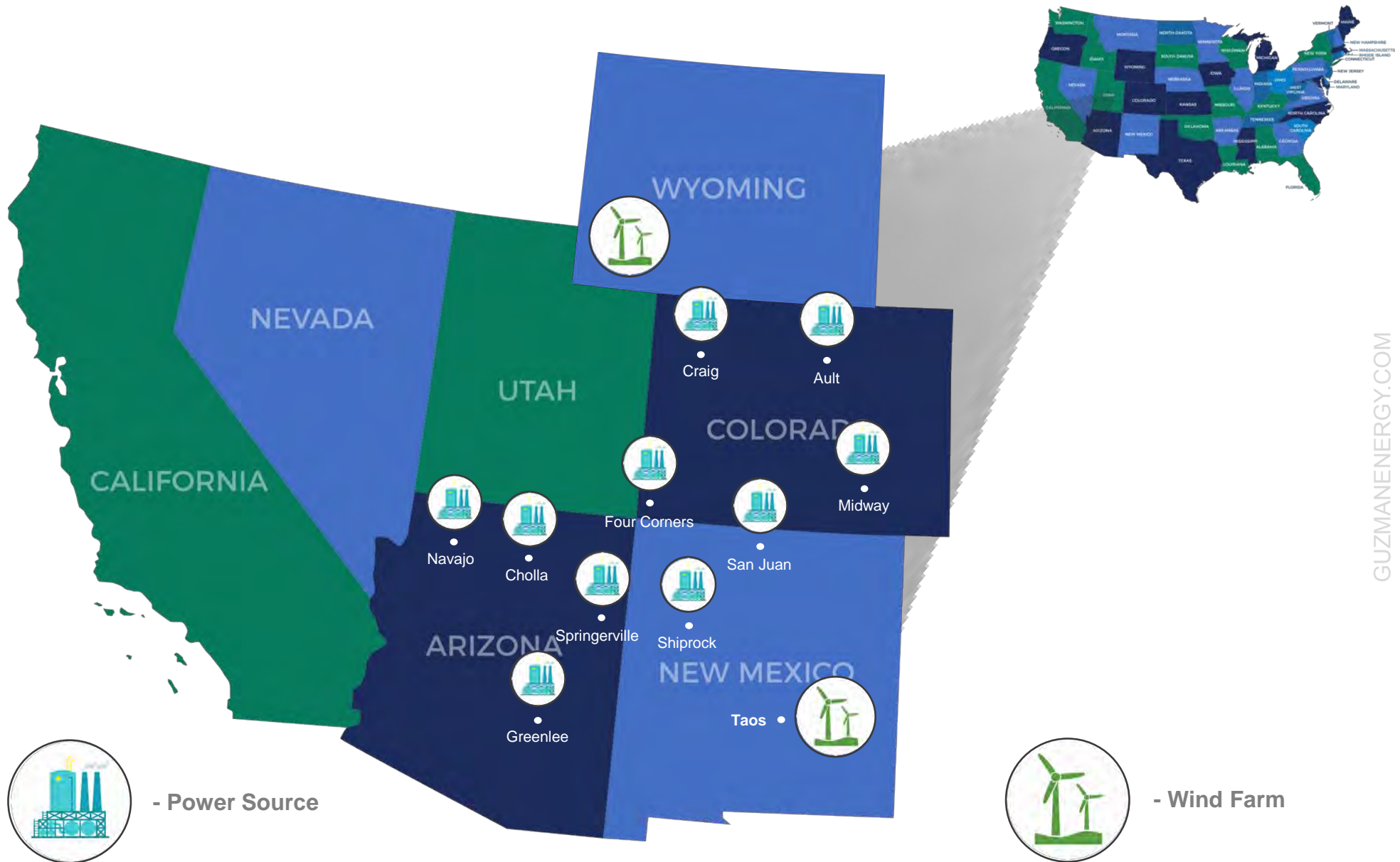


GUZMAN ENERGY RESOURCE PORTFOLIO





GUZMAN ENERGY RENEWABLE PORTFOLIO



SOLAR DEVELOPMENT



- Solar Array



GUZMAN LOAD PORTFOLIO

Aztec Utilities

- 7 year transaction
- Fixed Price
- 1 MW of Solar Developed

Services:

- QRE Services
- WREGIS Administrator
- Scheduling Agent

Peak Demand – 7 MW



Jicarilla Apache Utility Authority

- 7 year transaction
- Fixed Price

Services:

- Scheduling Agent

Peak Demand – 3 MW



Kit Carson Electric Cooperative

- 10 year transaction
- Fixed Price
- Solar Development

Services:

- QRE Services
- WREGIS Administrator
- Scheduling Agent
- RPS Compliance

Peak Demand – 62 MW



Deal Overview – Anacacho Wind Farm

Structure: 3 Year Physical Power Hedge & RECs.

Transaction Size: 99.8 MW (55 Vestas V100 1.815MW Turbines).

Tenor: 3 Years

P50 MWh's: 1,031,904MWh's.

Location: ERCOT South Hub.

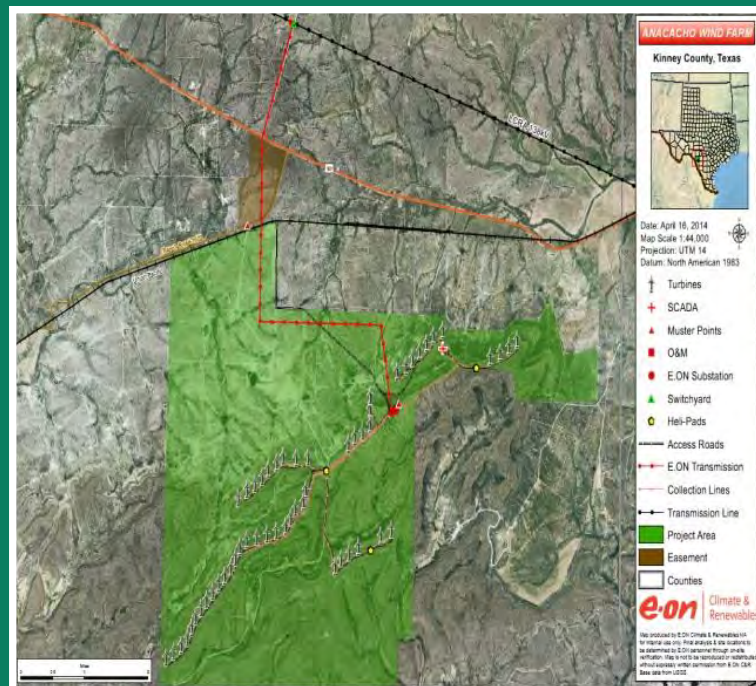
Status: Completed.

Credit: Adequate assurances provided along with margining provision

3 YEAR MERCHANT WIND FARM HEDGE.

GUZMANENERGY.COM

Anacacho Wind Farm

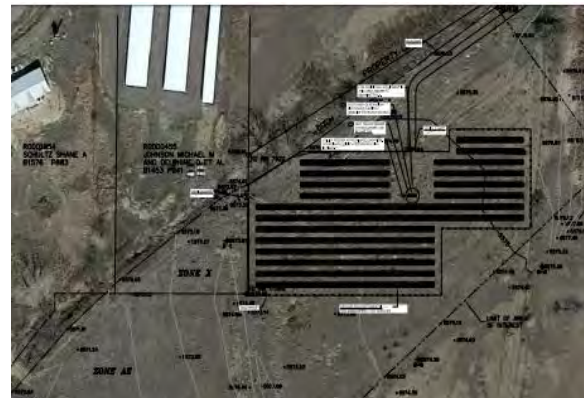


Understanding the needs of our clients is an aspect of the business relationship that Guzman Energy considers in all phases of client interaction. As such we are able to deliver on our clients complex needs to achieve their goals.

Customer Need –

Wholesale Power Supply & Renewable Development

The City of Aztec New Mexico issued an RFP for wholesale power supply and had a desire to increase its reliance on renewable energy sources. Guzman Energy was able to work closely with the City to accommodate all requisite procurement procedures and allow the city to be eventual owners of a generation asset while dramatically reducing their cost of power over a seven year term.



Deal Overview –

City of Aztec Power Supply

Structure: Full Requirements power supply with 1MW solar facility on City land.

Tenor: 7 Years.

Location: Northwest New Mexico.

Status: Beginning in July w/ PV plant under construction.

**7 YEAR FULL
REQUIREMENTS
POWER PURCHASE
AGREEMENT &
COMMUNITY SOLAR
DEVELOPMENT.**





As recognized leaders in the Environmental Markets, our experience spans over 16 years in this emerging space.

We have pioneered some of the most innovative structures to meet and achieve our customer's goals or Federal and State mandated requirements.

We are first call supplier to many of the largest utilities and generation asset owners in the United States.

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ENVIRONMENTAL

ENVIRONMENTAL MARKET

Carbon – Compliance & Voluntary

- California A.B. 32 Allowances & Offsets
- Regional Green House Gas Initiative (RGGI)
- Climate Action Reserve Offsets

Renewable Energy Credits (RECs) – Compliance & Voluntary

- All North American Compliance REC markets
- Voluntary & Green-e eligible products
- Energy Efficiency Credits (“White Tags”)

Emissions

- SO₂ Emissions Allowances
- NO_x Emissions Allowances
- Regional Clean Air Incentives Market (RECLAIM)
- Emissions Reduction Credits (ERCs)

Biofuels

- Biomass – Biomass material fuels
- Biogas – Pipeline Quality
- Bio-Methane

Other Environmental Markets

- Renewable Fuel Standards – LCFS Credits & RINs
- Weather Derivatives

- Physical & Financial products
- Swaps, Options , Futures and Forwards
- Structured Transactions
- Advisory Services
- CSR & Environmental Stewardship Initiatives
- Risk Management
- Market Intelligence



Our team brings over 100 years of combined experience in marketing, trading, originating and structuring energy and energy-related products across the United States.

Our extensive resources and cross-commodity approach enable us to provide our clients with the most insightful approach to the ever changing energy market landscape.

GUZMANENERGY.COM

POWER CAPABILITIES

Origination & Structuring

- Energy Supply & Asset Off-take Agreements
- Tolling Agreements
- Full & Partial Load Requirement Agreements

Optimization & Trading

- Optimization of an Assets Real-Optionality

Asset / Energy Management

- Generation and Load Forecasting
- Fuel and Transportation Procurement
- Transmission Management and Procurement
- Nominations, Balancing and Scheduling

Cross-Commodity and Creative Structures

- Cross-Product and Hybrid settlement structures
- Carbon Liability Management
- Weather contingent event products

POWER & NATURAL GAS

NATURAL GAS CAPABILITIES



Origination & Structuring

- Energy Supply & Asset Off-take Agreements
- Tolling Agreements
- Full & Partial Load Requirement Agreements

Optimization & Trading

- Optimization of Assets Real-Optionality

Asset / Energy Management

- Asset optimization and Supply management
- Fuel and Transportation Procurement
- Transportation and storage management
- Nominations, Balancing and Scheduling

Cross-Commodity and Creative Structures

- Cross-Product and Hybrid settlement structures
- Carbon Liability Management
- Flexible structures – Daily, Monthly, Seasonal and Term

PRODUCT & SERVICES

- Physical & Financial products
- Swaps, Options, Futures and Forwards
- Structured Transactions
- Asset Management
- Advisory Services
- Risk Management
- Market Intelligence



REFERENCES

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David Mitchell
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Patterson Center
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Luis Reyes
CEO
Kit Carson Electric
Cooperative
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Josh Ray
City Manager
City of Aztec,
New Mexico
505.334.7602



COMMUNITY INVOLVEMENT

Guzman Energy is committed to the communities it serves.



Sponsor of girls high school basketball team.

The team consists of 16 girls from Aztec. They ended the year with a record of 14-12, capturing 2nd place and two 3rd place finishes.

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THANK You

