



Guzman
Energy

Representatives from Kit Carson Electric Cooperative and Guzman Energy are joined by NM Gov. Michelle Lujan Grisham and other local dignitaries to officially open the Taos Mesa Solar Array (June 3rd, 2022)

2022 CORPORATE REPORT

*A YEAR OF MILESTONES
Celebrating progress
and continued growth*

GUZMAN ENERGY CORPORATE REPORT

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Rendering: Garnet Mesa Solar Farm. Guzman Energy has received approval from the Delta County Board of Commissioners for a limited use permit to install and operate the solar farm in Southern Delta County, Colo. When complete, the agrivoltaic facility will produce enough energy for 18,000 homes per year, and provide grazing land for approximately 1,000 sheep.

Letter From the CEO

10 is a Big Deal

Our organization does a lot of things well. I'm very proud of that. However, one of the things we don't do enough of is to periodically take a pause and reflect on the evolution and accomplishments of the organization. It seems even more appropriate to do so when you consider that **Guzman Energy is turning 10 years old this year.** That is an incredible accomplishment, especially when you factor in the solid upward growth trajectory we have been on, the positive impact we've been able to have on our customers' communities and the increasingly important role our company is having in energy transition in rural America. These things would not be possible without the quality team of people I am fortunate to work alongside each day.



Further thinking about our team, let me say that we have the most respected and competent senior power professionals in the West. Our team is comprised of true experts in their fields and their collective knowledge is incredibly impressive. I would put our teams' knowledge, experience, and decency against any other group in any professional field, anywhere. I am always grateful to be a part of this team.

The Guzman Energy team's accomplishments over the past year make me extremely proud. In the simplest terms,

CHRISTOPHER A. MILLER

Co-Founder and CEO



we have created competition where little existed, reduced the prices that our customers pay for electricity while giving them greater flexibility in their resource mix - all while serving them reliably. As we bring more renewable assets online, we are a true force for the energy transition.

One of several highlights from the past year was the activation of Panorama Wind, the 145 MW wind farm situated in Northern Colorado. We understand the role power purchase agreements can have to mobilize new renewable generation projects like Panorama. We will continue to leverage these types of projects to stabilize power costs in wholesale customer contracts. Seeing Panorama's turbines cranking out electricity for Guzman Energy and our customers is inspiring and exciting. Managing load and managing generation are two different work streams and our team does both with skill and agility. I'm equal parts impressed and grateful for how the Guzman team rises to meet each new challenge.

The Constant: Our Brand & What We Believe

Our company is adding value to society, lowering costs in communities that need it most, and making the planet greener all in a day's work. As a result, our brand is stronger than ever. We've been consistent in sharing *why* we do what we do. Guzman Energy is unique in the wholesale energy ecosystem because of the things that drive us.

We believe in:

1. Energy sovereignty for local community decision-making in power matters
2. Power choices that drive local economies, for example, distributed generation and electric vehicle infrastructure
3. Financial responsibility, including changing outdated systems that enable persistent coal plant debt
4. Competitive market pricing for transparency, fairness, and fiscal management
5. Environmental urgency being addressed by market achievability with renewables
6. Treating energy transmission as a shared platform, not a monopoly

Our beliefs are as relevant today as they were ten years ago at our founding. As we expand and grow, these beliefs that drive our company will not change.

Looking Ahead: Our Priorities for 2023

You can expect the Guzman Energy team to deliver on key priorities and performance indicators this year, including:

- **Continued Focus on the Customer** – We're proud of our track record of consistency and reliability, and we're thankful for our customers showing us

their appreciation and satisfaction as demonstrated by our 100% renewal rate. We expect continued strength in new customer win-rates and remain committed to our nationwide expansion plans.

- **Expansion of Guzman-controlled PPAs and Generating Assets** – You can expect to see more Guzman-driven PPAs like Panorama Wind. You'll also be hearing more about Garnet Mesa Solar, our 80 MW agrivoltaic solar farm in Western Colorado that's in design and pre-construction phase.
- **Continued Operations Excellence** – I truly believe that our real-time power trading desk is the absolute best in the country. Of course, I am biased, but even with that there is no better team in any region anywhere serving power, moving electrons, and optimizing load. What the team does, 24/7, deserves credit and appreciation daily. It's a specialized function that our wholesale customers value having as a key ingredient of the Guzman power portfolio.

Thank you for your interest in Guzman Energy and our latest corporate report. This is a business with great clarity: We have a vision, an excellent team, and a huge opportunity.

Having a great year does not happen by accident, but rather due to extraordinary team efforts. I've had the honor of being onboard since our founding a decade ago. We have an incredible team, and I am grateful to be a part of it and look forward to the greatness still to come.

Respectfully,



Christopher A. Miller
Co-founder and CEO
cmiller@guzmanenergy.com

The Guzman Energy Mission

Our mission is to lead the energy transition by building the power provider of the future. We are committed to our partners and their communities by bringing economic prosperity and energy competitiveness to rural America. We conduct ourselves with honesty and integrity.

Our People

The Guzman Energy team brings a powerful mix of varied expertise. Each team member is driven by a common motivation to improve the future of the communities we serve.

We're fortunate to have the longevity of a senior leadership team working in lockstep to meet customer goals. We'd like to showcase a few of our key leaders in this year's corporate report as shown here.

ROBIN LUNT

Chief Commercial Officer



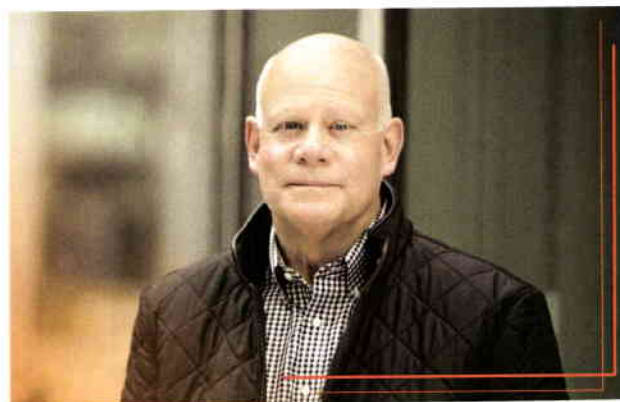
Robin guides company strategy and works across all aspects of the business. Joining Guzman Energy in 2018, Robin crafts strategies for customers to establish just and reasonable exit fees when leaving incumbent providers, develops power supply agreements, and creates solutions to facilitate the energy transition for customers.

Robin trained as a lawyer and spent almost a decade in Washington, DC where she worked on offshore wind regulations, state and federal energy policy, and advised a commissioner on legal and policy matters regarding oil, gas and the western electric grid at the Federal Energy Regulatory Commission.

In addition to her time in DC, she previously worked as an attorney and as the general counsel of a demand side management company in Colorado. She is a graduate of Brigham Young University Law School and Pomona College.

JEFFREY M. HEIT

Principal & Managing Director



Jeff is a Managing Director and leads business development with an emphasis on the structuring of complex load-aggregation transactions for municipalities, electric cooperatives and rural electric associations. He has more than three decades of experience in trading, originating and marketing, as well as in asset management and business development.

Prior to joining Guzman Energy in 2014, Jeff was senior VP of Origination at Twin Eagle Resource Management. He spent 29 years at Public Service of Colorado (Xcel Energy) and helped launch the trading floor there. Post- Public Service of Colorado, he opened the Denver office for Integrys Energy, a marketing subsidiary of Wisconsin Public Service. Jeff has held senior positions at EDF Trading as well as Enserco Energy (BHP) and holds a business degree from Regis College.

MAX CARPENTER


Managing Director, Trading & Market Operations



Prior to joining Guzman Energy in 2019, Max served in various senior leadership roles at Southern California Edison (SCE) including within the Energy Procurement & Management department. Max served as the Principal Manager of the Market & Generation Operations Center, overseeing all aspects of the company's wholesale market bidding operations and generation dispatch for a diverse portfolio of resources. He was also Principal Manager of Power Trading, leading a team of traders and analysts to mitigate commodity risk exposure for one of the largest electric utilities in the nation.

During his time at SCE, Max also led other key areas including Structured Risk Group and Demand Response Department, helping integrate battery storage technologies and other key company initiatives related to Smart Grid (Grid-Mod) development.

Before joining SCE in 2009, Max was vice president of retail markets for Commerce Energy Corporation, an energy retail provider serving customers in 11 states and 22 utility markets. In that role, he oversaw the company's structured pricing activities, portfolio planning, new market/customer, and optimization of a commodities book valued at over \$400 million in power and natural gas contracts.

A group photo of approximately 15 people, including men and women of various ages, standing together in an office or meeting room. They are dressed in business casual attire. In the background, there is a large mounted bear head on the wall. The photo is partially overlaid with a dark grey speech bubble containing text.

Our team is comprised of true experts in their fields and their collective knowledge is incredibly impressive. I would put our teams' knowledge, experience, and decency against any other group in any professional field, anywhere.

Christopher A. Miller
Co-Founder and CEO

Guzman Energy Customer Impact

Bison roam in Raton, NM

Here are some examples of how Guzman Energy solutions are making a difference for communities.

City of Raton, NM

Guzman Energy began serving power to the City of Raton, NM in 2021 following a thorough and competitive RFP process. The municipality was seeking to reduce its cost of wholesale power. The resulting agreement with Guzman Energy provides Raton with wholesale power savings that were not possible under its prior wholesale power agreement. Raton also enjoys fixed, wholesale power rates that provide for predictable and stable costs for wholesale power.

“ *Partnering with Guzman Energy has delivered the wholesale power savings and wholesale power price stability we were seeking. Attracting businesses to Raton is an important part of our community economic development strategy and offering power cost stability is an important component of our overall economic development plans.* ”



Scott Berry
City Manager
City of Raton, NM

Raton is geographically located along the Raton Pass, a natural transportation hub. As a result, businesses ranging from tourism operators to video production houses are re-discovering Raton as a desirable place to set up operations. Reliable and affordable power plays an important role in the City's site relocation proposals and economic development plans.

City of Aztec, NM

The City of Aztec, NM became Guzman Energy's first power load serving customer in 2016! The partnership remains strong and multifaceted to this day. Stable, predictable, long-term fixed wholesale power rates have been hallmarks of the power agreement. Early on in the partnership, the Aztec community identified solar power generation as a project they wanted to have locally as part of their energy strategy. The Aztec City Electric Utility, in partnership with Guzman Energy, built an approximately 1-megawatt solar-powered electric energy generating facility.



Aztec, NM Solar Field

The solar field covers 8 acres and contains 3,960 solar panels which generate 200,000 kilowatt hours monthly. Guzman Energy provides the balance of Aztec's wholesale power needs.



I feel fortunate to have the reliable power at predictable and affordable prices that we have through our agreement with Guzman Energy. This is a true partnership that goes beyond purchasing power. The Guzman team helps us leverage multiple economic opportunities available to us with locally-generated renewable energy. We value this partnership a great deal and look forward to its continuation.



Denver B. DeWees
CUSP Electric Utility
Business Office Director
City of Aztec, NM



Kit Carson Electric Cooperative (NM)

Guzman Energy and Kit Carson Electric Cooperative (KCEC) announced in January of 2023 the extension of their wholesale power supply agreement to continue through June 30, 2041. Established in 2016, the Guzman Energy partnership with KCEC provides the coop with fixed wholesale power rates delivering savings and member rate stability. The existing contract has also enabled local decision-making for KCEC to expand local solar power generation and storage operations as they reach their goal of generating 100% summer daytime solar energy.

Key aspects of the contract extension include:

- 15-year extension of exclusive wholesale power provider contract

- Increased wholesale power savings: including the projected savings of the contract extension, the Guzman Energy – KCEC wholesale power partnership is expected to save KCEC \$150 million to \$170 million over the total lifetime of the contract
- Fixed wholesale power rates delivering power cost stability for cooperative members
- Flexibility to add local, renewable power generation resources, including a commitment to the exploration of joint green hydrogen development in the KCEC service territory
- Continued goal to increase KCEC's access to renewable energy; for the contract extension period, it is estimated that 60% of KCEC retail load will be served by renewable resources. As a result, it is expected that KCEC will exceed the Energy Transition Act (ETA) New Mexico statewide renewable energy standard of 50 percent by 2030 target.
- Guzman Energy continued investment in the KCEC Community Fund



The value that Guzman Energy provides our membership goes beyond cost savings. They have been consistent supporters of our community and share the KCEC Board vision to develop modern, resilient and locally managed renewable energy assets. Guzman Energy is a true partner for energy transition strategy and execution, helping KCEC become one of the cleanest, most cost-effective power distribution cooperatives in America.



Luis A. Reyes Jr.
CEO, Kit Carson Electric
Cooperative, Inc.



With the contract extension, the Guzman Energy – KCEC wholesale power partnership is anticipated to deliver increased savings reaching \$150 million to \$170 million over the total lifetime of the contract. Access to and ownership of transmission lines is an important variable in estimating cost savings. In addition to savings, the Guzman Energy – KCEC partnership has delivered KCEC with fixed wholesale power rate stability as well as a spate of local renewable power generation projects including development of 41 MW of distributed solar along with 15 MW of accompanying battery storage.



Jeffrey M. Heit, Principal, Managing Director, Guzman Energy and Luis A. Reyes Jr., Chief Executive Officer, Kit Carson Electric Cooperative, Inc.

The KCEC Board and leadership team are fully committed to delivering on the needs of their local member owners. The Guzman Energy team looks forward to building on the success of the KCEC energy transition to-date. This is a partnership with big ideas and a track record of delivering.

Jeffrey M. Heit
Principal, Managing Director,
Guzman Energy

Community-Based Impact



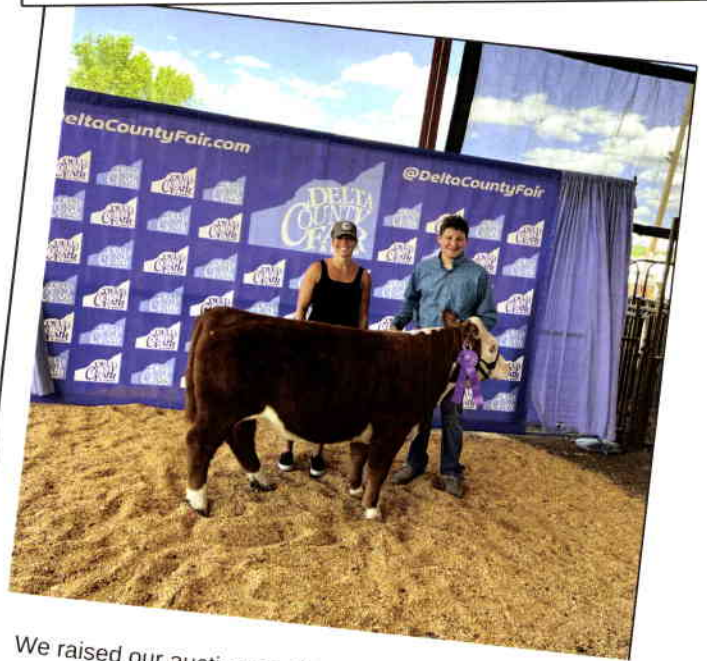
We were proud to give \$10,000 to the Talpa Community Center in NM, in partnership with KCEC, for infrastructure upgrades and playground repairs.



Guzman's Chief Commercial Officer Robin Lunt (second from left) participated in the Montrose County 4H livestock auction with DMEA Board President Kyle Martinez.

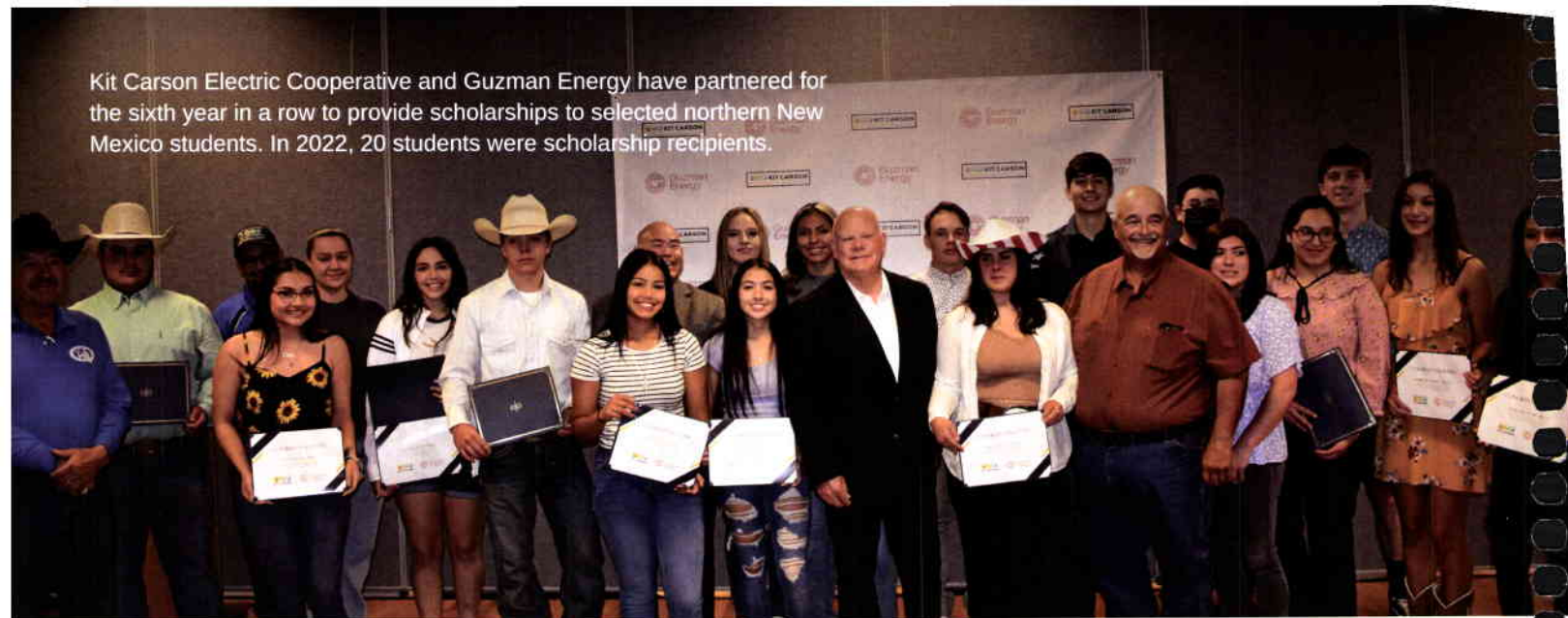


Friends of the Questa Library pose with Kit Carson Electric and Guzman Energy representatives after being awarded a \$10K grant.



We raised our auction paddle to support young farmers at the Delta County 4H Junior Livestock Auction in Hotchkiss, Colorado in summer 2022.

Kit Carson Electric Cooperative and Guzman Energy have partnered for the sixth year in a row to provide scholarships to selected northern New Mexico students. In 2022, 20 students were scholarship recipients.



Each year, our mission remains to give back to the communities we serve in positive and impactful ways.

Guzman Energy is committed to not only providing reliable, affordable power, but also contributing to the citizens served by America's cooperatives and municipalities through community sponsorships, scholarships and philanthropic engagements. Together as partners, we work with our customers to identify their local community goals and philanthropic priorities. We then customize a community social impact plan to invest in the communities we serve.

Similar to how we structure our customer's wholesale power community plans, our local sponsorships are customer-driven. Whether it is providing educational scholarships, donating towards construction of a new library wing or committing a sponsorship for premier partner at a livestock auction, we want our customer communities to come to us for support. It is through this support that we demonstrate our commitment to our partners and their communities.

Community support is an important component of bringing economic prosperity and energy competitiveness to rural America.

Examples of local community-focused organizations that were recipients of Guzman Energy sponsorships and philanthropic support in 2022 include:

- Academic 2022 Guzman Energy scholarships for local cooperative service territory scholarship funds
- Albuquerque Hispano Chamber of Commerce Buen Vecinos Golf Tournament (NM)
- Arroyo Seco Community Center (NM)
- Black Canyon Boys and Girls Club 2022 Food & Wine Fest (CO)
- Cooperative annual meeting event sponsor (CO)
- Costilla Neighborhood Association (NM)
- Delta County Fair Junior Livestock Auction (CO)
- Friends of the Questa Public Library (NM)
- Montrose Community Fair (CO)
- Montrose County Fair Junior Livestock Auction (CO)
- Partners Youth Golf Tournament (CO)
- Renewable Taos (NM)
- Rodarte Water Association (NM)
- Shuter Library of Angel Fire (NM)
- Talpa Community Center (NM)
- True Kids 1 Youth Digital Media (NM)

Guzman Energy Power Supply

The Panorama Wind Farm
in Weld County, Colorado

The Guzman Energy team is building and purchasing power generation with the right economic and environmental characteristics to supply our power portfolio. We achieve this through short and long-term contracts for energy and capacity. This approach allows to make reliable and customized power supply plans for each of our customers to meet their unique needs.

The Guzman Energy team is committed to supporting our customers with local community decision-making in power matters. We know that choices in power – where and how it is generated – play important roles in local economic development, clean energy transition and achieving energy sovereignty.

Renewable Generation Projects & Contracted PPAs

Here are highlights of Guzman Energy's most recent generation projects and strategic power purchase agreements (PPAs) to best serve customer needs.

Panorama Wind Farm

The Panorama Wind Farm, located in the Northern Colorado, began commercial operations in July 2022. Partnering with wind developer Leeward Renewable Energy, Guzman Energy helped make Panorama possible by contracting in advance of COD to off-take all 145 MW of clean energy generated

by the wind farm. The Panorama Wind Farm has 66 Vestas wind turbines with the capacity to power approximately 53,000 homes. Panorama wind-generated power has become an important clean energy supply component of Guzman Energy's overall wholesale power supply.

Garnet Mesa Solar Farm



Rendering of the Garnet Mesa Solar Farm, estimated to be completed in Q4 2024.

Garnet Mesa Solar Farm is a planned Guzman Energy-owned 80 MW agrivoltaic solar farm in Western Colorado. The farm has been granted a limited use permit, and planning is underway. Progress can be monitored at www.garnetmesasolar.com. Local community support for the project has been gathered by committing to dual purpose of energy generation and agriculture use. In this case, sheep will graze under the solar panels when the farm is complete. Garnet Mesa Solar Farm generated power will support

Delta-Montrose Electric Association (DMEA) as well as other Guzman Energy customers.

Sonnedix Solar Fountain



Guzman Energy and Sonnedix have executed a power purchase agreement (PPA) for the 110 MW Sonnedix Solar Fountain project to be located in El Paso County, CO. The solar power generation site is planned for development and is expected to be operational in early 2025. Guzman Energy will purchase 100% of the power generated by Sonnedix Solar Fountain for its power portfolio, which is used to serve current and future Guzman Energy wholesale customer power loads. When complete, the solar plant is expected to generate approximately 312,670 MWh during its first year of operation. This is the equivalent of energy required to power over 36,000 homes, avoiding the emission of more than 162,000 metric tons of CO₂ annually.

Distributed Solar and Battery Projects in the Taos NM Area

Guzman Energy has partnered with Kit Carson Electric Cooperative in Taos, NM for over six years. The Guzman – KCEC partnership is charting a path to energy independence for that community. Through the partnership with Guzman Energy, KCEC has co-developed:

- Total 41 MW of distributed solar, local power generation throughout KCEC’s service territory
- Developed 15 MW of accompanying battery storage for reliability and resiliency

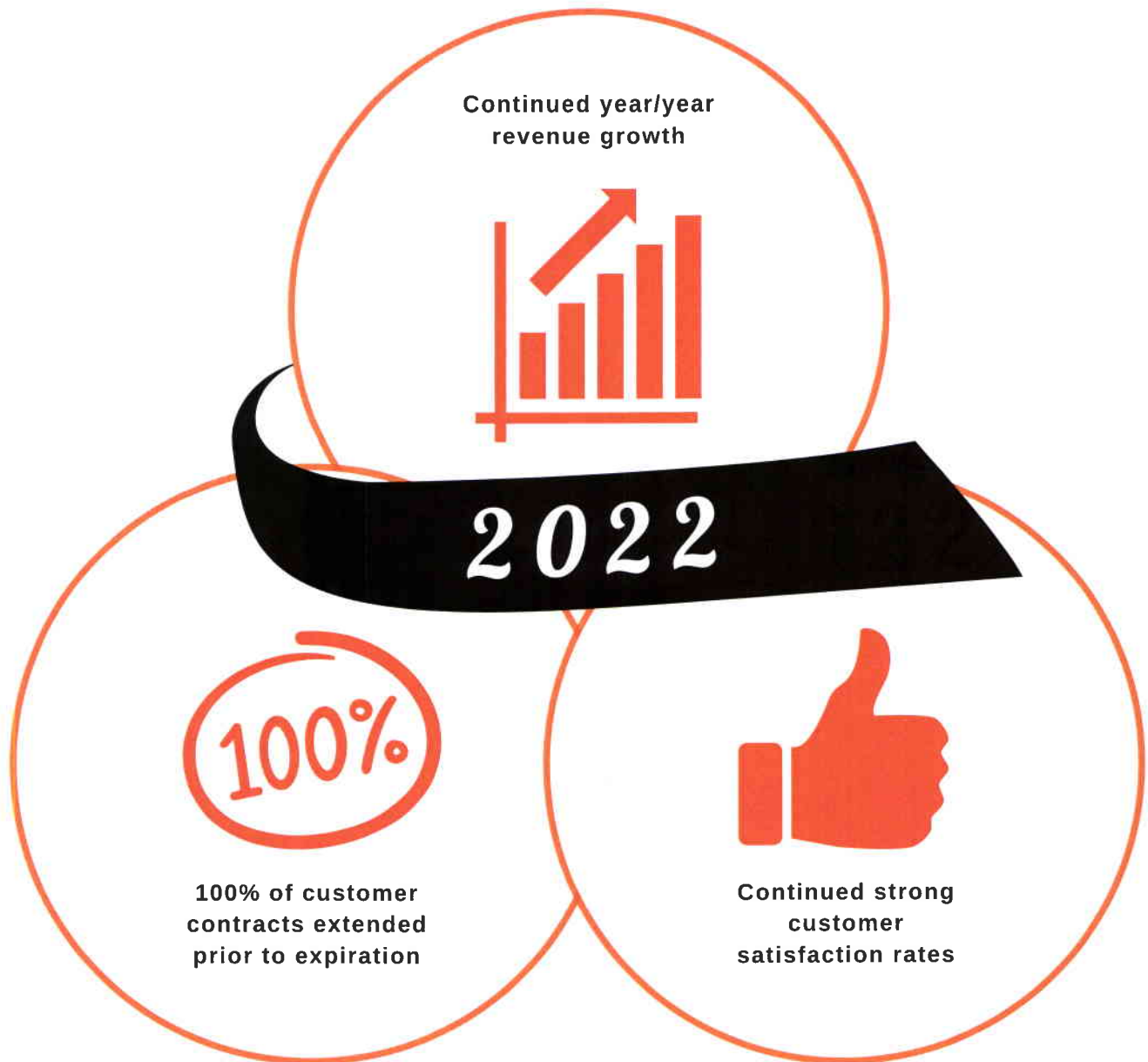
KCEC is on track to meet its goal of 100% summer daytime solar powered with local arrays.

The Role of PPAs

Guzman Energy regularly executes power purchase agreements (PPAs) for specific sources of generated power in specific locations in anticipation of Guzman customer needs. PPAs provide a flexible mechanism to secure power supply in advance of customer need. In some cases, Guzman may elect to allow PPA agreements to expire before a project reaches commercial operation in response to customers’ changing needs and timelines.

Business Performance

Guzman Energy achieved another strong year of business performance in 2022. Our business continues to grow and interest in our services has never been stronger. We find ourselves in the fortunate position of being on prospective customers' short-lists when they consider a change in wholesale power providers. Nonetheless, we do not take for granted the opportunity to win business and build trust with our new customer partners. In 2022, Guzman Energy achieved:



FAST COMPANY

The 10 most innovative energy companies in 2022

Guzman Energy Recognized in 2022 for Growth and Innovation by Leading Business Publications

In 2022, Guzman Energy was recognized for its growth and innovation by winning several awards. The company was ranked at No. 1,152 on the **Inc. 5000 list**, which represents the fastest-growing private companies in America. Guzman was also ranked in the top 30 among the fastest-growing energy companies in America and recognized as the No. 43 fastest-growing company in Colorado, coming in at No. 31 in Denver. The companies featured on the 2022 *Inc. 5000* list have not only been successful, but have also demonstrated resilience amid supply chain woes, labor shortages, and the ongoing impact of Covid-19. Together, those companies added more than 68,394 jobs over the past three years.



Guzman was also ranked on the third annual **Inc. 5000 Regionals Rocky Mountain list**, featuring the fastest-growing private companies in Colorado, Idaho, Montana, Nevada, Utah, and Wyoming. The companies on the 5000 Regionals Rocky Mountain list had an average growth rate of 252% percent. In 2020 alone, they added

4,176 jobs and nearly \$1 billion to the Rocky Mountain region's economy.

Fast Company included Guzman on its list of the **World's 50 Most Innovative Companies for 2022**. The *Fast Company* list recognizes businesses that are making the most significant impact on their industries and culture, and ultimately thriving in today's ever-changing world. With this recognition, Guzman joins the ranks of companies including Canva, Microsoft and SpaceX.



The world's most innovative companies play an essential role in addressing the most pressing issues facing society, whether they're fighting climate change by spurring decarbonization efforts, ameliorating the strain on supply chains, or helping us reconnect with one another over shared passions.



David Lidsky
Fast Company
Deputy Editor



The Road Ahead

The Guzman Energy team has clear focus on the priorities for 2023. We aim to grow our business and expand our positive impact for customers and their communities. Of specific note, we will deliver:

- **Continued Focus on the Customer** – We'll build on our track record of reliable delivery of power services for customers. We expect continued strength in new customer win-rates and remain committed to our nationwide expansion plans.
- **Expansion of Guzman-controlled PPAs and Generating Assets** – We'll execute more Guzman-driven PPAs like Panorama Wind and we'll provide construction progress on Garnet Mesa Solar, our 80 MW agrivoltaic solar farm in Western Colorado.
- **Continued Operations Excellence** - From origination to power trading, our team performs at the highest level of skill and integrity.

In addition to delivering against these priorities, in 2023 we'll take stock of our achievements since our inception. In June 2023 we'll celebrate our 10-year anniversary commemorating the founding of Guzman Energy. We hope you'll celebrate with us as we reflect on our decade of milestones and achievements.





Guzman Energy signs long-term power service agreement with Fountain Valley



Guzman Energy begins serving power to City of Raton



Guzman Energy announces it will become the wholesale energy supplier for the Pueblo of Acoma



Kit Carson makes final exit payment, hits 100% summer daytime solar goal with Guzman



City of Gallup, NM Selects Guzman Energy as exclusive wholesale power provider



San Miguel Power Assoc selects Guzman as power supplier finalist



Guzman Energy begins serving power to DMEA, pays \$63MM TSGT exit cost



Guzman Energy signs long-term power service agreement with Arkansas River Power Authority (ARPA)



Panorama Wind Farm operational; Guzman off-takes all 145 MW



Guzman Energy receives approval for limited use permit for Garnet Mesa Solar Farm

Thank you for your interest in the Guzman Energy 2022 Corporate Report. We have much to be proud of. We're optimistic that the best is yet to come.

