

Temporary expansion of WPPI's Member Efficiency and Renewable Energy Loan program – Liquidity for Non-Payment of Customer Power Bills due to COVID-19 Orders

Purpose: WPPI recognizes that current economic conditions resulting from the COVID-19 public health emergency, together with related restrictions and conditions imposed on utility operations, may cause liquidity issues for some of WPPI's members. Consequently, WPPI is supplementing the existing Member Efficiency and Renewable Energy Loan program ("Program") to make 0% interest loans available to members to address liquidity needs resulting from nonpayment of electric utility bills during the effective period of the PSCW COVID-19 Order that prohibits the disconnection of service.

Source of Funds: The funds available to members under this temporary expansion of the Program are the funds currently designated under the Official Service Document for the existing Program (currently approximately \$7.9 million). The loans will be made to members on a first come first served basis, with no dollar limit for any individual member (including amounts currently outstanding under the Program). The maximum amount loaned to members in total will not exceed the funds designated under the Program.

Eligibility: Members are eligible for a loan under this temporary expansion of the Program if they experience an increase in nonpayment of electric utility bills during the effective period of the PSCW COVID-19 Order, resulting in the member's inability to pay their wholesale power bill in full to WPPI. The member must demonstrate to WPPI's satisfaction that they have made reasonable attempts to secure other sources of funding before receiving the loan from WPPI. The amount of the loan is limited to the amount of nonpayment of electric utility bills of the member, and loan proceeds must be applied to the member's monthly wholesale power bill from WPPI. Members may apply for loans in subsequent months if needed.

These loans will have a maximum term of 120 days to allow members to secure a longer-term source of funding. The loan will be due in full at the end of the 120 day term. No principal payments are due prior to the end of the 120 day period. If any member is able to secure funding from other sources during the 120 day period, the member is expected to pay the loan back to WPPI after it receives the alternative funding to ensure funds are available for use by other members. Loans may be paid off early at any time by the member.

Loan Application: Members may apply for a loan under this temporary expansion of the Program by sending an email to Tom Paque, Senior Vice President – Services & Business Strategy, stating the amount of the loan needed, the total amount of nonpayment of electric utility bills, and a statement of other sources of funding that were denied or will take additional time to secure. At WPPI's discretion, the member may be required to provide additional details or information.

Approval of Loan: In recognition of the short timeframe required for the approval of a loan under this temporary expansion of the Program to ensure timely payment of the WPPI power bill, the Executive Committee has delegated authority to the CEO to approve these loans to the extent all the qualifications set forth in this document are met, and the loan amount does not exceed \$500,000. If a requested loan exceeds \$500,000, it will require approval of the Executive Committee.

Borrower: WPPI anticipates that the member utility will be the named borrower with respect to each loan under this temporary expansion of the Program.

Loan Disbursement: A closing statement will be prepared for each loan under the temporary expansion of the Program showing the flow of funds for the transaction. The closing statement will reflect the amount due under the member's wholesale power bill, the amount of the loan used as payment for the power bill, and the net payment the member owes WPPI for the month, and other information and details as WPPI may determine.