

ALTRIS TORUS comparison

1. ALTRIS is not “cheap but risky”. The narrative that the ALTRIS contract is cheap but riskier is fundamentally wrong. There are good indications that ALTRIS is a reliable company (See point 6 and 7 below). It ignores the risks associated with a fixed price for every expansion for 20 years.
2. TORUS project cost is high. Project costs of TORUS are 25% higher than for ALTRIS project. This covers the “pretty” batteries, the specialized costs of the Spin, higher TORUS overhead, and the “Made in America” premium of the equipment. It is not necessarily the most cost-effective option.
3. ALTRIS per kWh price consistently lower. The per kWh price difference between the two starts at 32% in year 1, then slowly down to 0% over 20 years. The average is 14% (Based on current loads for the next 20 years)
4. ALTRIS has low minimum annual payment. If NLP goes under or the hotel is closed for a longer period, the lower minimum price in ALTRIS contract may make a big difference.
5. TORUS locks in high price. TORUS locks in the 24-26.4 cent price for 20 years and **all future load increases**, effectively preventing price reductions during that 20-year period. NREL predicts the continuation of consistent cost increases for both solar generation and storage over the next 10-15 years.
 - a. If prices go down as NREL predicts, TORUS will take that to the bank.
 - b. If prices go up and the next expansion is not economically viable, TORUS will either not expand or come back to renegotiate pricing. The TORUS contract does not specify that a new 20-year recovery period

will start with each expansion, but they will not put in a new expansion with only 5 years of recovery left.

- c. As a result with TORUS, TUID will be at risk for the downside without participating in the upside.
6. TORUS battery capacity is low. Battery capacity TORUS is 1080 kWh, augmented by a spin. Without a spin, NREL calculated that 15% generator runtime requires 1439 kWh. How do we know that the spin makes up the 33% difference and even more as TORUS suggests?
7. ALTRIS runs a no-frills efficient operation. ALTRIS identified a low overhead solar installer for the straightforward parts of the construction, who will work with a consultant with deep experience in the solar energy field for the more sophisticated portions of the process. ALTRIS principals have decades of experience in the industry. This efficiency allows the lower per kWh charges.
8. ALTRIS has a proven track record. ALTRIS recently acquired a \$1.5 BILLION contract for a 1500 mW solar/natural gas-based energy project and has a history of large value energy contracts with multiple fuel solutions. This clearly demonstrates that they can carry out a \$2 million contract.
9. Proprietary TORUS software constitutes a major risk. Proprietary software, which may or may not work with other systems and about which we know nothing. **This constitutes a major risk.** Standard software will make it easier to add another provider, possibly leading to lower prices through competition.
10. ALTRIS is flexible. The ALTRIS contract offers flexibility to adjust new phases to new pricing and new technology, as well as a pricing cap at the TORUS price, opening up the possibility for further price reductions for expansions. The

drawback is that expansion will need to be negotiated, which may be time consuming. Also: no water – no development – no need for expansion

11. TORUS is a one trick pony. TORUS is good at what it does, but it is only one thing. Any expansion of their offerings depends on Nate’s next invention. ALTRIS is well versed and educates itself daily on new energy technologies, which are developed all over the world, offering whatever is most economical for each expansion.

12. Datacenter plan a benefit. ALTRIS is interested in constructing a datacenter and adjacent power plant, which can also serve new residential and resort development, referred to as Phase 2. This is not a drawback, but a plus for ALTRIS. It means that ALTRIS will continue to work on lowering power cost in the region, while TORUS keeps charging 24-26 cents, until outside events force it to lower their prices. However, phase 2 is very speculative.

- a. If Phase 2 does not happen TUID still has a low cost flexible PPA from a reputable provider.
- b. If Phase 2 materializes it can offer rate reductions down to “Wasatch Front Rates”. This may benefit TUID as well as new developments. A contract with TORUS will make a transition to Phase 2 energy and Phase 2 prices more difficult. The buyout clause in the TORUS contract at Fair Market Value plus \$175,000 is onerous.

Doom scenario: Development occurs on the Bullfrog Block, and other parcels along the Ticaboo/Bullfrog Corridor (it will with or without NLP) and ALTRIS has built a power plant for its datacenter, which provides 12 cent power, TUID will not be able to provide power at that reasonable rate and ALTRIS petitions the PSC for a separate certificate of convenience and necessity, effectively extracting the new development from the

TUID service area. This will leave Ticaboo as a high-power price island enjoying 24 cent power from TUID/TORUS. I don't know what the chance is of this scenario unfolding, but it is non-zero.

	ALTRIS (plus Addendum)	TORUS
System Capacity	440 kW solar panels, 1,500 kWh battery	530 kW solar panels, 1,080 kWh battery, 1 NOVA spin
Starting Price	17.65c/kWh consumed plus 11.32c/kWh storage fee	24.00c/kWh consumed plus 24.00/kWh storage fee (Max. Storage Fee \$10,000 per year)
Escalation	2% per year	One time 10% in year 11
Project Cost	\$2,050,000	\$2,540,000
Min. Payment	\$83,766.90	\$101,700.00
System Integration software	Commercially available system to optimize solar generation, batteries and generators integration	Proprietary software, possibly incompatible with commercially available
Organization	Panels, batteries, software, management subcontracted	Consolidated organization with production, installation and contract management in house (all except panels), made in USA
Product	Industrial look, "Plain Jane" equipment from ??	Batteries and spins are examples of beautiful industrial design
Risk Profile		
Price	Lower price	Higher price
Minimum Annual Payment	Lower minimum payment when demand drops (hotel closes)	Higher minimum payment when demand drops (hotel closes)
Expansion	Contingent commitment to expand, with more flexibility to incorporate new technology	Solid commitments for expansion, but strictly prescribed for both parties, limited to what TORUS sells and Nate invents. (even if power becomes much cheaper)
Future	Lower prices are possible if the ALTRIS data center and regional power plan comes to fruition	Commitment to current price soft commitment to match prices if grid power or nuclear power is available.
Expansion conditions	Guarantees under 25% generator run time, is calibrated on 16%, expansion contingent on economic viability, water availability, and triggers new 20-year investment recoupment period	Claims possibly only 10% generator run time with set up, calibrated on 16%, guarantees under 25% generator run time and is silent on expansion contingencies. Can one spin increase the battery capacity by 30%?
Generator run time	Somewhat lower PV capacity, uncertain how battery and spins compare.	Uncertain how battery and spins compare.
Organizational Confidence	Hope for further expansion in the region, budget options, deep experience in the field, more flexible, deep connection with regional players.	Single focus, consolidated management, higher overhead, independent of other regional players, exclusive focus on own technology, which reduces flexibility