About Clean Energy Terminals & the Port San Luis Project Evaluation Agreement

Introductory conversation with Avila Valley Advisory Council

September 9, 2024

cleanenergyterminals.com

Clean
Energy
Terminals

Topics

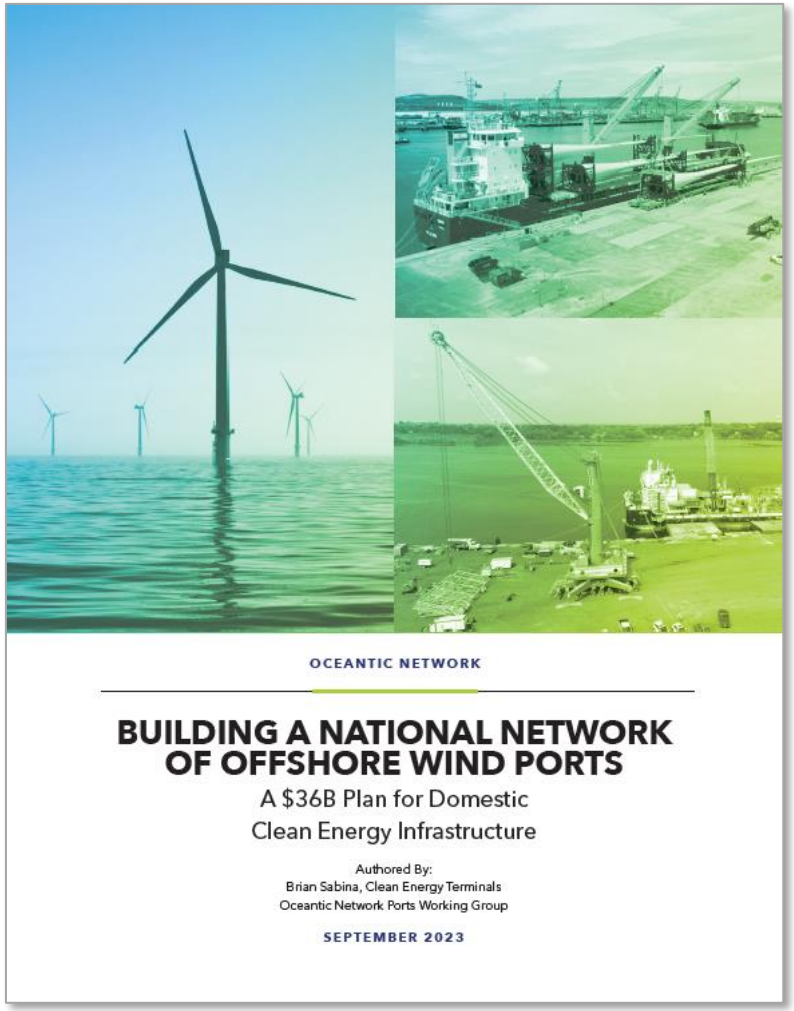
Clean Energy Terminals

1. Who is Clean Energy Terminals (CET)?
2. Why offshore wind O&M in the Central Coast?
3. What could an O&M port in San Luis Bay entail?
4. What is the Project Evaluation Agreement?
5. Process moving forward, including additional opportunities for public feedback

Who is Clean Energy Terminals?

Clean Energy Terminals

- CET is a **California-based project developer**
- We **invest in and develop** the **port infrastructure** needed to support the deployment of offshore wind
- We believe that **offshore wind is an important future clean energy source**, along with solar, land-based wind, nuclear, etc.
- We take a **30+ year owner's perspective** on projects
- We **partner with public port authorities, harbor districts**, or municipalities on projects
- We believe that, at its core, **infrastructure development is economic development**
- We are committed to developing projects **the right way: community-oriented, environmentally responsible, safety first**



Clean Energy Terminals' Leadership Team

Brian Sabina
Chief Executive Officer

- Former Chief Economic Growth Officer for the State of New Jersey
- Led offshore wind port, supply chain, and workforce development for New Jersey
- 15+ years working at the intersection of economic development & infrastructure

Jonathan Kennedy
Chief Development Officer

- Former VP – Infrastructure at New Jersey Economic Development Authority
- Led development and construction, of the $1B+ NJ Wind Port project
- 15+ years in infrastructure development experience in the U.S. and internationally

Sloane Perras
Chief Legal Officer

- Former VP – Foss Offshore Wind
- Launched and led offshore wind terminal business, including New Bedford Foss Marine Terminal (O&M)
- 20+ years in international transportation, logistics, and maritime industries

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Wind energy (offshore and onshore) is among the lowest life cycle greenhouse gas emission generation sources available

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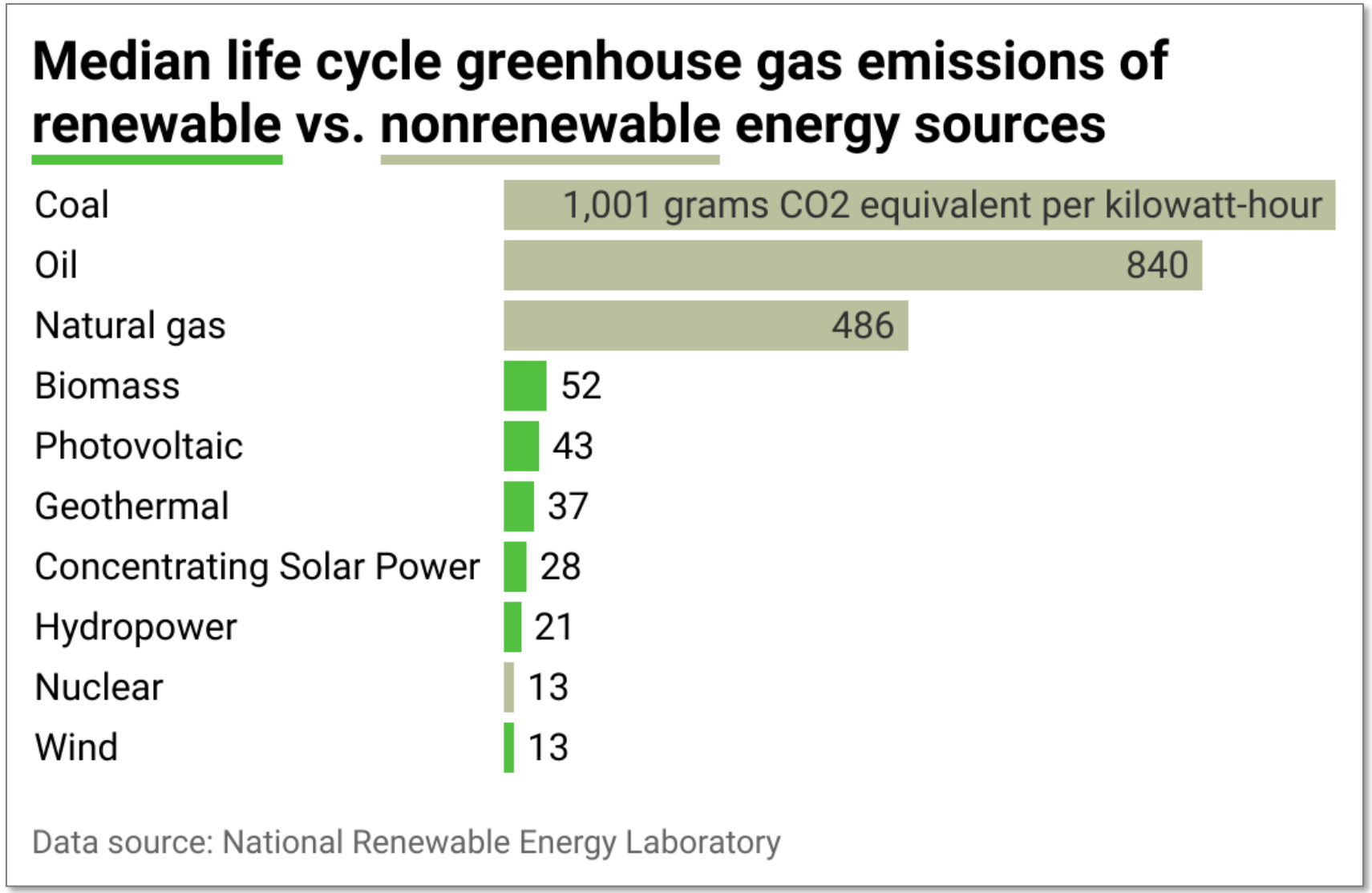

Since 2009, the life-cycle cost of offshore wind generation globally has dropped by ~66%, reaching parity with fossil fuels

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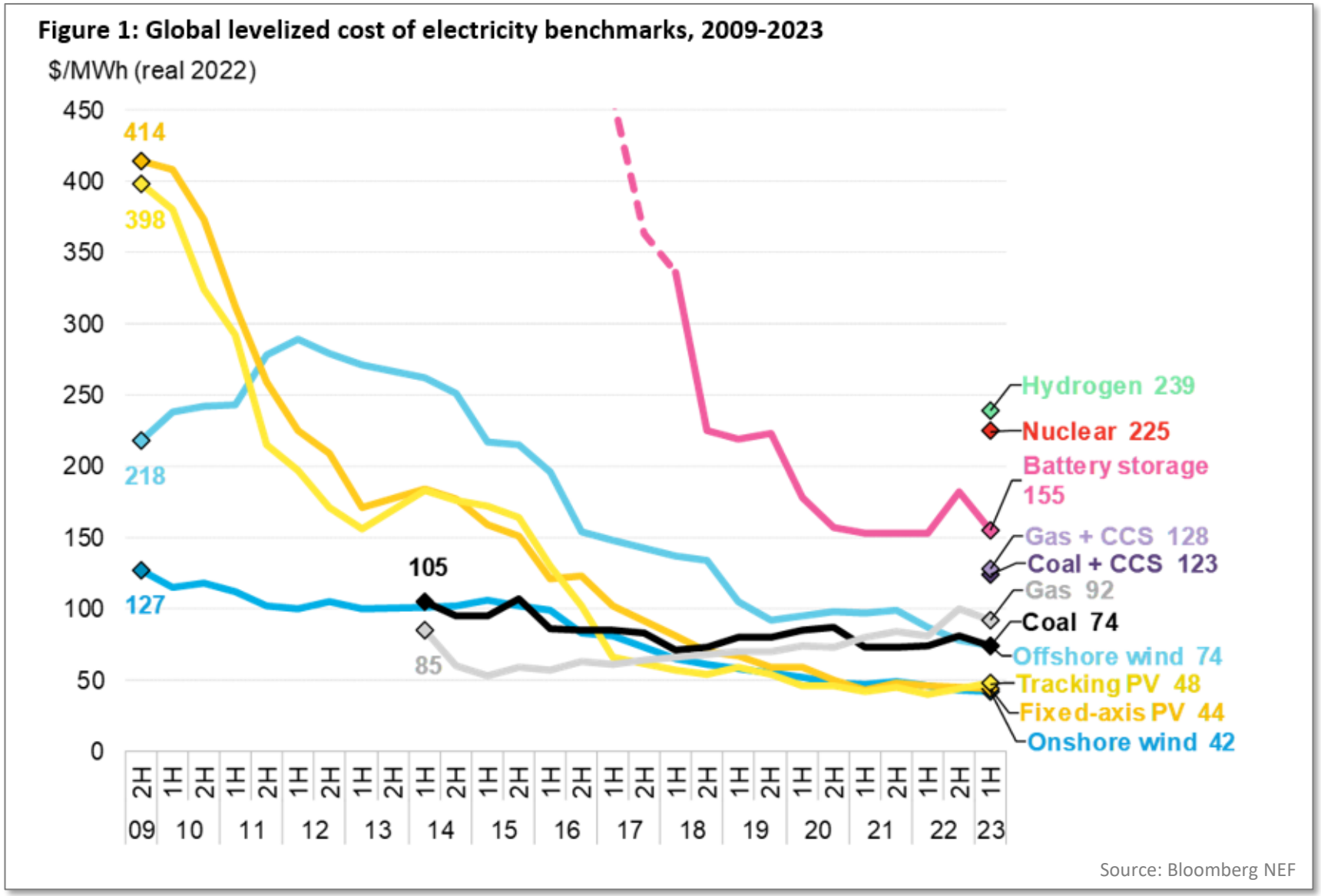
Figure 1: Global levelized cost of electricity benchmarks, 2009-2023



Source: Bloomberg NEF

CA offshore wind has been more than a decade in the making

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✓ Indicates public hearing or stakeholder engagement included in step

Global market

1991: first offshore wind farm in Denmark

U.S. market

2011: first U.S. offshore wind strategy

2016: first U.S. offshore wind farm installed (Block Island, RI)

2018: U.S. East Coast states hit 25GW of goals

2020: U.S. set national goal of 30GW installed by 2030

CA market

2021: AB 525 signed into law; requires CA offshore wind plan ✓

2022: CA sets goal of 25 GWs by 2045 ✓

2022: REACH Central Coast offshore wind port study identified PSL ✓

2022: BOEM auction for CA Central Coast lease areas nets $425M ✓

2023: AB 525 Ports Readiness Plan identified PSL for O&M ✓

2023: AB 1373 creates California state procurement mandate ✓

SLO County market

2023: CET starts evaluating CA offshore wind port opportunities, including Central Coast O&M

2023: PSL Harbor District adopt Resolution 23-12 to signal interest in offshore wind opportunities ✓

2024: CET submits unsolicited proposal to PSL Harbor District to partner on a feasibility study

2024: Port San Luis Harbor District approves Project Evaluation Agreement with CET ✓

Today: Early-stakeholder engagement ✓

Of the four types of floating offshore wind port, three are not a good fit for the Central Coast

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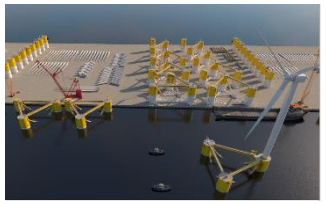
Offshore wind port types	Activities	Typical acreage	Typical cost to build	Fits CA Central Coast?
 **Staging & Integration**	Stage components, assemble turbines, assembly	30-100	$1,000M+	✗
 **Flexible Laydown**	Long-term and short-term storage of components	10-50	$25-75M	✗
 **Manufacturing**	Manufacture and storage of major turbine and foundation components	25-100[1]	$75-350M[1]	✗
 **Operations & Maintenance**	Wind turbine technician transfers to turbines; operations center; commercial warehouse for spare parts	3-5	$75-200M	?

1 Depending on component

Why Port San Luis makes sense for an offshore wind O&M port

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1. **Located close** to the Central Coast **offshore wind lease areas**
2. **Deep water port** with space to safely maneuver modern offshore wind Service Operations Vessels (SOVs)
3. **Pre-existing infrastructure** that could potentially support offshore wind O&M uses
4. **History of commercial activity**, including supporting the energy industry
5. **Creates a viable pathway for the Central Coast to benefit** from offshore wind projects

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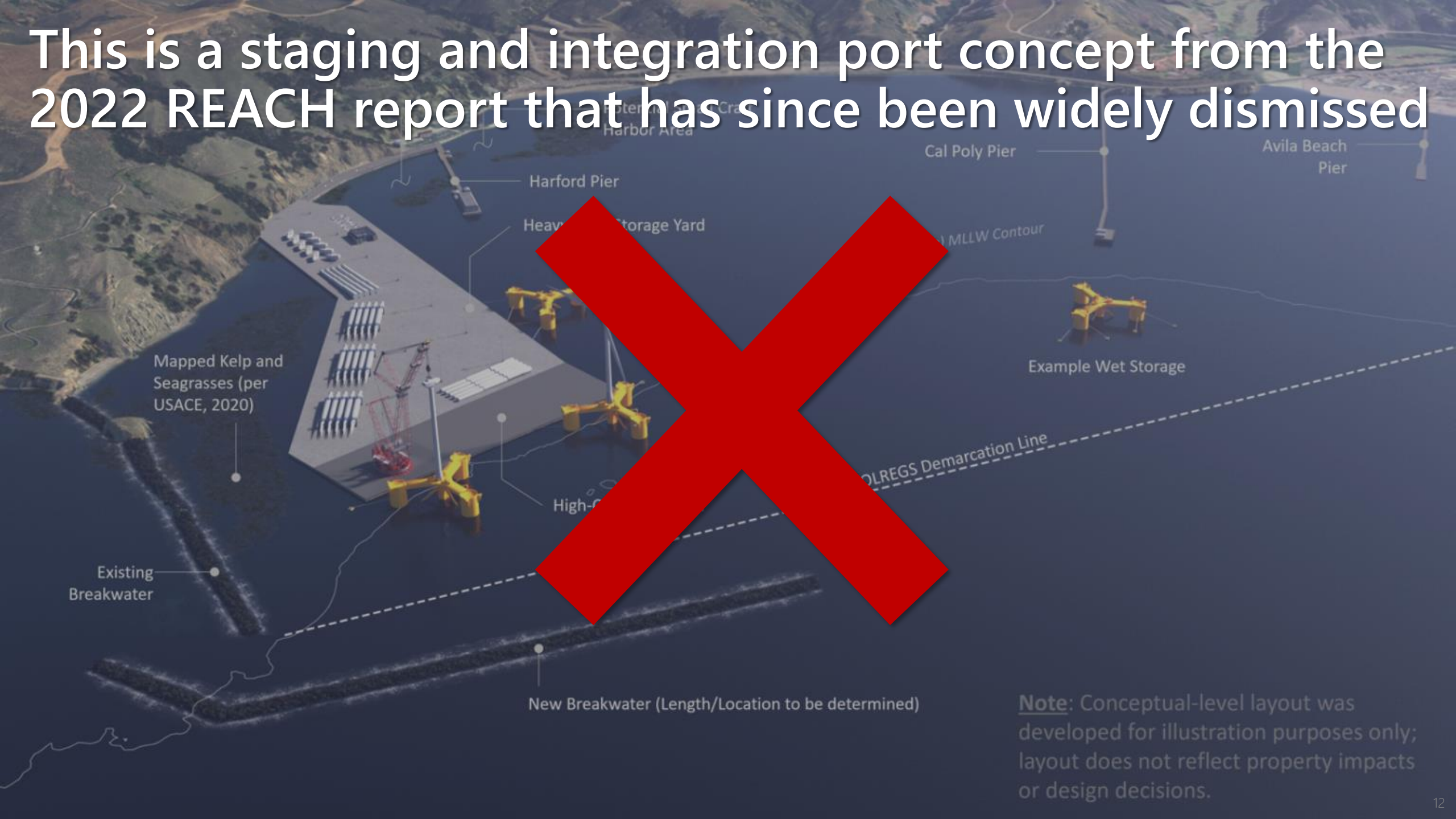
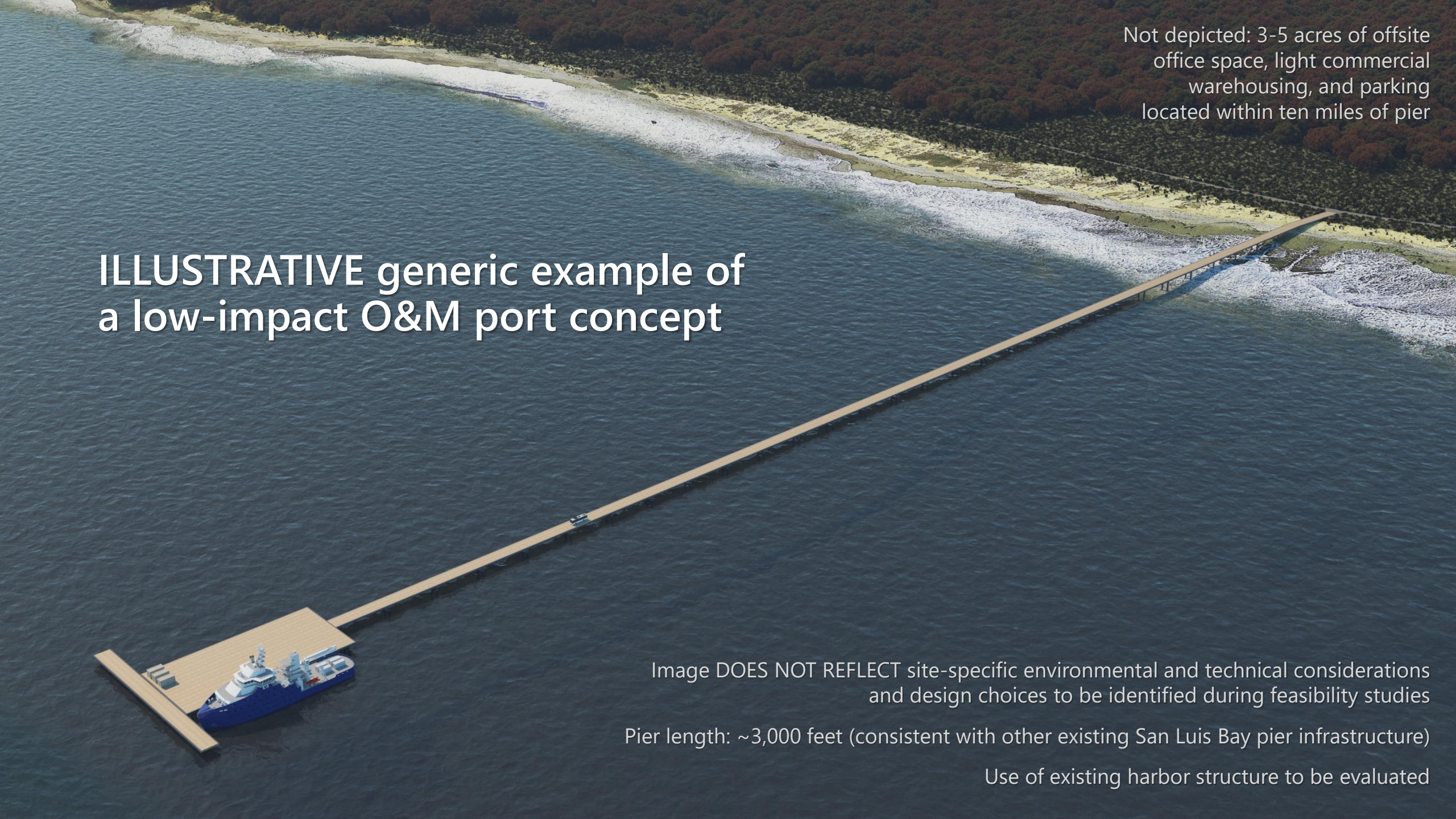
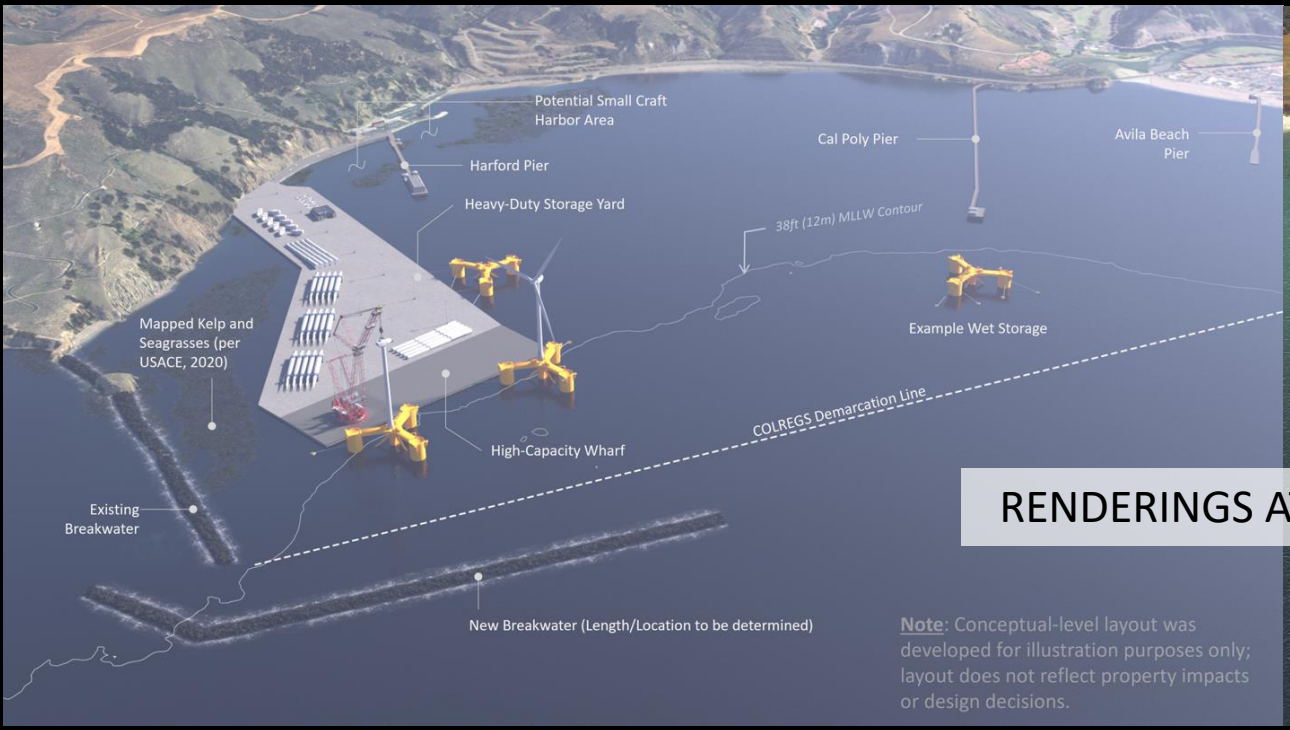
This is a staging and integration port concept from the 2022 REACH report that has since been widely dismissed



Note: Conceptual-level layout was developed for illustration purposes only; layout does not reflect property impacts or design decisions.


Not depicted: 3-5 acres of offsite office space, light commercial warehousing, and parking located within ten miles of pier
ILLUSTRATIVE generic example of a low-impact O&M port concept
Image DOES NOT REFLECT site-specific environmental and technical considerations and design choices to be identified during feasibility studies
Pier length: ~3,000 feet (consistent with other existing San Luis Bay pier infrastructure)
Use of existing harbor structure to be evaluated



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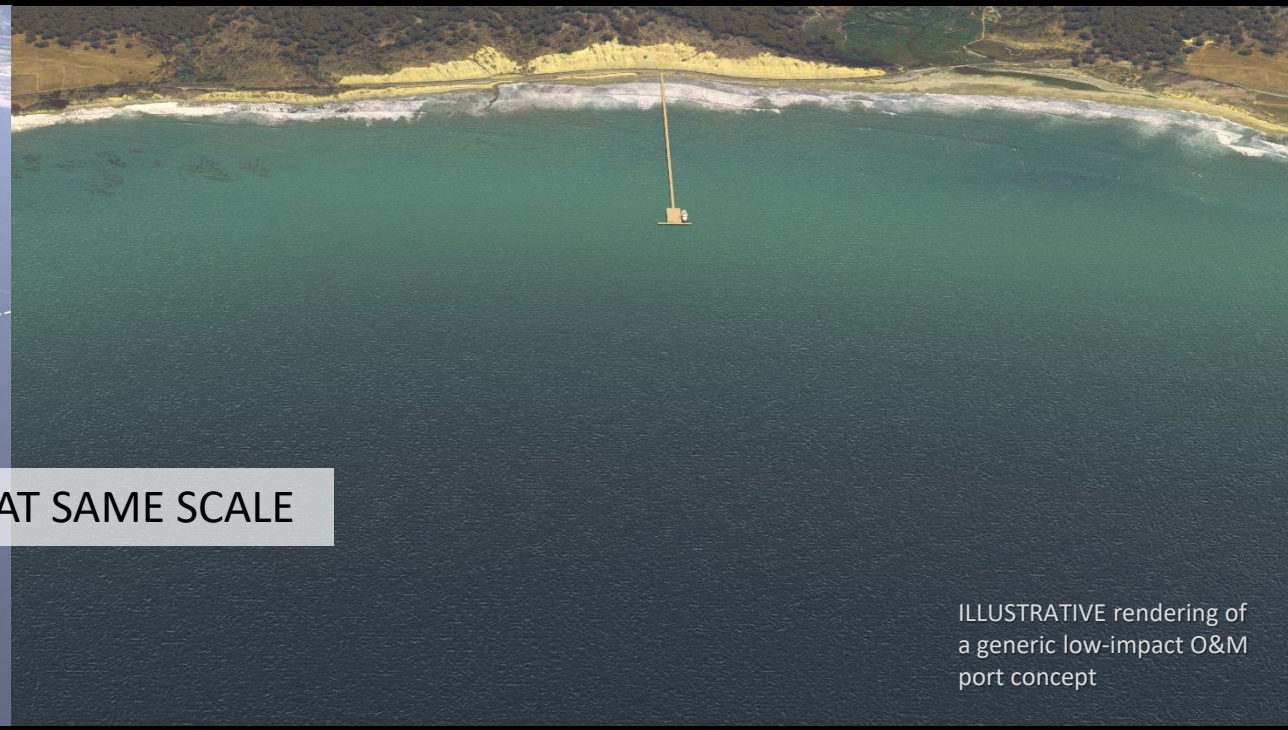
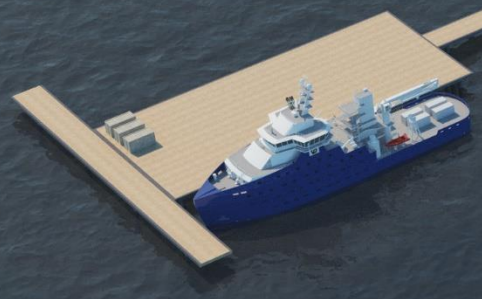
RENDERINGS AT SAME SCALE



ILLUSTRATIVE rendering of a generic low-impact O&M port concept

What could a low-impact O&M facility entail?

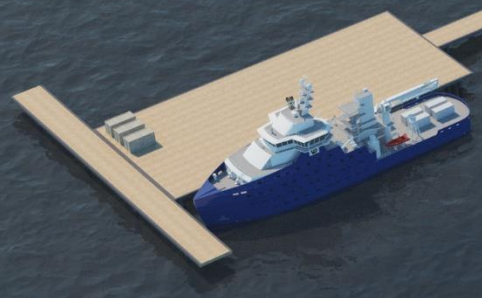
- Primarily moving people and smaller spare parts and supplies
- No large offshore wind components such as blades, towers, or foundations



ILLUSTRATIVE rendering of a generic low-impact O&M port concept

What could a low-impact O&M facility entail?

- Vessel-based operation
- Vessels are docked for 12-24 hours, every 14 days (~7% of the time)
- 250-300-foot vessels: ~1/2 the size of oil tankers that used to call at Port San Luis



ILLUSTRATIVE rendering of a generic low-impact O&M port concept

What could a low-impact O&M facility entail?

- ECO Eddison
- First U.S. Service Operations Vessel (SOV)
- 260 feet long
- 60 wind technicians, plus vessel and hospitality crew

ECO Edison: - source: Orstred

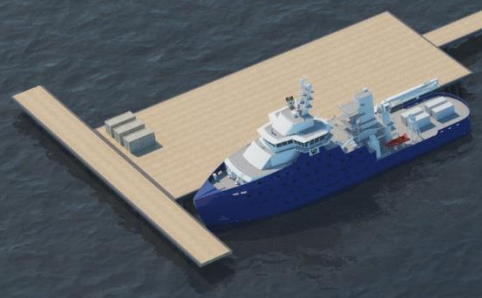
What could a low-impact O&M facility entail?

- 3-5 acres of upland facilities
- Includes: operations center, office space, crew changing facilities, light commercial warehousing, and centralized parking

ILLUSTRATIVE rendering of a generic low-impact O&M port concept

What could a low-impact O&M facility entail?

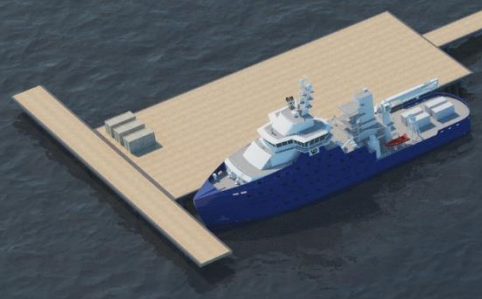
- Meets the highest environmental standards for offshore wind ports
- Respects concerns of existing ocean users, local residents, and Tribal stakeholders



ILLUSTRATIVE rendering of a generic low-impact O&M port concept

What could a low-impact O&M facility entail?

- Anchors 2-3 major generation projects in the region
- 400+ generational clean energy jobs
- Hundreds of construction jobs
- Additional opportunities for local small businesses



ILLUSTRATIVE rendering of a generic low-impact O&M port concept

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What is the Project Evaluation Agreement?

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- **Agreement between Port San Luis Harbor District and CET**, to cooperate on feasibility studies for an O&M port in San Luis Bay
- Feasibility study includes **technical and commercial evaluations**
- **CET is fully funding all costs** for the feasibility work
- Work expected to take between **6-18 months**
- **Stakeholder engagement and input is pre-wired** into the timeline
- If project is found to be feasible **by both CET and the Harbor District**, the parties will begin to **negotiate the structure of a commercial arrangement**
- Any **decision on whether to move forward** with a project will be **subject to a public hearing and separate vote by the Harbor District**

CET is committed to developing projects *the right way*

Clean Energy Terminals

- **Engaging, listening to, and working with local communities**, including residents of Avila Beach, local advisory groups (such as the Avila Valley Advisory Council, the Surfrider Foundation, and other local ocean users), and Tribal Governments
- **Evaluating traffic impacts early-on** and working to avoid/mitigate potential issues
- Developing a **Community Benefits Agreement** that fits the values of the local community and the scale of the project
- Utilizing **local and Tribal businesses** whenever possible
- Hiring **local and Tribal employees** whenever possible
- **Working with the Port San Luis Commercial Fisherman's Association** (and other regional Fisherman's Associations) to avoid, reduce or manage any direct harms caused by the development of an O&M port facility
- Building under a **Project Labor Agreement**

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CET wants to build long-term partnerships with the community

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Feasibility Studies *(6-18 months)*

- Evaluate grant eligibility
- Evaluate future tenant interest
- Identify critical environmental issues
- Develop engineering concept design
- If technically viable, engage public on concept
- If feasible, negotiate a path forward with the Harbor District

Project Development *(4-7 years)*

- Environmental studies
- Preliminary engineering
- Permitting
- Detailed engineering
- Securing tenants
- Negotiating Project Labor and Community Benefits Agreements
- Construction and operational planning

Construction & Operations *(35+ years)*

- 2-3 years to construct in-water structures improvements
- 33+ years of vessel-based O&M operations

Ongoing Community Engagement and Public Input *(selected examples below)*

- Early stakeholder meetings
- Concept design workshops
- Harbor District public meetings
- Pre-permit meetings
- Formal public comment on permits
- Community Benefits Agreement development
- Ongoing stakeholder engagement (e.g., AVAC meetings)

SLO County Port Study
(4-6 months)

Thank you and council questions

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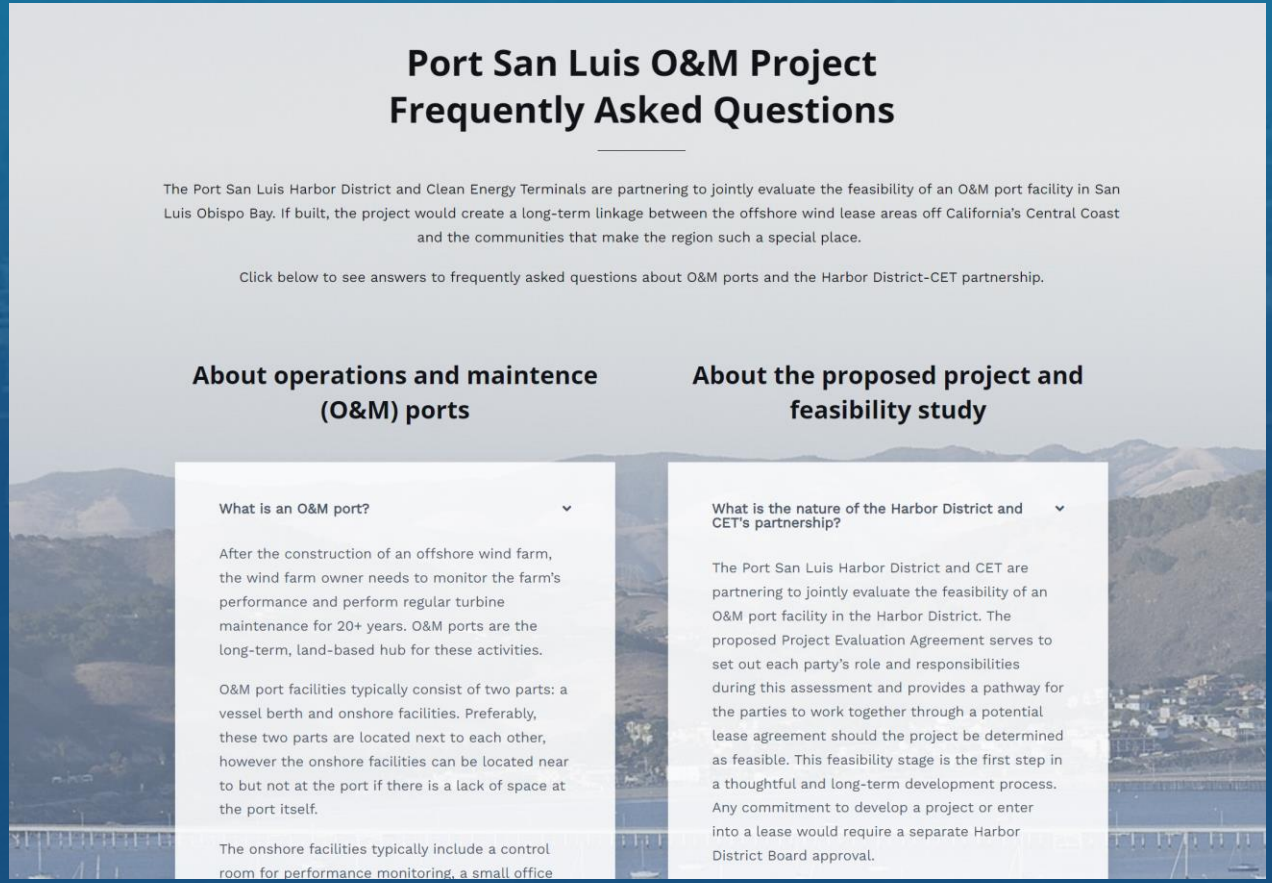
For more information and to sign up for project updates, please visit:

cleanenergyterminals.com



Port San Luis O&M Project Frequently Asked Questions

The Port San Luis Harbor District and Clean Energy Terminals are partnering to jointly evaluate the feasibility of an O&M port facility in San Luis Obispo Bay. If built, the project would create a long-term linkage between the offshore wind lease areas off California's Central Coast and the communities that make the region such a special place.

Click below to see answers to frequently asked questions about O&M ports and the Harbor District-CET partnership.

About operations and maintence (O&M) ports

What is an O&M port?

After the construction of an offshore wind farm, the wind farm owner needs to monitor the farm's performance and perform regular turbine maintenance for 20+ years. O&M ports are the long-term, land-based hub for these activities.

O&M port facilities typically consist of two parts: a vessel berth and onshore facilities. Preferably, these two parts are located next to each other, however the onshore facilities can be located near to but not at the port if there is a lack of space at the port itself.

The onshore facilities typically include a control room for performance monitoring, a small office

About the proposed project and feasibility study

What is the nature of the Harbor District and CET's partnership?

The Port San Luis Harbor District and CET are partnering to jointly evaluate the feasibility of an O&M port facility in the Harbor District. The proposed Project Evaluation Agreement serves to set out each party's role and responsibilities during this assessment and provides a pathway for the parties to work together through a potential lease agreement should the project be determined as feasible. This feasibility stage is the first step in a thoughtful and long-term development process. Any commitment to develop a project or enter into a lease would require a separate Harbor District Board approval.