

September 8, 2020

Cat Creek Energy, LLC  
398 S. 9<sup>th</sup> Street, Suite 240  
Boise, ID 83702  
Attn: John Faulkner

Subject: Credit Support for Cat Creek Energy's Idaho Water Right Applications.

Dear John:

Per your request, this letter confirms the commitment of Primary Energy Recycling Corp ("Primary Energy") to provide the necessary credit support, investment, and participation to finance construction of the Cat Creek Energy, LLC ("Cat Creek") projects for water and energy infrastructure in the state of Idaho with an overall cost estimated at \$2.4 billion. This letter may be presented to the Idaho Department of Water Resources in support of the water right applications that Cat Creek has filed in connection with the projects. The credentials of Primary Energy are below.

1. Primary Energy is jointly owned by Fortistar, LLC ("Fortistar"), a premier U.S.-based private investor, Prudential Capital Group ("Prudential"), John Hancock Life Insurance Company ("John Hancock"), and Ares Capital Corporation ("Ares") (together, the "Sponsors"). The Sponsors are experienced investors in assets similar to the Cat Creek Energy projects, with combined assets under management of over a \$ 1.0 trillion. The Sponsors collectively provide the necessary capital investments to Primary Energy to finance construction of the proposed project.
2. Ratings Information:

Sponsor Type	Standard & Poor's Rating		Moody's Rating	
	Senior Unsecured Debt	Issuer	Senior Unsecured Debt	Issuer
<b>Fortistar</b>	Not Rated	Not Rated	Not Rated	Not Rated
<b>Prudential</b>	AA-	Prudential Insurance Company of America	Not Rated	Not Rated
<b>John Hancock</b>	AA-	John Hancock Life Insurance Company	A1	John Hancock Life Insurance Company
<b>Ares</b>	BBB-	Ares Capital Corporation	Baa3	Ares Capital Corporation

3. Primary Energy intends to finance the project through a mix of debt and equity. Through our discussions with our financial advisors, we believe that the project can support about 70% to



75% leverage, which would be funded after commissioning of the project through the institutional debt market (the Term Loan B market). Construction financing will be supplied by either traditional banks that support construction projects or institutional lenders with whom Primary Energy and its lead investor Fortistar Capital have long-standing relationships. The remaining 25% to 30% of the long-term capital structure will come from equity investment from a mix of Primary Energy's current investors such as Fortistar Capital, Ares Corporation, John Hancock, and Prudential Capital, along with additional prospective investors with whom Primary Energy and Fortistar have been engaged in general discussions.

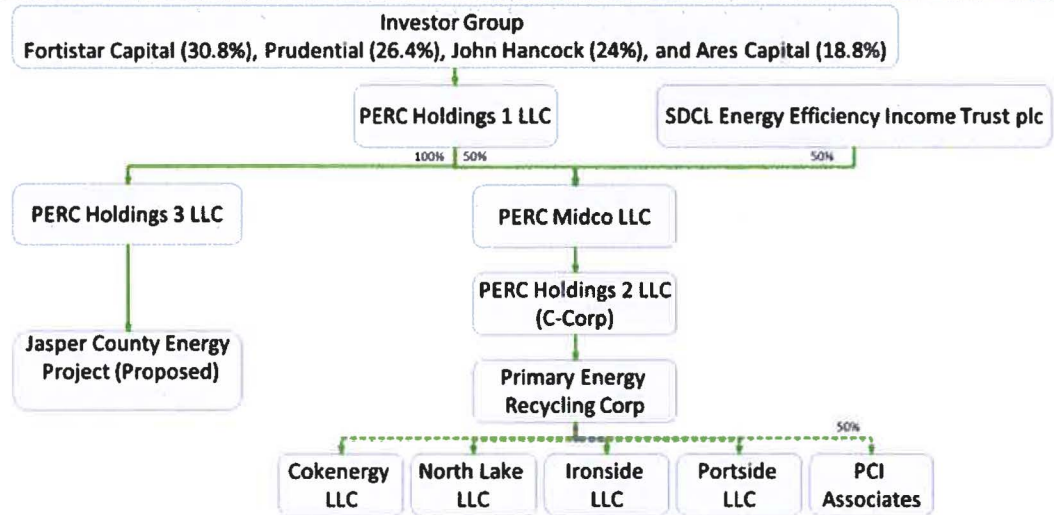
4. Primary Energy is headquartered in Oak Brook, Illinois, and is an owner and operator of several energy projects located on the sites of steel industry partners ArcelorMittal and US Steel. These projects have a combined electrical generating capacity of 298 MWs and a combined steam generating capacity of 1.8 million lbs/hr.

Primary Energy and its management team have owned and operated power generation facilities that served the thermal and/or electrical needs of the US Navy, a university campus, a pharmaceutical manufacturing facility, a food production operation, and an auto parts manufacturer operator.

Fortistar has a 25-year history of owning and operating power plants focused on cogeneration facilities that provided steam and power to hosts. Fortistar currently has ownership interests in three cogeneration assets totaling 347 MW in New York State. Until 2012, Fortistar also held ownership interests in the 1,600 MW Midland Cogeneration Venture project in Michigan, and until 2013 in the 850 MW Channelview Cogeneration facility in Texas. Throughout its history, Fortistar has focused on providing safe and reliable energy to its host while helping them lower their operating costs.

Additionally, Primary Energy has access to capital from SDCL Energy Efficiency Income Trust plc, a publicly listed U.K. investment company that focuses exclusively on projects such as the JCEP, and a part owner of Primary Energy's operating assets.

## PERC 1 Corporate Organizational Chart



Primary Energy has a strong team that has successfully developed thousands of MWs of power generating capacity. Primary Energy's management team will ensure delivery of a high-quality electric generating facility with cost effective and prudent operating practices. Primary Energy has a long history of safe and reliable operations and we believe we are uniquely qualified to continue this commitment to Cat Creek Energy.

If you have any questions, please let us know:

  
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