



CPV FAIRVIEW, LLC

(A Delaware Limited Liability Company)

Condensed Interim Financial Statements

Three-month Periods Ended March 31, 2025, and March 31, 2024

(With Review Report of Independent Auditors)

CPV FAIRVIEW, LLC
(A Delaware Limited Liability Company)
March 31, 2025

Index

	Page(s)
Independent Auditors' Review Report	1-2
Condensed Interim Financial Statements:	
Condensed Interim Balance Sheets	3
Condensed Interim Statements of Operations and Comprehensive Income	4
Condensed Interim Statements of Changes in Members' Equity	5
Condensed Interim Statements of Cash Flows	6
Notes to Condensed Interim Financial Statements	7-29



KPMG LLP
Suite 4000
1735 Market Street
Philadelphia, PA 19103-7501

Independent Auditors' Review Report

The Members of CPV Fairview, LLC:

Results of Review of Condensed Interim Financial Information

We have reviewed the condensed financial statements of CPV Fairview, LLC (the Company), which comprise the condensed balance sheet as of March 31, 2025 and 2024, and the related condensed statements of operations and comprehensive income, changes in members' equity, and cash flows for the three-month periods ended March 31, 2025 and 2024, and the related notes (collectively referred to as the condensed interim financial information).

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying condensed interim financial information for it to be in accordance with U.S. generally accepted accounting principles.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of condensed interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of condensed interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our reviews. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Condensed Interim Financial Information

Management is responsible for the preparation and fair presentation of the condensed interim financial information in accordance with U.S. generally accepted accounting principles and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of condensed interim financial information that is free from material misstatement, whether due to fraud or error.

Report on Balance Sheet as of December 31, 2024

We have previously audited, in accordance with GAAS, the balance sheet as of December 31, 2024, and the related statements of operations and comprehensive income, changes in members' equity, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 20, 2025. In our opinion, the accompanying balance sheet of the



Company as of December 31, 2024 is consistent, in all material respects, with the audited financial statements from which it has been derived.

KPMG LLP

Philadelphia, Pennsylvania
June 13, 2025

CPV FAIRVIEW, LLC
(A Delaware Limited Liability Company)
Condensed Interim Balance Sheets
(In thousands)

	At March 31, (Unaudited) 2025	(Unaudited) 2024	December 31, (Audited) 2024
Assets			
Cash	\$ 76	\$ 82	\$ 44
Restricted cash	6,638	2,742	4,792
Accounts receivable	14,557	14,565	12,408
Deposits	70	-	-
Prepaid expenses	731	3,786	1,038
Fuel Inventory	-	242	446
Derivative assets, energy	15,192	11,061	11,711
Derivative assets, interest rate swaps	662	3,932	1,148
Total current assets	37,926	36,410	31,587
Property, plant, and equipment, net	790,334	811,580	797,304
Cash collateral letters of credit	-	25,146	-
Spare parts inventory	6,035	5,305	5,831
Intangible assets, net	25,666	26,536	25,883
Derivative assets, interest rate swaps	-	638	935
Derivative assets, energy	902	1,083	1,539
Other assets	1,336	550	1,470
Total assets	\$ 862,199	\$ 907,248	\$ 864,549
Liabilities and Members' Equity			
Accounts payable and accrued liabilities	\$ 14,051	\$ 14,421	\$ 13,617
Due to related party	212	252	203
Current portion of long term debt	3,101	42,192	3,228
Derivative liabilities, energy	13,970	26,381	710
Total current liabilities	31,334	83,246	17,758
Long term debt	507,964	300,542	525,565
Other long term liabilities	-	860	-
Derivative liabilities, interest	586	-	-
Derivative liabilities, energy	1,639	2,034	814
Total liabilities	541,523	386,682	544,137
Members' equity	320,676	520,566	320,412
Total liabilities and members' equity	\$ 862,199	\$ 907,248	\$ 864,549

See accompanying notes to the condensed interim financial statements.

CPV FAIRVIEW, LLC
(A Delaware Limited Liability Company)
Condensed Interim Statement of Operations and Comprehensive Income (Unaudited)
(In thousands)

	For the three months ended	
	<u>March 31, 2025</u>	<u>March 31, 2024</u>
Operating revenues	\$ 107,585	\$ 67,316
Other revenues	1,073	1,029
Realized and unrealized gain on energy derivatives	<u>3,717</u>	<u>14,581</u>
Total revenue	112,375	82,926
 Fuel and other	 57,035	 31,753
Operations and maintenance	5,258	5,117
General and administrative	2,301	1,855
Depreciation and amortization	6,943	6,860
Taxes other than income taxes	<u>45</u>	<u>567</u>
Total operating expenses	71,582	46,152
 Income from operations	 40,793	 36,774
Interest expense, net	<u>(9,833)</u>	<u>(2,898)</u>
Net income	30,960	33,876
 Other comprehensive loss:		
Comprehensive loss on derivatives	<u>(13,196)</u>	<u>(5,587)</u>
Comprehensive income	<u><u>\$ 17,764</u></u>	<u><u>\$ 28,289</u></u>

See accompanying notes to the condensed interim financial statements.

CPV FAIRVIEW, LLC
(A Delaware Limited Liability Company)
Condensed Interim Statement of Changes in Members' Equity
(In thousands)

	<u>Members'</u> <u>capital</u>	<u>Accumulated</u> <u>retained</u> <u>earnings (deficit)</u>	<u>Accumulated</u> <u>other</u> <u>comprehensive</u> <u>income (loss)</u>	<u>Total members'</u> <u>equity</u>
Balance December 31, 2023 (audited)	\$ 384,620	\$ 121,638	\$ 5,019	\$ 511,277
Distributions	(299,100)	-	-	(299,100)
Net income	-	98,702	-	98,702
Comprehensive income interest rate swaps	-	-	9,533	9,533
Total comprehensive income				108,235
Balance December 31, 2024 (audited)	<u>\$ 85,520</u>	<u>\$ 220,340</u>	<u>\$ 14,552</u>	<u>\$ 320,412</u>
Balance December 31, 2023 (audited)	384,620	121,638	5,019	511,277
Distributions	(19,000)	-	-	(19,000)
Net income	-	33,876	-	33,876
Comprehensive income interest rate swaps	-	-	(5,587)	(5,587)
Total comprehensive income				28,289
Balance March 31, 2024 (unaudited)	<u>\$ 365,620</u>	<u>\$ 155,514</u>	<u>\$ (568)</u>	<u>\$ 520,566</u>
Balance December 31, 2024 (audited)	85,520	\$ 220,340	\$ 14,552	\$ 320,412
Distributions	-	(17,500)	-	(17,500)
Net income	-	30,960	-	30,960
Comprehensive loss interest rate swaps	-	-	(13,196)	(13,196)
Total comprehensive income				17,764
Balance March 31, 2025 (unaudited)	<u>\$ 85,520</u>	<u>\$ 233,800</u>	<u>\$ 1,356</u>	<u>\$ 320,677</u>

See accompanying notes to the condensed interim financial statements.

CPV FAIRVIEW, LLC
(A Delaware Limited Liability Company)
Condensed Interim Statement of Cash Flows (Unaudited)
(In thousands)

	For the three-month periods ended March 31,	
	2025	2024
Cash flows from operating activities:		
Net income	\$ 30,960	\$ 33,876
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	6,943	6,860
Other amortization	558	522
Unrealized gain (loss) on energy derivatives	845	(2,203)
Unrealized loss on Interest rate swaps	(793)	(195)
Changes in operating assets and liabilities:		
Accounts receivable	(2,149)	4,257
Deposits	(70)	-
Spare parts inventory	(204)	(150)
Fuel inventory	446	166
Prepaid expenses	307	(1,510)
Due to related party	9	-
Accounts payable and other accrued liabilities	812	(456)
Net cash provided by operating activities	37,664	41,167
Cash flows from investing activities:		
Property, plant, and equipment	-	(907)
Net cash used in investing activities	-	(907)
Cash flows from financing activities:		
Distributions	(17,500)	(19,000)
Proceeds from long term revolver	-	1,396
Repayment of long term loan	(17,500)	(19,066)
Repayment of long term revolver	-	(4,000)
Deferred financing costs	(786)	-
Net cash used in financing activities	(35,786)	(40,670)
Increase (decrease) in cash and restricted cash	1,878	(410)
Cash and restricted cash, beginning of period	4,836	28,380
Cash and restricted cash, end of period	\$ 6,714	\$ 27,970
Cash paid for Interest and financing fees	\$ 10,384	\$ 7,033

CPV FAIRVIEW, LLC
(A Delaware Limited Liability Company)
Notes to Condensed Interim Financial Statements (Unaudited)
March 31, 2025

(1) Organization and Summary of Significant Accounting Policies

CPV Fairview, LLC (Fairview or the Company), a Delaware limited liability company, was formed on July 24, 2014. The purpose of Fairview is to develop, construct, finance, own, and operate a 1,050 MW gas-fired, combined-cycle power generation facility located in Jackson Township, Cambria County, Pennsylvania (the Facility or Project). The Facility was completed and commenced operations on December 1, 2019.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Company's interests were held by CPV Power Holdings, LP (CPV PHLP) 25%, Infra Equity Power Holdings, LLC (Infra) through direct and indirect interests 25%, and Osaka Gas Fairview, LLC (Osaka) 50%.

(a) Basis of Presentation

The Company's condensed interim financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and should be read in conjunction with the Company's last annual financial statements as of December 31, 2024 (the "2024 Annual Financial Statements"). The condensed interim financial statements do not include all of the information required for a complete set of financial statements prepared in accordance with U.S. GAAP. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the 2024 Annual Financial Statements. The Accounting Standards Codification (ASC), established by the Financial Accounting Standards Board (FASB), is the source of authoritative U.S. GAAP to be applied by nongovernmental entities.

(b) Use of Estimates

The preparation of the Company's condensed interim financial statements requires the use of estimates and assumptions based on management's knowledge and experience. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. The most significant use of estimates and assumptions relates to the valuation of derivative instruments. Actual results could vary from the estimates that were used.

(c) Risks and Uncertainties

As with any power generation facility, operation of the Facility involves risk, including the performance of the Facility below expected levels of efficiency and output, shutdowns due to the breakdown or failure of equipment or processes, violations of permit requirements, operator error, labor disputes, or catastrophic events such as fires, earthquakes, floods, explosions, or other similar occurrences affecting a power generation facility or its power purchasers. In addition, the Facility operates as a merchant plant and is impacted by changes in natural gas and regional power market conditions, as well as changes in the rules and regulations governing these markets. The occurrence of any of these events could significantly reduce or eliminate revenue generated by the Company or significantly increase the expenses of the Company, and adversely impact the Company's ability to make payments on its debt when due.

(d) Fair Value of Financial Instruments

The carrying value of certain of the Company's financial instruments, including cash, accounts receivable, accounts payable and accrued liabilities equals or approximates their fair value due to the short-term maturity of those instruments. Cash accounts are generally maintained in federally insured banks, but the Company may at times have balances in accounts in excess of federal insurance limits. The fair value of the long-term debt approximates its book value as of March 31, 2025, December 31, 2024, and March 31, 2024, as the interest rates are variable (note (4)).

(e) Cash

Cash comprises highly liquid investments with original maturities of 90 days or less.

(f) Restricted Cash and Cash Collateral – Letters of Credit

Restricted cash and cash collateral – letters of credit consist of cash and cash equivalents that comprise highly liquid investments. Such amounts are restricted under the terms of the Company's Credit Agreement (note (4)). Restricted cash accounts include, but are not limited to, an operating account, letter of credit revolver account, construction account, and a revenue account. All such accounts are held, and maintained, by an agent. The Company's classification of Restricted cash is based on the classification of its intended use. As of March 31, 2025, December 31, 2024, and March 31, 2024, the Company had \$6.6 million, \$4.8 million, and \$2.7 million, respectively, pertaining to operating activities classified as a current asset on the accompanying condensed interim balance sheets. The Company had \$0.0 million, \$0.0 million, and \$25.1 million of Cash collateral letters of credit, classified as non-current asset on the accompanying condensed interim balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(g) Prepaid Expenses

The Company has prepaid expenses on its condensed interim balance sheets. Prepaid expenses - current, consist of insurance premiums, property taxes, labor costs, bank fees, and other miscellaneous fees, and totaled \$0.7 million, \$1.0 million and \$3.8 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. There are no assets, classified as long-term prepaids, on the accompanying balance sheets as of March 31, 2025, December 31, 2024, and March 31, 2024.

(h) Property, Plant, and Equipment and Depreciation Expense

The Company's property, plant, and equipment are recorded at historical cost and are primarily comprised of power generation facility assets, construction-in-progress and the cost of acquired land. Depreciation, after consideration of salvage value and asset retirement obligations, is computed using the straight-line method over the estimated useful lives of the assets, commencing when assets, or major components thereof, are either placed in service or acquired (note (2)). Repairs and maintenance costs are expensed as incurred.

(i) Spare Parts Inventory

Spare parts inventory primarily consists of spare parts and supplies used to maintain the power generation facility. Spare parts inventory is carried at lower of cost or net realizable value. Cost is the sum of the purchase price and incidental expenditures and charges incurred to bring the inventory to its existing condition or location. Costs of spare parts are valued primarily using the average cost method. Generally, cost is reduced to net realizable value if the net realizable value of inventory has declined and it is probable that the utility of inventory, in its disposal in the ordinary course of business, will not be recovered through revenue earned from the generation of power. The

Company's spare parts inventory balance was \$6.0 million, \$5.8 million and \$5.3 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

(j) Fuel Inventory

Fuel inventory is comprised of natural gas and is stated at the lower of weighted average cost or net realizable value. The Company had Fuel inventory of \$0.0 million, \$0.4 million and \$0.2 million as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively, on the accompanying condensed interim balance sheets.

(k) Recoverability of Long-Lived Assets

ASC Topic 360, *Property, Plant, and Equipment*, requires both long-lived assets and intangible assets with determinable useful lives be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Recoverability of assets to be held and used is measured by comparing the carrying amount of the asset to its expected future undiscounted cash flows. If the carrying amount of the asset is greater than the asset's undiscounted cash flows, the asset is considered impaired. In such circumstances, the impairment recognized is measured by the amount by which the carrying amount of the asset exceeds its fair value. The impairment is charged to earnings. No impairments were recognized for the three-month periods ended March 31, 2025 and 2024.

(l) Intangible Assets

The Company accounts for intangible assets in accordance with ASC Topic 350, *Intangibles – Goodwill and Other* (ASC 350). ASC 350 requires that intangible assets determined to have indefinite lives no longer be amortized but instead be tested for impairment at least annually and whenever events or circumstances occur that indicate impairment might have occurred.

ASC 350 also requires that intangible assets with estimable useful lives be amortized over their respective estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. Separable intangible assets that are deemed to have finite lives will continue to be amortized using the straight-line method over their estimable useful lives.

(m) Deferred Financing Costs

The Company capitalized costs associated with obtaining its debt. Direct costs incurred with obtaining debt are amortized under the interest method over the term of the related debt. Amortization of capitalized costs totaled \$0.7 million and \$0.4 million for the three-month periods ended March 31, 2025 and 2024, respectively, which is classified as Interest expense, net on the accompanying condensed interim statements of operations and comprehensive income.

As of March 31, 2025, December 31, 2024, and March 31, 2024, the Current portion of long-term debt is presented net of \$2.4 million, \$2.3 million, and \$1.3 million of deferred financing costs on the accompanying condensed interim balance sheets. Long-term debt is presented net of \$10.4 million, \$9.7 million and \$0.2 million of deferred financing costs as of March 31, 2025, December 31, 2024, and March 31, 2024 respectively, on the accompanying condensed interim balance sheets.

(n) Derivative Instruments and Hedging Activities

The Company enters into interest rate swaps to reduce its exposure to market fluctuations of interest rates and forward purchase and sales of commodities, and other derivative instruments to reduce its exposure to market fluctuations of energy and natural gas prices. Additionally, the Company entered into a structured energy derivative transaction (the Revenue Put Option or RPO) to reduce its exposure to market fluctuations of energy and natural gas prices. The Company may enter into

additional derivative transactions as allowed by its risk management policy. The Company recognizes all contracts that meet the definition of a derivative as either assets or liabilities in the accompanying balance sheets and measures those derivatives at fair value under ASC Topic 815, *Derivatives and Hedging* (ASC 815). On the date a derivative is entered into, the Company may designate hedging relationships as long as certain criteria in ASC 815 are met; otherwise, the derivative is marked to market in the Company's statements of operations and comprehensive income.

For derivatives designated as a hedge, such as the Company's interest rate swaps, forward purchase and sales of commodities, and other derivative instruments used to reduce its exposure to market fluctuations of energy and natural gas prices, the Company documents the relationship between the hedging instrument and hedged item, as well as its risk management objective and strategy. This process includes linking all derivatives that are designated as hedges to specific assets or liabilities on the accompanying condensed interim balance sheets or to forecasted transactions. The Company also assesses, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of the hedged items.

When it is determined that a derivative has ceased to be a highly effective hedge, the Company discontinues hedge accounting prospectively. This could occur when (1) it is determined that a derivative is no longer effective in offsetting changes in the cash flows of a hedged item; (2) the derivative expires or is sold, terminated, or exercised; or (3) the derivative is discontinued as a hedging instrument, because it is not probable that a forecasted transaction will occur. When hedge accounting is discontinued because it is determined that the derivative no longer qualifies as an effective hedge of cash flows, the derivative will continue to be carried at fair value on the accompanying condensed interim balance sheets and the gains and losses that were accumulated in other comprehensive income or loss (OCI) are recognized immediately or over the remaining term of the forecasted transaction in the accompanying condensed interim statements of operations and comprehensive income.

Changes in the fair value of derivative instruments are either recognized in the accompanying statements of operations and comprehensive income or the accompanying statements of changes in members' equity as a component of accumulated OCI, depending upon their use and designation. Gains and losses related to transactions that qualify for hedge accounting, such as the interest rate swaps and forward purchase and sales of commodities, and other derivative instruments used to reduce its exposure to market fluctuations of energy and natural gas prices, are recorded in accumulated OCI and flow through the accompanying condensed interim statements of operations and comprehensive income in the period the hedged item affects earnings. Any gains and losses resulting from changes in the market value of the RPO are recorded in the accompanying condensed interim statements of operations and comprehensive income in the current period.

(o) Concentrations of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of derivative financial instruments. The Company is exposed to credit losses in the event of noncompliance by counterparties to these derivative financial instruments. The counterparties to these transactions are major financial institutions and large energy companies. The Company has required some of these counterparties to post collateral or other security to support their financial instruments' credit risk.

(p) Revenue Recognition and Accounts Receivable

Revenue is earned from the Company's generation facilities providing capacity and ancillary services to its customer, the independent system operator (PJM), and from the production and sale of

electricity from the Company's generation facilities. Revenue is recognized upon the transfer of control of promised goods or services to customers in an amount that reflects the consideration which the Company expects to be entitled in exchange for those goods or services. The Company's contracts to provide capacity each have one performance obligation and result from auctions held by PJM to procure capacity in advance of when the capacity is expected to be needed and thus to be provided. The Company's contracts to provide electricity and ancillary services have one performance obligation. Capacity revenues and proceeds for electricity, delivered to customers, are classified as Operating revenue on the accompanying condensed interim statements operations and comprehensive income. Revenue for ancillary services is classified as Other revenue on the accompanying condensed interim statements of operations and comprehensive income.

The performance obligations are satisfied over time and use the same method to measure progress, so they meet the criteria to be considered a series. In measuring progress towards satisfaction of each performance obligation, the Company applies the "right-to-invoice" practical expedient and recognizes revenue in the amount to which the Company has a right to consideration from a customer that corresponds directly with the value of the performance completed to date. As such, revenue is recognized using an output method, as energy and capacity delivered best depicts the transfer of goods or services to the customer. Performance obligations including energy or ancillary services (such as operations and maintenance and dispatch services) are generally measured by the MWh delivered. Capacity, which is a stand-ready obligation to deliver energy when required by the customer, is measured using MWs. In certain contracts, if plant availability exceeds a contractual target, the Company may receive a performance bonus payment, or if the plant availability falls below a guaranteed minimum target, it may incur a nonavailability penalty. Such bonuses or penalties represent a form of variable consideration and are estimated and recognized when it is probable that there will not be a significant reversal. The Company used the most likely value method to estimate variable consideration as it was considered to better predict the amount to which the Company will be entitled given the large number of possible outcomes. The Company periodically reviews this method and its assumptions.

The timing of revenue recognition, billings, and cash collections results in accounts receivable. Accounts receivable represent unconditional rights to consideration and consist of both billed amounts and unbilled amounts typically resulting from sales under long-term contracts when revenue recognized exceeds the amount billed to the customer. The Company bills both generation and utility customers on a contractually agreed-upon schedule, typically at periodic intervals (e.g., monthly). Accounts receivable from contracts with customers were \$14.6 million, \$12.4 million and \$14.6 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively. The Company periodically assesses the collectability of accounts receivable, considering factors such as specific evaluation of collectability, historical collection experience, the age of accounts receivable and other currently available evidence of the collectability, and records an allowance for doubtful accounts for the estimated uncollectible amount as appropriate. There was no allowance for doubtful accounts recognized as of March 31, 2025, December 31, 2024 and March 31, 2024.

(q) Commitments and Contingencies

The Company is a party to claims and proceedings arising in the normal course of business. The Company records a loss contingency in accordance with ASC 450, *Contingencies*, when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Management assesses each matter and determines the likelihood a loss has been incurred and the amount of such loss if it can be reasonably estimated. Management reviews such matters on an ongoing basis. Contingencies are evaluated based on estimates and judgments made by management with respect to the likely outcome of such matters. Management's estimates could change based on future information.

The Company follows the guidance of ASC 460, *Guarantees* (ASC 460), for disclosing and accounting for guarantees and indemnifications entered into during the course of business. When a guarantee or indemnification subject to ASC 460 is entered into, the estimated fair value of the guarantee or indemnification is assessed. Some guarantees and indemnifications could have a financial impact under certain circumstances. Management considers the probability of such circumstances occurring when estimating fair value.

(r) *Income Taxes*

The Company is organized as a limited liability company and is classified and treated as a partnership for federal and state income tax purposes. No provision for the payment of federal and state income taxes has been provided since the Company is not subject to income tax. Each member is responsible for reporting income or loss based on such member's respective share of the Company's income and expenses as reported for income tax purposes. As such, no income tax expense or benefit has been recorded within this condensed interim statement of operations and comprehensive income for the three-month periods ended March 31, 2025, and 2024.

(s) *Membership Interests*

Profits, losses, and distributions of net cash flows shall be allocated in proportion to each member's respective ownership interest, as outlined in the Amended and Restated Limited Liability Company Agreement, as amended (the ARLLCA). The Company is managed by its board of managers. As a limited liability company, the liability of each member is limited to (i) any unpaid capital contributions, (ii) the amount of any distributions required to be returned in accordance with the agreement, and (iii) any amount the member is required to pay pursuant to the agreement.

There were no capital contributions by members during the three-month periods ended March 31, 2025 and 2024.

The Company made distributions to its members totaling \$17.5 million and \$19.0 million for the three-month periods ended March 31, 2025 and 2024 respectively.

Terms of the First Amendment to Credit and Note Purchase and Depository Agreement (FACNPA) (note (4)), required all members of the Company to pledge their respective equity interests in the Company.

(2) Property, Plant, and Equipment, Net

Property, plant, and equipment, net consists of the following:

<i>(in thousands)</i>	Estimated Useful Life <i>(in years)</i>	March 31, 2025	December 31, 2024	March 31, 2024
			<i>(In thousands)</i>	
Land	N/A	\$ 3,133	3,133	\$ 3,133
Generation facility	35	919,042	914,862	914,755
Office furniture & fixtures	10	55	55	55
Computer hardware & software	3	639	639	638
Office Equipment	5	48	48	-
Tools & Plant Equipment	5	600	482	431
Communications equipment	10	166	166	50
Vehicle	5	143	143	143
Capitalized Spares	25	7,076	7,076	5,236
Total		930,902	926,604	924,441
Construction in Process		292	4,834	1,300
Accumulated depreciation		(140,859)	(134,134)	(114,161)
Property, plant, and equipment, net		<u>\$ 790,334</u>	<u>797,304</u>	<u>\$ 811,580</u>

Depreciation expense was \$6.7 million and \$6.6 million for the three-month periods ended March 31, 2025 and 2024, respectively, which are classified as Depreciation and amortization on the accompanying condensed interim statements of operations and comprehensive income. The cost to acquire land and easements is classified as land and is included in Property, plant, and equipment, net on the accompanying condensed interim balance sheets.

(3) Intangible Assets

The Company recognized separately identifiable intangible assets related to its electrical interconnection, its natural gas and ethane interconnections, and a water supply and sewer agreement required to construct and operate the Facility. The Company amortizes the cost of its intangible assets on a straight-line basis over their respective estimated useful lives of 35 years.

Intangible assets are as follows:

	Estimated useful life <i>(in years)</i>	March 31, 2025	December 31, 2024	March 31, 2024
		\$	<i>(In thousands)</i>	
Asset Performance Management upfront fee	20	210	210	210
Gas and electrical interconnection	35	11,537	11,537	11,537
Water and sewer interconnection	35	17,851	17,851	17,851
Emission offset allowances	35	701	701	701
Total		\$ 30,299	30,299	30,299
Accumulated amortization		<u>(4,633)</u>	<u>(4,416)</u>	<u>(3,763)</u>
Intangible assets, net		<u>25,666</u>	<u>25,883</u>	<u>26,536</u>

Amortization of intangibles totaled \$0.2 million for each of the three-month periods ended March 31, 2025 and 2024, which are classified as Depreciation and amortization on the accompanying condensed interim

statements of operations and comprehensive income. Amortization expense related to the years 2025 through 2030 is expected to be approximately \$0.9 million annually.

(4) Debt Facilities

The Company is a borrower under a \$710.0 million credit agreement (the Credit Agreement or CA) with a syndicate of lenders where Crédit Agricole Corporate and Investment Bank serves as administrative agent and depository bank and MUFG Union Bank, N.A., serves as collateral agent. The CA provides the Company a Term Loan Facility (Term Loan Facility) that consisted of a Tranche A Term Loan (Tranche A) of \$510.0 million and Fixed Rate Notes (FRN) of \$115.0 million, a Working Capital facility (WC Facility) of \$30.0 million, and a Revolving Letter of Credit Loan facility (RLC Loan Facility) of \$55.0 million

On August 14, 2024, the Company refinanced its net debt of \$324.6 million outstanding. The refinancing included a new term loan of \$550.0 million (the Term B Loan), with a \$75.0 million revolver facility administered by Morgan Stanley, which will come due on August 14, 2031 and August 14, 2030, respectively (collectively the New Credit Agreement or New CA). The Company repaid the FRN of \$92.0 million and the RLC Loan Facility of \$25.9 million and expensed \$1.1 million in unamortized deferred financing costs. The Company incurred financing costs totaling \$13.5 million. These costs primarily consist of lender fees, legal fees, and other transaction-related expenses

Through August 14, 2024, the CA requires that the Company maintain a defined debt service coverage ratio and requires the Company to not exceed a defined maximum debt to equity ratio. The Company is in compliance with these requirements.

As of August 14, 2024 and onwards, the New CA requires that the Company maintain a defined debt service coverage ratio as well as other affirmative, negative, reporting, and financial covenants. The Company is in compliance with these requirements.

The table below summarizes the Company's outstanding debt, net of unamortized deferred financing costs as of:

Description	March 31, 2025	December 31, 2024	March 31, 2024
Tranche A	\$ -	\$ -	\$ 226,156
Term B	522,375	539,875	-
FRN	-	-	93,438
RLC Loan Facility	-	-	24,654
Working Capital Loan	-	-	-
Unamortized deferred financing cost	(11,310)	(11,082)	(1,514)
	<u>\$ 511,065</u>	<u>\$ 528,793</u>	<u>\$ 342,734</u>

Borrowings under the Term B Loan incur interest at an annual rate of 1-month SOFR plus an applicable margin of 3.5%.

On February 19, 2025 the administrative agent executed an amendment to the New CA effectuating a reduction of the applicable margin from 3.5% to 3.0%. The maturity date, principal amount, and other substantive term of the loan agreement remain unchanged.

Borrowings under the Term B Loan totaled \$522.3 million, \$539.8 million, and \$0.0 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, of which \$5.5 million, \$5.5 million and \$0.0 million, respectively, are classified as Current portion of long-term debt, and \$516.8 million, \$534.3 million and \$0.0 million, respectively, are classified as Long-term debt on the accompanying condensed interim balance sheets.

Unused available credit under the New CA incurs a commitment fee of 0.5% per annum. During three-month periods ended March 31, 2025 and 2024, the Company incurred \$9.9 million and \$5.1 million, respectively, of interest and commitment fees. These costs were expensed and classified as Interest expense, net on the accompanying condensed interim statements of operations and comprehensive income.

Borrowings under the Tranche A totaled \$0.0 million, \$0.0 million and \$226.2 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, of which \$0.0 million, \$0.0 million and \$37.8 million, respectively, are classified as Current portion of long-term debt, and \$0.0 million, \$0.0 million and \$188.4 million, respectively, are classified as Long-term debt on the accompanying condensed interim balance sheets. Borrowings under the Tranche A incurred interest at an annual rate of daily Simple SOFR + 2.75% margin + 0.1% spread adjustments, and 7.39% at March 31, 2024.

The outstanding FRN balance totaled \$0.0 million, \$0.0 million and \$93.4 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, of which \$0.0 million, \$0.0 million, and \$5.8 million is classified as Current portion of long-term debt and \$0.0 million, \$0.0 million and \$87.7 million, respectively, are classified as Long-term debt on the accompanying condensed interim balance sheets. Borrowings under the FRN incurred interest at an annual rate of 0.0% and 5.78% at March 31, 2025 and March 31, 2024.

The total Term Loan Facilities balance is \$522.4 million, \$539.9 million and \$319.6 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, of which \$5.5 million, \$5.5 million and \$43.5 million, respectively, are classified as Current portion of long-term debt, and \$516.9 million, \$534.4 million and \$276.1 million, respectively, are classified as Long-term debt on the accompanying condensed interim balance sheets.

The table below sets forth the future minimum principal payments of amounts borrowed as of March 31, 2025, under the Term Loan Facility (in thousands):

Years Ending March 31,

2025	\$	4,125
2026		5,500
2027		5,500
2028		5,500
Thereafter		224,697
	\$	<u>245,322</u>

The WC Facility has \$30.0 million of availability. During each of the three-month periods ended March 31, 2025 and 2024, the Company borrowed \$0.0 million. During the three-month periods ended March 31, 2025 and 2024, the Company repaid \$0.0 million and \$30.0 million, respectively under the WC Facility.

The total amount borrowed under the RLC Facility was \$0.0 million, \$0.0 million and \$24.7 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The Company had accrued unpaid interest and fees totaling \$109.2 thousand, \$47.0 thousand and \$41.0 thousand as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, which is included in the Accounts payable and accrued liabilities on the accompanying condensed interim balance sheets.

The scheduled increase in the applicable margin for the Tranche A is recognized as a long-term liability. The liability totaled \$0.0 million, \$0.6 million and \$0.9 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, and is classified as other long term liabilities on the accompanying condensed interim balance sheets. For three-month periods ended March 31, 2025 and 2024, accretion totaled \$0.0 and \$0.2 million of income, respectively. The income is classified as Interest expense, net on the accompanying condensed interim statements of operations and comprehensive income.

The amount outstanding under the FRN is measured at carrying value in the accompanying condensed interim balance sheets. The fair value of the amount outstanding under FRN was determined by using an income approach, utilizing a discounted cash flow analysis based on current market interest rates for similar fixed rates notes issued with similar remaining years to maturity, adjusted for applicable credit risk. The FRN was valued using Level 2 inputs. As of March 31, 2025, December 31, 2024 and March 31, 2024, the estimated fair value of the FRN debt was \$0.0 million, \$0.0 million and \$91.8 million, respectively.

The CA requires the Company to pledge its assets as security in favor of the lenders.

(5) Derivative Instruments and Hedging Activities

(a) Interest Rate Swaps

The Company enters into pay-fixed, receive-variable interest rate swaps to reduce its exposure to market risks from changing interest rates. Interest rate swap agreements are used to convert the floating interest rate component of the Company's long-term debt obligations to fixed rates. Such interest rate swap agreements are designated as cash flow hedges under ASC 815. All effective changes in fair market value are deferred in OCI and all ineffective changes are recognized in the statements of operations and comprehensive income.

As part of entering into the CNPA, the Company executed 14 amortizing interest rate swaps with seven financial institutions, seven of which matured during 2020. As part of entering into FACNPA, the Company executed two additional interest rate swaps to hedge the incremental borrowings under Tranche A. Additionally, on April 30, 2020, Fairview executed three interest rate swaps, which increased the notional amount hedged of Tranche A to 100%. The swaps, in conjunction with the fixed rate debt, were designated to hedge 100% of the Company's Term-Loan Facility.

On August 14, 2024, the Company terminated the interest rate swaps outstanding. Following the termination, two new interest rate swaps were entered with Morgan Stanley with a notional of \$183.3 million and Wells Fargo with a notional of \$91.7 million. The termination and execution of these interest rate swaps are driven by the refinance of term loan.

The fair value of the interest rate swap assets totaled \$0.7 million, \$2.1 million and \$4.6 million, of which \$0.7 million, \$1.1 million and \$3.9 million classified as current Derivative assets, interest rate swaps and \$0.0 million, \$1.0 million and \$0.6 million as noncurrent Derivative assets, interest rate swaps on the accompanying condensed interim balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The fair value of the interest rate swap liabilities totaled \$0.6 million, \$0.0 million and \$0.0 million, of which \$0.0 million, \$0.0 million and \$0.0 million classified as current Derivative liabilities, interest rate swaps and \$0.6 million, \$0.0 million and \$0.0 million as noncurrent Derivative liabilities, interest rate swaps on the accompanying condensed interim balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The details of these instruments as of March 31, 2025 are set forth in the following table:

Swap Period	Dates	Swap Details	Morgan Stanley	Wells Fargo
Operational swaps				
Trade date	August 14, 2024	Notional amount	\$ 169,826,218	\$ 84,913,109
Effective date	August 30, 2024	Fixed rate	3.6525%	3.6220%
Termination date	August 31, 2027	Floating rate	USD-SOFR	USD-SOFR

The details of these instruments as of December 31, 2024 are set forth in the following table:

Swap Period	Dates	Swap Details	Morgan Stanley	Wells Fargo
Operational swaps				
Trade date	August 14, 2024	Notional amount	\$ 177,305,342	\$ 88,652,671
Effective date	August 30, 2024	Fixed rate	3.6525%	3.6220%
Termination date	August 31, 2027	Floating rate	USD-SOFR	USD-SOFR

The details of these instruments as of March 31, 2024 are set forth in the following table:

Swap Period	Dates	Swap Details	BNP	CACIB	CBA	CIT Bank	MUFG Union Bank	NAB
Operational swaps								
Trade date	March 24, 2017	Notional amount	\$ 29,381,937	\$ 29,381,937	\$ 29,381,937	\$ 29,381,937	\$ 29,381,937	\$ 29,381,937
Effective date	March 31, 2020	Fixed rate	2.5050%	2.5000%	2.4971%	2.4990%	2.5120%	2.4880%
Termination date	June 30, 2025	Floating rate	USD-SOFR	USD-SOFR	USD-SOFR	USD-SOFR	USD-SOFR	USD-SOFR

As of March 31, 2025, the Company estimates \$0.6 million of gain will be reclassified out of OCI over the respective next 12 months; however, actual results may differ due to changes in market conditions during the same time period. OCI attributable to the interest rate swaps is reclassified as Interest income (expense), net in the accompanying condensed interim statement of operations and comprehensive income.

(in thousands)	Interest rate swap	Natural gas swap	Total
OCI roll forward			
Ending balance as of December 31, 2023	\$ 7,355	\$ (2,337)	\$ 5,019
Gain recognized in OCI on derivatives	4,857	27,856	32,713
Loss reclassified from AOCI	(8,567)	(14,613)	(23,180)
Ending balance as of December 31, 2024	3,645	10,907	14,552
Loss recognized in OCI on derivatives	(1,551)	(10,392)	(11,943)
Loss reclassified from AOCI	(1,253)	-	(1,253)
Ending balance as of March 31, 2025	\$ 841	\$ 515	\$ 1,356

(b) Energy Derivatives

The Company enters into forward purchase and sales of commodities to reduce its exposure to market fluctuations of energy and natural gas prices. Such agreements are presented at fair value under ASC 815. All effective changes in fair market value are recognized in the statements of operations and comprehensive income. Some of the Company's agreements with counterparties include master agreements, which allow payments and obligations related to the same counterparty to be netted.

As of April 1, 2023, the Company designated outstanding commodity swaps as cash flow hedges under ASC 815. All effective changes in fair market value are deferred in OCI.

The fair value of the commodity swaps assets totaled \$16.1 million, \$13.2 million and \$11.7 million, of which \$15.2 million, \$11.7 million, and \$10.7 million were classified as current Derivative assets, energy and \$0.9 million, \$1.5 million and \$1.0 million as noncurrent Derivative assets, energy on the accompanying condensed interim balance sheets as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

The fair value of the commodity swaps liabilities totaled \$15.6 million, \$1.5 million, and \$28.4 million, of which \$14.0 million, \$0.7 million, and \$26.4 million were classified as current Derivative liabilities, energy and \$1.6 million, \$0.8 million and \$2.0 million as noncurrent Derivative liabilities, energy on the accompanying condensed interim balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively.

The following table summarizes the details of the commodity derivatives on the Company's accompanying condensed interim balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024:

	<u>Natural Gas (1)</u>	<u>Power (2)</u>
	<u>(In Mmbtu)</u>	<u>(In MWh)</u>
March 31, 2025	28,025,400	4,311,600
December 31, 2024	22,776,000	3,504,000
March 31, 2024	131,781,000	20,274,000

⁽¹⁾ Includes volumes for floating price supply contracts. The Company pays fixed price and the counterparties pay the floating price

⁽²⁾ The Company pays floating price and the counterparties pay the fixed price.

For the three-month periods ended March 31, 2025, and 2024, the Company recorded unrealized loss of \$0.8 million and \$0.0 million, respectively, related to power commodity swaps, and unrealized loss of \$0.0 million and \$0.0 million, respectively, on gas commodity swaps, which are classified as Realized and unrealized (loss) gain on energy derivatives on the accompanying condensed interim statements of operations and comprehensive income.

For the three-month periods ended March 31, 2025, and 2024, the Company recorded a realized (loss) gain of \$2.4 million and \$15.1 million, respectively, related to power commodity swaps and realized gain of \$6.4 million and \$3.3 million, respectively, on gas commodity swaps, which is classified as Realized and unrealized (loss) gain on energy derivatives on the accompanying condensed interim statements of operations and comprehensive income.

(c) RPO Derivative

The Company entered into the RPO with a creditworthy counterparty. The RPO is designed to provide the Company a floor, or minimum gross margin, over its term. The annual \$65.0 million strike price, which covers an exercise period or fiscal year, uses specific factors such as its heat rate, expected production levels, forward power and gas commodity prices, gas transportation costs, and other project-specific costs to calculate gross margin per the agreement.

The fair value of the RPO totaled \$0.0 million, \$0.0 million and \$0.4 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, of which \$0.0 million, \$0.0 million and \$0.4 million, respectively, are classified as current Derivative assets, energy and \$0.0 million, \$0.0 million and \$0.0 million, respectively, are classified as noncurrent Derivative assets, energy on the accompanying condensed interim balance sheets. The RPO had an unrealized loss of \$0.0 million and \$0.6 million for the three-month periods ended March 31, 2025 and March 31, 2024, respectively, which is included in the accompanying condensed interim statements of operations and comprehensive income as Realized and unrealized gain (loss) on energy derivatives. The RPO had no value as of March 31, 2025.

(d) Financial Transmission Rights

The Company obtained the financial transmission rights (FTR) to manage and hedge against the financial impacts of congestion charges associated with PJM's locational marginal pricing (LMP).

The fair value of the FTR totaled \$0.6 million, \$0.8 million and \$0.0 million as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively, which is classified as current Derivative assets energy on the accompanying condensed interim balance sheets.

The details of these instruments as of March 31, 2025, are set forth in the following table.

As of March 31, 2025

Beginning Date	End Date	Trade Date	Delivery Point	Quantity
5/1/2025	5/31/2025	8/22/2024	PJM AEP DAYHub	100
4/1/2025	4/30/2025	9/19/2024	PJM AEP DAYHub	65.6
5/1/2025	5/31/2025	9/19/2024	PJM AEP DAYHub	200
4/1/2025	4/30/2025	10/24/2024	PJM AEP DAYHub	100
5/1/2025	5/31/2025	10/24/2024	PJM AEP DAYHub	20.6
4/1/2025	4/30/2025	11/20/2024	PJM AEP DAYHub	234.4
5/1/2025	5/31/2025	12/23/2024	PJM AEP DAYHub	27.7
5/1/2025	5/31/2025	1/28/2025	PJM AEP DAYHub	51.7

The details of these instruments as of December 31, 2024, are set forth in the following table.

As of December 31, 2024

Beginning Date	End Date	Trade Date	Delivery Point	Quantity
1/1/2025	1/31/2025	6/24/2024	PJM AEP DAY Hub	150
1/1/2025	1/31/2025	8/22/2024	PJM AEP DAY Hub	100
1/1/2025	1/31/2025	9/19/2024	PJM AEP DAY Hub	50
1/1/2025	1/31/2025	10/24/2024	PJM AEP DAY Hub	1.5
2/1/2025	2/28/2025	6/24/2024	PJM AEP DAY Hub	150
2/1/2025	2/28/2025	9/19/2024	PJM AEP DAY Hub	20.5
2/1/2025	2/28/2025	10/24/2024	PJM AEP DAY Hub	23.1
3/1/2025	3/31/2025	9/19/2024	PJM AEP DAY Hub	200
3/1/2025	3/31/2025	10/24/2024	PJM AEP DAY Hub	17.9
4/1/2025	4/30/2025	9/19/2024	PJM AEP DAY Hub	65.6
4/1/2025	4/30/2025	10/24/2024	PJM AEP DAY Hub	100
4/1/2025	4/30/2025	11/20/2024	PJM AEP DAY Hub	234.4
5/1/2025	5/31/2025	8/22/2024	PJM AEP DAY Hub	100
5/1/2025	5/31/2025	9/19/2024	PJM AEP DAY Hub	200
5/1/2025	5/31/2025	10/24/2024	PJM AEP DAY Hub	20.6
5/1/2025	5/31/2025	12/23/2024	PJM AEP DAY Hub	27.7

The details of these instruments as of March 31, 2024, are set forth in the following table.

As of March 31, 2024

Beginning Date	End Date	Trade Date	Delivery Point	Quantity
5/1/2024	5/31/2024	1/25/2024	PJM AEP DAY Hub	200
5/1/2024	5/31/2024	2/22/2024	PJM AEP DAY Hub	100
4/1/2024	4/30/2024	3/25/2024	PJM AEP DAY Hub	100

(e) Fair Value Hierarchy

The Company records the fair value of all derivatives as assets and liabilities. In determining fair value, the Company generally uses the income approach and incorporates assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation techniques. These inputs can be readily observable; markets corroborated or are generally unobservable internally developed inputs. Derivative assets and liabilities are classified depending on how readily observable the inputs used in the valuation techniques are, as follows:

- Level 1 Represents unadjusted quoted market prices in active markets for identical assets or liabilities that are accessible at the measurement date. This category includes energy derivative instruments that are exchange traded or that are cleared and settled through the exchange.
- Level 2 Represents quoted market prices for similar assets or liabilities in active markets, quoted market prices in markets that are not active, or other valuations based on inputs that are observable or can be corroborated by observable market data. This category includes the Company's interest rate swaps and commodity swaps.
- Level 3 This category includes energy derivative instruments whose fair value is estimated based on internally developed models and methodologies utilizing significant inputs that are generally less readily observable from objective sources (such as market heat rates, implied volatilities, and correlations). Over the counter, complex, or structured derivative instruments that are transacted in less liquid markets with limited pricing information would be included in Level 3. This category includes the Company's RPO.

(f) Additional Information Regarding Level 3 Measurements

For valuations that include both observable and unobservable inputs, if the unobservable input is determined to be significant to the overall inputs, the entire valuation is categorized in Level 3. This includes derivatives valued using indicative price quotations for contracts with tenors that extend into periods with no observable pricing. For the Company this includes the RPO, which given the inputs listed below, would have a direct impact on the fair value if they were adjusted. The significant unobservable inputs used in the fair value measurement of the RPO are as follows:

As of March 31, 2025 and December 31, 2024

No level 3 energy RPO derivatives have been recorded as of March 31, 2025 and December 31, 2024.

As of March 31, 2024

(000's)

				Significant Unobservable		
Description		Assets	Valuation Technique	Input	Range	Volatility
(in thousands)						
Revenue put option	\$	420	Discount cash flow	Volatility related to	\$ 31	75%
		420		The put option	\$ 2,519	125%

(g) Valuation Techniques

The fair value measurement accounting guidance describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach, (2) income approach, and (3) cost approach.

The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on current market expectations of the return on those future amounts.

The Company measures its interest rate swap and energy derivatives at fair value on a recurring basis. The fair value of its interest rate swap derivatives is determined using the income approach by a third-party treasury and risk management service. The service utilizes a standard model and observable inputs to estimate the fair value of the interest rate swaps. The Company performs analytical procedures and makes comparisons to other third-party information to assess the reasonableness of the fair value. The fair value of its RPO is determined using the income approach based on internally developed models and methodologies utilizing significant inputs that are less readily observable from objective sources. The Company maintains control over the model and its methodology and performs analytical procedures and makes comparisons to third-party information when available to assess the reasonableness of the fair value. Fair value measurements of the Company's financial assets and liabilities as of March 31, 2025, December 31, 2024 and March 31, 2024 based on the above hierarchy, are as follows:

<i>(in thousands)</i>	March 31, 2025			
	Total	Level 1	Level 2	Level 3
Assets				
Commodity swaps and other derivatives	\$ 16,120	\$ -	\$ 16,120	\$ -
Interest rate swaps	662	-	662	-
	<u>\$ 16,782</u>	<u>\$ -</u>	<u>\$ 16,782</u>	<u>\$ -</u>
Liabilities				
Commodity swaps	\$ (15,609)	\$ -	\$ (15,609)	\$ -
Interest rate swaps	(586)	-	(586)	-
Financial transmission rights	(26)	-	-	(26)
	<u>\$ (16,221)</u>	<u>\$ -</u>	<u>\$ (16,195)</u>	<u>\$ (26)</u>

(in thousands)	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Assets				
Commodity swaps and other derivatives	\$ 10,842	\$ -	\$ 10,842	\$ -
Interest rate swaps	2,083	-	2,083	-
Financial transmission rights	819	-	-	819
	<u>\$ 13,744</u>	<u>\$ -</u>	<u>\$ 12,925</u>	<u>\$ 819</u>
Liabilities				
Commodity swaps	\$ (1,389)	\$ -	\$ (1,389)	\$ -
Interest rate swaps	-	-	-	-
	<u>\$ (1,389)</u>	<u>\$ -</u>	<u>\$ (1,389)</u>	<u>\$ -</u>

(in thousands)	March 31, 2024			
	Total	Level 1	Level 2	Level 3
Assets				
Commodity swaps and other derivatives	\$ 11,694	\$ -	\$ 11,694	\$ -
Interest rate swaps	4,570	-	4,570	-
Revenue put option	420	-	-	420
Financial transmission rights	29	-	-	29
	<u>\$ 16,714</u>	<u>\$ -</u>	<u>\$ 16,264</u>	<u>\$ 449</u>
Liabilities				
Commodity swaps	\$ (28,415)	\$ -	\$ (28,415)	\$ -
Interest rate swaps	-	-	-	-
	<u>\$ (28,415)</u>	<u>\$ -</u>	<u>\$ (28,415)</u>	<u>\$ -</u>

For the periods ended March 31, 2025, and 2024, and the year ended December 31, 2024, the Company did not have any transfers between Levels 1, 2, or 3.

The Company has not posted any collateral to counterparties in conjunction with the interest rate swaps with respect to the fair value of the swap instruments.

(i) Impact of Derivative Instruments on the Accompanying Condensed Interim Balance Sheets

The following tables present the balance sheet classification and fair value of derivative instruments on the accompanying condensed interim balance sheets as of March 31, 2025, December 31, 2024 and March 31, 2024.

Fair Value Measurements Using Significant Unobservable inputs (level 3)			2025	2024
Balance at December 31, 2023				1900
Balance at December 31, 2024			819	
Unrealized gain (loss) in revenue for three- month periods ended			(845)	(1,451)
Ending balance at March 31,			<u>\$ (26)</u>	<u>\$ 449</u>
Balance Sheet Location		March 31, 2025 <i>(in thousands)</i>	December 31, 2024 <i>(in thousands)</i>	March 31, 2024 <i>(in thousands)</i>
Derivative designated throughout as hedging instruments under ASC 815				
Interest rate swaps	Current - derivative assets	\$ 662	\$ 1,148	\$ 3,932
Interest rate swaps	Current - derivative liabilities	-	-	-
Interest rate swaps	Noncurrent - derivative assets	-	935	638
Commodity swaps	Current - derivative assets, energy	15,218	10,891	10,672
Commodity swaps	Noncurrent - derivative assets, energy	902	1,539	1,023
Interest rate swaps	Noncurrent - derivative liabilities	(586)	-	-
Commodity swaps	Current - derivative liabilities, energy	(13,970)	(710)	(26,381)
Commodity swaps	Noncurrent - derivative liabilities, energy	(1,639)	(814)	(2,034)
Total derivatives designated as hedging instruments under ASC 815		<u>\$ 587</u>	<u>\$ 12,990</u>	<u>\$ (12,150)</u>
Derivative not designated as hedging instruments under ASC 815				
	assets, energy	\$ -	\$ -	\$ 360
Revenue put option	Noncurrent - derivative assets, energy	-	-	60
Financial transmission right	Current - derivative assets, energy	-	819	29
Financial transmission right	Current - derivative liabilities, energy	(26)	-	-
Total derivatives not designated as hedging instruments under ASC 815		<u>(26)</u>	<u>819</u>	<u>449</u>
Total derivatives, net		<u>\$ 561</u>	<u>\$ 13,809</u>	<u>\$ (11,701)</u>

(ii) *Impact of Derivative Instruments on the Accompanying Condensed Interim Statements of*

Operations and Comprehensive Income

The following tables present the classification of the derivative instruments, which are designated as hedging instruments, on the accompanying condensed interim statements of operations and comprehensive income.

The impact of derivative instruments designated as cash flow hedging instruments for years ended March 31, 2025, December 31, 2024 and March 31, 2024 are the following:

At March 31, 2025					
	Amount of loss Recognized in OCI on Derivative (Effective Portion) <i>(in thousands)</i>	Location Gain Reclassified From OCI into Income (Effective Portion)	Amount of loss Reclassified From OCI into Income (Effective Portion) <i>(in thousands)</i>	Location of Gain Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain Recognized in Income on Derivative (Effective Portion) <i>(in thousands)</i>
Instruments					
Interest rate swaps	\$ 1,549	Interest expense, net	\$ 1,251	Interest expense, net	\$ -
Commodity swaps	\$ 10,391	Fuel and other	\$ -	Fuel and other	\$ -
	\$ 11,940		\$ 1,251		\$ -
At December 31, 2024					
	Amount of gain Recognized in OCI on Derivative (Effective Portion) <i>(in thousands)</i>	Location Gain Reclassified From OCI into Income (Effective Portion)	Amount of loss Reclassified From OCI into Income (Effective Portion) <i>(in thousands)</i>	Location of Gain Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain Recognized in Income on Derivative (Effective Portion) <i>(in thousands)</i>
Instruments					
Interest rate swaps	\$ (4,856)	Interest expense, net	\$ 8,566	Interest expense, net	\$ -
Commodity swaps	\$ (27,857)	Fuel and other	\$ 14,615	Fuel and other	\$ -
	\$ (32,714)		\$ 23,181		\$ -

At March 31, 2024					
	Amount of gain Recognized in OCI on Derivative (Effective Portion)	Location Gain Reclassified From OCI into Income (Effective Portion)	Amount of loss Reclassified From OCI into Income (Effective Portion)	Location of Gain Recognized in Income on Derivative (Ineffective Portion)	Amount of Gain Recognized in Income on Derivative (Effective Portion)
	(in thousands)		(in thousands)		(in thousands)
Instruments					
Interest rate swaps	\$ 1,821	Interest expense, net	\$ (3,984)	Interest expense, net	\$ -
Commodity swaps	\$ 230	Fuel and other	\$ (3,653)	Fuel and other	\$ -
	\$ 2,051		\$ (7,637)		\$ -

(6) Facility Contract Commitments

(a) Project Agreements with the Jackson Township and Other Local Agencies

(i) Host Community Benefits Agreement

The Company is party to the Host Community Benefits Agreement (HCBA), with the Jackson Township (Township) and the Community Foundation of Greater Johnstown (Foundation). Pursuant to the HCBA, the Company is to create a donor-advised fund to be held and administered by the Foundation and make annual payments beginning January 1 in the year following the Commercial Operations Date.

(ii) Water Supply Agreement

The Company executed an amended and restated agreement for the use of water with the Cambria SA (the Water Supply Agreement). The Water Supply Agreement provides that Cambria SA will deliver water to be used by the Facility. The Water Supply Agreement runs for an initial term of 20 years, ending on December 1, 2039, subject to certain termination and extension rights. To facilitate the delivery of water, the Company entered into a High Occupancy Permit and Agreement (HOPA) with Cambria SA and East Taylor Township. Under the HOPA, East Taylor Township granted the Cambria SA a perpetual permit to build, operate, maintain, repair, upgrade, replace, and remove the water pipelines to convey the water to the Company's water line. The Company is responsible for the cost of the work. Amortization totaled \$5.5 thousand for each of the three-month periods ended March 31, 2025 and 2024, which is included in Depreciation and

amortization on the accompanying condensed interim statements of operations and comprehensive income.

For the three-month periods ended March 31, 2025 and 2024, the Company incurred \$124.2 thousand and \$131 thousand, respectively, of water supply expenses, which are included in Operating expenses in the accompanying condensed interim statements of operations and comprehensive income. The Company owed Cambria SA \$0 thousand, \$0.0 thousand, and \$44 thousand as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively, which is included in Accounts payable and accrued expenses on the accompanying condensed interim balance sheets.

(iii) Reclaimed Water Supply Agreement

The Company executed an amended and restated agreement for the use of reclaimed water with the Cambria SA (the Reclaimed Water Supply Agreement). The Reclaimed Water Supply Agreement provides that the Company will deliver to Cambria SA reclaimed water generated by the Facility. The Reclaimed Water Supply Agreement runs for an initial term of 20 years, ending on December 1, 2039, subject to certain termination and extension rights. To facilitate the delivery of reclaimed water, the Company entered into a High Occupancy Permit and Agreement (HOP&A) with Cambria SA and Jackson Township. Under the HOP&A, Jackson Township granted Cambria SA a perpetual permit to build, operate, maintain, repair, upgrade, replace, and remove the water pipelines to convey the reclaimed water to the Company's pipeline. The Company was responsible for the cost of the work and there were no costs incurred under this agreement during the three-month periods ended March 31, 2025 and 2024.

(b) Gas Supply Agreement

The Company is party to a Base Contract for Sale and Purchase of Natural Gas (GSPA) with Shell Energy North America (US), L.P. (Shell), whereby Shell provides gas supply of up to 180,000 MMBtu/day at a price indexed to certain published market indices. The term of the GSPA commenced to accommodate the first fire of the Facility. The term of the GSPA extends to May 31, 2025. Pursuant to the GSPA, Shell is responsible for transporting natural gas to the designated delivery point. The Company incurred \$60.2 million and \$32.0 million under the GSPA for the three-month periods ended March 31, 2025 and 2024, respectively, which is classified as Fuel and other on the accompanying condensed interim statements of operations and comprehensive income. The Company owed Shell \$6.9 million, \$2.4 million and \$3.1 million as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, which is included in Accounts payable and accrued expenses on the accompanying condensed interim balance sheets.

(c) Operations and Maintenance Agreement

The Company is party to an operating and maintenance agreement (O&M Agreement) with NAES Corporation (NAES) to operate and maintain the Facility. The O&M Agreement has an initial term that extends approximately three years from the Facility's substantial completion date. The Company is required to pay NAES a fixed management fee escalated annually by a defined inflation index, an incentive bonus, and to reimburse NAES for labor costs, including payroll and taxes, subcontractor costs, and other costs deemed reimbursement under the O&M Agreement. The O&M Agreement includes a one-year renewal provision, which can be terminated by either party. During the three-month periods ended March 31, 2025, and 2024, the Company incurred \$1.9 million and \$1.5 million, respectively, under the O&M Agreement, which is classified as Operations and maintenance on the accompanying condensed interim statements of operations and comprehensive income. The Company owed NAES \$0.0 million, \$0.0 million, and \$0.2 million as of March 31, 2025, December 31,

2024, and March 31, 2024, respectively, which are included in Accounts payable and accrued expenses on the accompanying condensed interim balance sheets.

(d) Contractual Service Agreement

The Company is a party to a Contractual Service Agreement (CSA) with General Electric International, Inc. (GEI) to provide scheduled and unscheduled outage maintenance parts and services for the combustion turbines. The CSA commenced on December 27, 2016 (Contract Effective Date) and terminates the earlier of 25 years from the Contract Effective Date or when specific milestones based on use and wear are achieved. The Company incurs a fixed and variable fee escalated annually by inflation commencing upon the commercial operations date. During the three-month periods ended March 31, 2025 and 2024, the Company incurred \$2.4 million and \$1.3 million, respectively, which are classified as Operations and maintenance on the accompanying condensed interim statements of operations and comprehensive income. The Company owed GEI \$ 0.0 thousand, \$0.0 thousand, and \$0.0 million as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively, which are included in Accounts payable and accrued expenses on the accompanying condensed interim balance sheets.

(e) PJM Auctions

The Company participated in and cleared the PJM Interconnection LLC (PJM) Reliability Pricing Model (RPM) Base Residual Auction (BRA) as well as the associated Incremental Auctions for the 2022-2023, 2023-2024, 2024-2025 and 2025-2026 delivery years (DY). PJM delayed the Base Residual Auctions for all of these DY and only held the 3rd Incremental Auction for each of these DY. For the three-month periods ended March 31, 2025, and 2024, the Company recognized \$4.9 million and \$4.4 million, respectively, of revenue from capacity sales associated with the PJM capacity auctions which is recorded apart from the PJM RPM Auctions, the Company offers all of the electric energy output into PJM as required by rules for all capacity resources and select portions of ancillary services.

(f) Commitments

The contracts discussed above and in the note (7) resulted in the Company having various long-term, firm commitments, with the approximate quarterly contractual obligations as of March 31, 2025, as follows:

(in thousands)	12 months ended March 31, 2026	12 months ended March 31, 2027	12 months ended March 31, 2028	12 months ended March 31, 2029	12 months ended March 31, 2030	Thereafter
CSA	\$ 530	\$ 543	\$ 557	\$ 571	\$ 585	\$ 7,622
Asset Management Agreement	1,836	1,334	-	-	-	-
EMA	510	-	-	-	-	-
HCBA	563	574	586	598	609	18,913
Total contractual obligations	\$ 3,439	\$ 2,451	\$ 1,143	\$ 1,169	\$ 1,194	\$ 26,535

(7) Related-Party Agreements

(a) Asset Management Agreement

On October 1, 2022, the Company entered into an Asset Management Agreement (AMA) with Osaka Gas Asset Management, LLC (OGAM), whereby OGAM provides asset management services. The AMA includes a fixed fee escalated annually by a defined inflation index, an incentive fee and the reimbursement expenses. The agreement has an initial term of four years, which will end on December 9, 2026. The AMA has a renewal term of an additional one year. For the three-month periods ended March 31, 2025 and 2024, the Company incurred \$0.7 million and \$0.4 million, respectively, which are

included in General and administrative on the accompanying condensed interim statements of operations and comprehensive income. There is \$0.2 million outstanding as of March 31, 2025 and there are no outstanding invoice payables to OGAM as of December 31, 2024 and March 31, 2024.

(b) Energy Management Agreement

The Company is party to an Energy Management Agreement (EMA) with CPV Energy and Marketing Services, LLC (CEMS), to provide certain services related to the sale of merchant energy, capacity and ancillary services. The EMA will remain in effect through December 31, 2025. The EMA includes a five-year renewal provision, which can be executed by the Company in its sole discretion up to two times. The EMA includes a fixed monthly fee plus reimbursement of expenses during the term of the agreement. The EMA also provides reimbursement to CEMS for services provided by third parties on behalf of the Company. For the three-month periods ended March 31, 2025 and 2024, the Company incurred \$168.0 thousand and \$0 thousand, respectively, which is classified as General and administrative on the accompanying condensed interim statement of operations and comprehensive income. There are no outstanding payables to CEMS as of March 31, 2025, December 31, 2024, and March 31, 2024, respectively.

(8) Contingencies

The Company from time to time is party to certain claims arising in the ordinary course of business. The Company is of the opinion that the final disposition of these claims will not have a material adverse effect on the Company's financial position, results of operations, or cash flows.

(9) Subsequent Events

The Company has evaluated events and transactions that occurred between March 31, 2025, and June 13, 2025, which is the date the condensed interim financial statements were available to be issued for possible disclosure and recognition in the condensed interim financial statements.

There were no subsequent events identified that necessitated disclosure in and/or adjustment to the Company's condensed interim financial statements for the period ended March 31, 2025.