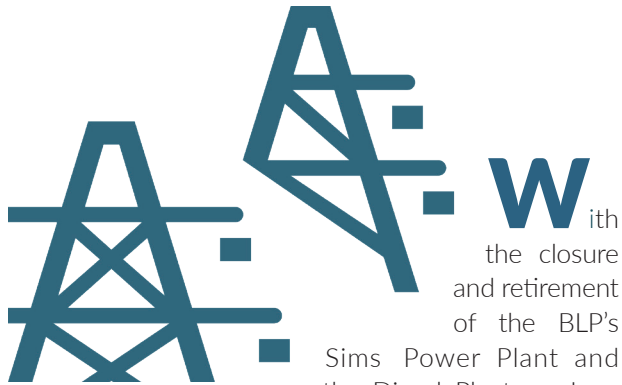


BLP to Improve Grid Transmission Service on June 1, 2020



With the closure and retirement of the BLP's Sims Power Plant and the Diesel Plant on June 1, 2020, many customers are asking where the system's needed power will come from, and if these new sources will be as reliable as that demonstrated historically.

The BLP has been preparing for this transition over the last three years with the rebuild of major portions of its distribution system, more specifically the higher voltage power lines that connect our distribution substations to each other and the regional transmission grid. However; these local improvements, costing approximately \$6 million, are most beneficial and cost effective when coupled with a higher level of transmission service provided by the regional grid.

Throughout the BLP's history, it has generated locally most of the power it has sold. As such, the BLP only used its interconnections with the regional transmission network to supplement its owned and operated generation; therefore, the BLP wasn't as dependent as others on the State's high voltage transmission lines. The BLP also did not pay for, or receive, the higher level transmission service. In other words, the back-up transmission service the BLP purchased was not as reliable as it could have been because the BLP chose not to pay for a service level it would not be fully utilizing. The level of service the BLP purchased instead is called "point-to-point" transmission service, which was available to the BLP

on an as needed or "interruptible" basis. This type of service has been available when the BLP has needed it in the past, but the regional grid operator has not committed to doing anything to ensure its future availability under the "point-to-point" tariff. Under these past circumstances, the BLP's supply of power was only as reliable as its local generating resources with an "interruptible" back-up supply from the grid.

The BLP filed and has now received conditional approval for "Network Integrated Transmission Service", or NITS, from the regional transmission system operator to begin June 1, 2020 (the date Sims and the Diesel Plant are to retire).

NITS provides the BLP access to networked and integrated resources of the regional transmission system equal to all other NITS users.

The idea here is that a "network of resources," operated in an optimized integrated fashion, should always provide a more cost effective and reliable power supply to all NITS users than any single utility could ever do on its own. Since 2002, the regional transmission grid has been operated by an "independent" system operator ensuring no one utility receives preferential treatment in the dispatch of their generating resources or preferential access to the network of their loads under NITS.

The result of our newly constructed system improvements in combination with gaining NITS from the regional grid will provide the BLP new opportunities for access to a more reliable, sustainable, less costly, and diversified power supply portfolio, reaching a goal the BLP set in its strategic plan developed in 2016.