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WATER RESOURCES
WESTERN REGION

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Attorneys for the applicant, Cat Creek Energy, LLC

STATE OF IDAHO

DEPARTMENT OF WATER RESOURCES

IN THE MATTER OF APPLICATIONS
FOR PERMIT NOS. 63-34403 AND 63-
34652 IN THE NAME OF CAT CREEK
ENERGY, LLC

**DECLARATION OF
LAWRENCE LEIB**

Lawrence R. Leib, P.E., declares as follows:

1. I am a resident of the state of Texas. I am currently self-employed and my principle business address is 1223 Heathwood Dr. Houston, TX 77077. I am now and have been continuously since 1979 a licensed Professional Engineer in the state of Texas (License no. 44991) in good standing.
2. I have 20 years of experience employed by firms providing engineering, procurement, and construction (EPC) services for electricity generating facilities. In this capacity I was responsible for overall project design, negotiation and demonstration of performance guarantees, and compliance with regulatory permits.
3. Subsequently, I have over 25 years of experience employed by or as a consultant to independent electricity generating development companies. In this capacity I have provided advice and management in project design and development, acquisition of regulatory approvals, selection of major equipment, negotiation of EPC agreements, preparation of transmission interconnection agreements, development of project economic analyses, negotiation of power purchase agreements (PPA), and technical support towards placement of project equity and debt, both public and private.
4. Over the last 45 years I have been involved in the development and construction of approximately two dozen electricity generating facilities, both domestically and internationally, including cogeneration facilities (natural gas fired gas turbines generating power for sale and

power and steam for internal consumption), combined cycle facilities (natural gas and oil fired gas turbines generating power for sale), simple cycle facilities (natural gas fired gas turbine without steam recovery), wind turbine facilities and hydropower facilities.

5. All of the projects to which I have provided services have been project financed, which means the equity and debt have been raised based on the economic viability of the project without recourse to a parent company balance sheet. In other words, the repayment of debt and return to equity is not guaranteed by a parent company but rather is based on confidence in the net revenue earned by the project. Economic viability is determined by the strength of the EPC agreement (definition of scope; guarantees of cost, schedule, and performance; and compliance with law), confidence in the availability of the resource used to produce the energy (hydrocarbon, wind, solar, hydro), certainty of product export logistics (transmission agreement), and PPAs with utilities or consumers.

6. All of the projects to which I have provided services were financed from a combination of equity purchase agreements with independent investors and debt (construction and permanent) placed with commercial banks. Federal finance programs (Environmental Protection Agency, Department of Energy, Export-Import Bank of the United States) have also supported debt for several of the projects. In addition, many of the projects qualified for federal income tax initiatives (production tax credits, accelerated depreciation allowance, renewable energy tax credit) designed to promote technology advancement in a manner attractive to equity investors.

7. I have provided consulting services to the Cat Creek Energy, LLC ("Cat Creek") solar, wind, and hydropower renewable energy project (the "Project") managed by James Carkulis since 2017. For the Project I have performed wind and hydro performance assessments, assisted in preparation of electric interconnection requests and study reviews, coordinated electrical system design with the electrical contractor, prepared initial EPC agreement and OEM (original equipment manufacturer) term sheets, developed an integrated performance model for tri-brid (wind, solar, pumped storage hydro) operations and draft PPA compliance, and prepared the project proforma in coordination with James Carkulis.

8. The market for independent power generation projects is highly competitive. Given the competitiveness of the market, the financial information upon which the Cat Creek Project and other independent power generation projects are developed, and upon which PPAs are negotiated, is highly confidential. The disclosure of financial cost details of the Cat Creek Project would provide competitors with economic value and advantage in developing competitive bids, severely prejudicing and threatening viability of the Project.

9. The approximate total cost to construct the Project is \$2 billion including the solar, wind, and hydro power and storage components. Based on my 45 years of experience with development of similar projects, Cat Creek is well positioned to secure sufficient financing to complete the Project because a) its design makes it possible to meet the requirements of the electricity marketplace and serve the needs of the water associations, b) it uses proven technology acceptable to EPC contractors offering fixed price, performance and schedule guarantees, c) it is eligible for federal programs supporting renewable resources, and d) the project economics are within the range normally acceptable to private equity and commercial debt.

DATED this 15th day of May, 2020.

I declare under penalty of perjury pursuant to the law of the State of Idaho that the foregoing is true and correct.

By: Lawrence Leib
LAWRENCE LEIB

CERTIFICATE OF MAILING

I certify that on this 15th day of May, 2020, the foregoing document was served on the following persons in the manner indicated.



Signature of person mailing form

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MAY 18 2020

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WESTERN REGION

May 15, 2020

Idaho Department of Water Resources
Western Region
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Re: Application for Permit Nos. 63-34403 and 63-34652

To whom it may concern:

Enclosed please find for filing the original of *Applicant's Response to Motion Re Rule 40.05 Information, Declaration of James Carkulis, and Declaration of Larry Leib.*

Thank you for your assistance. if you have any questions, please feel free to contact us.

Sincerely,

A handwritten signature in black ink, appearing to be 'T. J. Budge', with a stylized, flowing script.

T. J. BUDGE