



Pend Oreille County Public Utility District

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Pend Oreille PUD Executes Power Contract with Cascade Digital Mining, LLC

Newport, Washington – Public Utility District No. 1 of Pend Oreille County (the “PUD”) and Cascade Digital Mining, LLC (“Cascade”) have executed a contract for power deliveries to the Usk site formerly owned by Ponderay Newsprint Company (“PNC”). The power contract allows Cascade to purchase up to 100 megawatts (MW) of energy for its cryptocurrency mining operations. The Usk site was purchased in mid-2021 by Ponderay Real Estate, LLC, a subsidiary of Allrise Capital Inc., as part of the PNC Chapter 7 bankruptcy auction.

The power contract requires Cascade to purchase a designated amount of power from the PUD’s existing resources, and allows Cascade to make monthly elections for market power purchased through the PUD at market prices. Cascade is required to prepay for all of its power, and has take-or-pay obligations for certain service delivery fees to the PUD and the PUD’s wholesale provider, Shell Energy North America (US), L.P. (“Shell Energy”). The short-term contract commences September 1, 2022, and runs through September 30, 2023. For comparison, Cascade’s proposed load of 100 MW is more than three times the size of the PUD’s average general service load.

As required by the contract, Cascade provided a guaranty from Allrise and a confirmed letter of credit as security for the transaction. The PUD also executed a wholesale power agreement with Shell Energy to provide a substantial amount of Cascade’s anticipated market power purchases.

“This transaction is the culmination of more than a year’s worth of work by the dedicated PUD team, and represents a positive step forward for everyone involved,” said PUD General Manager Colin Willenbrock. “The agreement, and its attendant protections, honors the foundational principle that the PUD’s general service customers will not be harmed by Cascade’s operations or default.”

All costs associated with preparing for this transaction were charged to the customer under a separate cost reimbursement agreement.

About Pend Oreille County Public Utility District

Public Utility District No. 1 of Pend Oreille County was established in 1936 and began operations in 1948. The PUD is governed by three locally elected Commissioners. A General Manager and staff operate the utility within policies set by the Board of Commissioners. The PUD has four operating systems: The electric system distributes electricity to the county, the production system produces power from the Box Canyon Hydroelectric Project, the water system consists of nine individual water distribution subdivisions, and the community network system provides wholesale broadband communication services. For more information visit: <http://popud.org>.

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