

GEYSERS POWER COMPANY LLC GREEN LOAN 2022

DNV PRE ISSUANCE VERIFICATION ASSURANCE OPINION

Scope and Objectives

Geysers Power Company LLC (“GPC” or “Borrower”) is considering the refinancing of a loan in USD (henceforth referred to as “LOAN”) and has submitted the proposed Loan for verification and certification against the Climate Bonds Standard (CBS). DNV notes that the requirements of the CBS meet and exceed the guidance set out in the Loan Market Association’s Green Loan Principles 2021.

GPC intends to use the proceeds of the LOAN to refinance a nominated project falling under the following category:

- Renewable Energy – Geothermal

DNV Business Assurance USA, Inc (henceforth referred to as “DNV”) has been commissioned by GPC to provide verification of the LOAN as an independent and approved verifier under the Climate Bonds Standard. Our criteria and information covered to achieve this is described under ‘Work Undertaken’ below.

No assurance is provided regarding the financial performance of the LOAN, the value of any investments in the LOANS, or the long-term environmental benefits of the transaction. Our objective has been to provide an assessment that the LOAN has met the criteria of the Climate Bonds Standard and the associated Technical Criteria.

The scope of this DNV opinion is limited to:

- the Climate Bonds Standard Version 3 and the following associated Sector Technical Criteria:
 - Geothermal Energy

Responsibilities of the Management of GPC and DNV

The management of GPC has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform GPC management and other interested stakeholders in the LOAN as to whether the established criteria have been met, based on the information provided to us. In our work we have relied on the information and the facts presented to us by GPC.

DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect. Thus, DNV shall not be held liable if any of the information or data provided by GPC’s management and used as a basis for this assessment were not correct or complete.

Basis of DNV's opinion

DNV has conducted the verification against the CBS v3.0 and associated Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS v3 and the Geothermal Energy Technical Criteria. The detail of areas covered in the DNV verification is summarised in Schedule 2 below.

Work undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by GPC in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation and execution of a Climate Bonds Standard Protocol, adapted to include the relevant Sector Technical Criteria for the LOAN nominated projects and assets, as described above and in Schedule 2 to this Opinion;
 - Assessment of documentary evidence provided by GPC on the LOAN and supplemented by a high-level desktop research, onsite visit for documentation review and interviews with key personnel from the Borrower GPC. These checks refer to current assessment best practices and standards methodology;
 - Discussions with GPC management, and review of relevant documentation;
 - Inspection of a sample of nominated project sites;
 - Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.
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Findings and DNV's opinion

DNV has performed the Pre-Issuance Verification of the GPC Green Loan. It is DNV's responsibility to provide an independent verification statement on the compliance of the GPC Green Loan with the Climate Bonds Standard and alignment with the Loan Market Association Green Loan Principles 2021.

DNV conducted the verification in accordance with the Climate Bonds Standard Version 3.0 and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Climate Bonds Standard were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conforming to the Climate Bonds Standard and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the GPC Green Loan meets the requirements of the Climate Bonds Standard.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the GPC Green Loan is not, in all material respects, in accordance with the Pre-Issuance requirements of the Climate Bonds Standard Version 3.0 and associated Geothermal Energy Technical Criteria. DNV also confirms that the GPC Green Loan is aligned with the Green Loan Principles 2021.

for DNV Business Assurance USA, Inc.

Oakland, 20 May 2022



Natasha D'Silva
Lead Verifier
DNV Business Assurance



Mark Robinson
Reviewer
DNV Business Assurance

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS

Eligible Projects & Assets Category	Sub category	Projects	Loan Facility (USDbn)
Renewable Energy	Geothermal	The Geysers Geothermal Project	1.771
Total			1.771

SCHEDULE 2: CLIMATE BONDS STANDARD VERIFICATION CRITERIA

Summary criteria for assertions of compliance with the Climate Bonds Standard v3.0

The criteria against which GPC and its nominated projects and assets have been reviewed prior to inclusion in the Loan are grouped under the requirements as detailed within the Climate Bonds Standard Version 3.0 including:

Part A: Pre-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Loan and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Borrower
Reporting Prior to Issuance	The Borrower shall prepare a Green Loan Framework and make it available prior to Issuance or at the time of Issuance
Reporting	Reporting on use of proceeds and nominated projects and assets

Part B: Post-Issuance Requirements

Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Loan and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated Projects & Assets
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer
Reporting	Reporting on use of proceeds and nominated projects and assets

Part C: Eligible projects and physical assets

Nominated projects and assets include financing of or investments in equipment and systems which enable the mitigation of greenhouse gasses, as detailed in Appendix B.

Area	Requirement
Geothermal Energy	Criterion 1: Emissions threshold Criterion 2: Emissions mitigation technology and/or plant design Criteria 3 & 4: Environmental, health, safety and social criteria

Part D: Certification under the Climate Bonds Standard

Area	Requirement
Pre-Issuance Certification	The Borrower of a Climate Bonds Standard Certified Loan must satisfy the Pre-Issuance Certification requirements including the completion of all forms, Pre-Issuance Verification by an approved verifier and provision of relevant information
Post Issuance Certification	The Borrower of a Climate Bonds Standard Certified Loan must satisfy the Post-Issuance Certification requirements including the completion of all forms, Post-Issuance Verification by an approved verifier and provision of relevant information
Maintaining Certification	The Borrower shall provide annual reporting to the CBI and comply with non-conformance correction as required