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Houston, Texas 77070
Toll-Free: (866) 301-GEXA (4392)
www.GexaEnergy.com

10/21/2021

USPS Overnight

INTERNATIONAL PAPER COMPANY
Attention: Danielle Judd
PO Box 182682
Columbus OH 43218-2681

NOTICE OF PROCESS TO OPT OUT OF SECURITIZATION UPLIFT

**PROCEEDS AND CHARGES – ACTION REQUIRED BY NOVEMBER 26, 2021
IN ORDER TO OPT OUT**

Dear Danielle Judd,

Gexa Energy is dedicated to keeping our customers informed of matters that will impact your business. We are sending this letter to notify you of your ability, as a transmission-voltage customer, to exercise a one-time election to opt-out of securitization credits and charges by filing the attached Opt Out Notice and supporting documentation in PUCT Docket No. 52364. This notice is being provided pursuant to an Order of the Public Utility Commission of Texas (“PUCT”) in Docket No. 52322,¹ as part of its implementation of House Bill 4492² from the 87th Regular Texas Legislative Session.

As you may be aware, costs in the wholesale electricity market significantly increased during Winter Storm Uri, and certain entities and customers were assessed and/or paid reliability deployment price adder charges and ancillary service costs in excess of the PUCT’s system-wide offer cap (herein after “certain charges”).

The Texas Legislature recently passed House Bill 4492, establishing a new Subchapter N in the Public Utility Regulatory Act (“PURA”),³ which provides a mechanism for financing an “uplift balance”⁴ not to exceed \$2.1 billion, associated with certain charges incurred during the period of emergency of February 12, 2021 through February 20, 2021 (“period of emergency”).⁵ Under this bill, certain charges assessed during that period to load-serving entities (“LSE”) in the electric market (such as retail electric providers (“REPs”)) will be financed, and the proceeds of the financing will be paid to those LSEs who were exposed to the costs. The overall financed costs will be repaid over a period not to exceed 30 years, through “uplift charges”⁶ assessed to LSEs, which LSEs may recover from their

¹ Application of the Electric Reliability Council of Texas, Inc. for a Debt Obligation Order to Finance Uplift Balances Under PURA Chapter 39, Subchapter N, For an Order Initiating a Parallel Docket, and for a Good Cause Exception, Docket No. 52322.

² The text of this bill can be viewed at: <https://capitol.texas.gov/>, using the “Search Legislation” function.

³ Public Utility Regulatory Act, Tex. Util. Code §§ 11.001-66.016.

⁴ “Uplift balance” is defined in PURA § 39.652(4).

⁵ The legislature found that financing the uplift balance would allow wholesale market participants who were assessed extraordinary uplift charges due to consumption during the period of emergency to pay those charges over a longer period of time, alleviate liquidity issues, and reduce the risk of additional defaults in the wholesale market.

⁶ “Uplift charges” is defined in PURA § 39.652(5).

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customers. The total amount of these charges will depend upon the number of entities who opt out of participating in the securitization.

The Legislature provided for a one-time ability to Opt Out for REP customers whose premises are served at transmission voltage. These REP customers can opt out of paying the uplift charges by paying in full all invoices owed for usage during the period of emergency. If you elect this one time opt out right, for those of your premises served at transmission voltage, you will not receive any of the proceeds from the uplift financing if you are otherwise eligible, and will not be required to pay uplift charges from the securitization under PURA Subchapter N. In other words, if you opt out, you will not receive any refund or credit from your REP for charges you may have paid during the period of emergency for reliability deployment price adder charges and ancillary service costs in excess of the PUCT's system wide offer cap.

Set forth below is the required disclosure from the PUCT regarding whether you are eligible to opt out and the required process to follow to opt out:

Eligibility and Action Required to Opt Out.

You are eligible to opt out if:

- (a) all invoices owed for electricity usage during the period of emergency have been paid in full;
- (b) you file the attached Opt Out Notice and supporting documentation in PUCT Docket No. 52364 on or before the date below; and
- (c) you notify Gexa Energy in writing at the email listed below that you are exercising your right to opt out.

Instructions on the PUCT's e-filing process are available here:
<http://www.puc.texas.gov/industry/filings/E-FilingInstructions.pdf>

Instructions on filing confidential information, such as ESI IDs and the REP of record, is available here: <http://www.puc.texas.gov/industry/filings/Confidential.aspx>

Please note that it is essential that all of the steps of the opt out process described above be completed by November 26, 2021. By law, this opt out option is only available one time.

If you decide to opt out, financing documentation to be filed with the PUCT will be adjusted to reflect this decision.

Gexa Energy has enclosed with this letter the form to provide to the PUCT and two lists for you: (a) Addendum A-1, the List of Gexa Account Numbers, and (b) Addendum A-2, the list of ESI IDs. Please contact Bryan York, your Gexa ERCOT Sales Director, at bryan.york@gexaenergy.com or 214-548-7330 if you have any questions. We appreciate your business and thank you for choosing us for your retail electric supply needs.

Sincerely,

Gexa Energy

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TRANSMISSION-VOLTAGE CUSTOMER OPT OUT NOTICE FORM

By [Customer Name] filing this form in PUCT Docket No. 52364, [Customer Name] exercises its right to opt out of securitization uplift charges under PURA § 39.653(d) for the following account numbers and ESI IDs.

Account Numbers associated with transmission-voltage service for which the opt out is being exercised.

[Include list here, or provide as attachment. This information should be filed by the customer as confidential at the PUCT and redacted in the public filing.]

Transmission-voltage level ESI IDs associated with the opt out.

[Include list here, or provide as attachment. This information should be filed by the customer as confidential at the PUCT and redacted in the public filing.]

Current REP of Record, and if different, REP of Record during the period of emergency for each ESI-ID listed above.

[Include list here, or provide as attachment. This information should be provided as confidential at the PUCT and redacted in the public filing.]

Notice of and Request for Opt Out

By signing below, Leslie Garvin [Name of Signatory] affirms International Paper [Customer name] has paid in full all invoices owed to the REP or REPs listed above for usage at the ESI IDs listed above during the period February 12, 2021 through February 20, 2021 (the period of emergency). Leslie Garvin [Name of Signatory] also affirms that a final copy of this opt out request and supporting documentation will be provided to the REP or REPs listed above concurrently with this filing. International Paper [Customer name], as a transmission voltage customer, hereby exercises its right under PURA § 39.653(d) to opt out of uplift charges. It is understood that for the above listed ESI ID(s), International Paper [customer name] will not receive any proceeds from the uplift financing under PURA Subchapter N and will not pay uplift charges for same.

This Opt Out Request is effective if signed by an executive officer with authority to act on behalf of the Customer, the current REP of Record, and if different, the REP of Record during period of emergency and filed by the customer in PUCT Docket No. 52364. The REP of Record during the period of emergency will only sign below if the customer is eligible as a transmission-voltage customer who has paid in full all invoices owed for usage during the period of emergency pursuant to PURA 39.653(d). If the Customer is unable to obtain signatures from its current REP or the REP that provided service during the period of emergency, Customer may opt out by submitting internal documentation that it has paid all usage charges for the relevant ESI IDs during the period of emergency, along with a sworn affidavit from the executive officer who signed the Opt Out Request on behalf of the Customer.

[Signatures on following page.]

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TRANSMISSION-VOLTAGE CUSTOMER OPT OUT NOTICE FORM (cont'd)

International Paper [Customer Entity Name]

By: Leslie Garvin
Name: Leslie Garvin
Title: Sr. Energy Buyer
Date: 11/23/2021

_____ [REP of Record]

By: _____
Name: _____
Title: _____
Date: _____

_____ [REP of Record During Period of Emergency]

By: _____
Name: _____
Title: _____
Date: _____

X if inapplicable

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**Addendum A-1
CONFIDENTIAL**

Customer Name: Danielle Judd

Account Number (Service Number)
2331006

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**Addendum A-2
CONFIDENTIAL**

Customer Name: Danielle Judd

ESI IDs
10443720006424416