HEBER 2 GEOTHERMAL PROJECT

26 MW Repowered Binary Geothermal Facility – Heber, California

Purpose

Ormat Nevada, Inc. is soliciting competitively priced bids for the purchase of capacity and energy generation from the repowered 26 MW Heber 2 Geothermal Project, located in Heber, California. This utility scale geothermal project, which will be sold under the special purpose entity OrHeber 2, LLC., is a PCC1 REC eligible facility with a 95% capacity factor. Buyer will receive all available environmental attributes and capacity rights associated with the generating facility and energy output as a bundled product.

Bids are due August 20, 2021 at 5:00 PM (PST). Bid submission guidelines can be found further in this document.

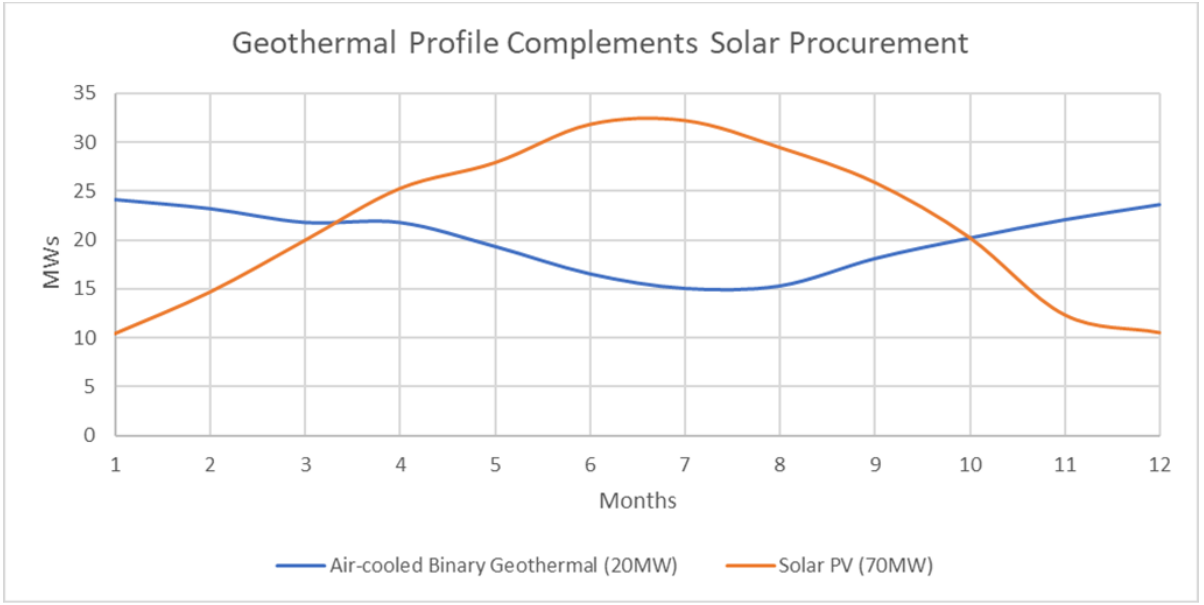
Company Background

With over five decades of experience, Ormat Technologies, Inc. ("Ormat") is a leading geothermal company and the only vertically integrated company engaged in geothermal and recovered energy generation. Ormat owns, operates, designs, manufactures and sells geothermal power plants primarily based on the Ormat Energy Converter – a power generation unit that converts low-, medium- and high-temperature heat into electricity.

Ormat has engineered, manufactured and constructed power plants totaling over 3,200 MW of gross capacity. Ormat currently owns a generating portfolio of 947 MW (net), spread globally. In the United States 520 MW of that capacity is located in Nevada and California. With over 72 U.S. patents, Ormat's power solutions have been refined and perfected under the most demanding environmental conditions.

Value of Geothermal in the Western Region

Binary geothermal is a form of renewable, baseload energy that produces zero on-site emissions and complements various intermittent forms of energy such as photovoltaic solar resources by supplying energy 24 hours a day, including during non-solar generating hours. The generation profile below illustrates geothermal's complementary nature and the extraordinary reliability value of having geothermal projects in any load serving entity's portfolio of energy resources:



As of June 2021, the California Public Utilities Commission is requiring LSEs to procure 11,500 MW of new clean electricity by 2026 to enhance the state's grid reliability and reach aggressive climate goals. Of this procurement target, 1,000 MW must deliver firm power with an 80% capacity factor, produce zero on-site emissions, and be weather independent. No form of renewable energy generation is more poised to fill this need than geothermal. With a 95% capacity factor and firm, flexible generation independent of weather fluctuations, geothermal energy is not only an excellent complement to intermittent solar and wind resources, but the natural replacement for baseload fossil fuels and nuclear generation.

In addition to historically large increases in renewable procurement in California, Nevada also saw strides in their 2021 legislative session, creating a more hospitable environment for renewable generation.

GENERAL OVERVIEW OF THE PROJECT

The 26 MW Heber 2 geothermal project is a water-cooled, binary geothermal facility located in Imperial Valley, California. This facility has been in operation since 1993 and is currently undergoing a repower, with a commercial online date of January 1, 2023. The repowering of the existing facility will include complete replacement of the Ormat Energy Converter (OEC) units, increasing capacity from 12 MW to 26 MW at the same physical plant footprint. These gains in efficiency are owed to the I3LU configuration of the replacement OEC units. Heber 2 has existing on-site interconnection within the Imperial Irrigation District's 92 kV system and has firm transmission service rights to deliver at the CAISO intertie of Mirage 230 kV. This is an operating facility with complete site control and existing interconnection located in one of the most disadvantaged areas of California. Geothermal projects in certified disadvantaged areas not only improve air quality but provide full-time employment opportunities and represent millions of dollars in investment to the community.

Capacity info	26 MW Project, 95% Capacity Factor Annual Energy Delivery: ~216,000 MWh (year 1) Annual degradation: 0.05%
Location	Heber, California – 32.714446 N, 115.53566 W
Grid connection	Existing LGIA with distribution connection to IID system at Heber Imperial Substation, 92 kV.
Site control	100% site control; existing facility located on land privately owned by Ormat.
Permitting info/status	Existing facility has acquired all required major permits. Project has completed a Phase 1 Environmental Site Assessment and has primary local land use permits.
COD	2023
Project ownership and financing	Heber 2 is owned and controlled by OrHeber 2, LLC, a subsidiary of Ormat Nevada, Inc. The project is self-financed. Ormat's strong financial position enables the company to carry the project from existing internal resources.

Heber 2 Location

BIDDER INFORMATION

I. KEY EVENTS AND DATES

Activity	Scheduled Date
Issuance of Request for Bids (RFB)	July 20, 2021
Deadline to submit questions	August 6, 2021
Responses to questions provided	August 13, 2021
Deadline to submit proposals	August 20, 2021 – 5:00 PM (PST)
Bid clarification contact period (tentative)	August 23 – August 27, 2021
Notification of short-listed buyers (tentative)	September 10, 2021

II. CONTACT INFORMATION

Any communications regarding this RFB should be directed to Alora Bartosz at abartosz@ormat.com.
Questions are due Friday, August 6, 2021 at 5:00 PM PST. Responses to questions will be provided by August 13, 2021 at 5:00 PM PST.

III. BID SUBMISSION

Under the current schedule, **Bidders must submit a completed Proposal Package by 5:00 p.m. PST on August 20, 2021.** Offers must include the required documents described below.

The completed Bid Package to be submitted by the Bidder will include the completed Offer Form (Attachment A). Bidder will bear the risk of any failure to submit the completed Proposal Package by the required deadline as required by this RFB. Proposals for which Bidder does not submit all agreements, information, and material as required by this RFB may be considered non-conforming and eliminated from consideration.

Only electronic submittals will be accepted via e-mail sent to:

ABartosz@Ormat.com and info@ormat.com

Please include "Heber 2 Geothermal RFB Offer from [Company Name]" in the subject line. Complete bids will include Attachment A completed in full.

IV. PREFERENCES

- Preference will be given to bidders who:
  - Will allow for solar power for auxiliary load service, increasing the geothermal output.
  - Are flexible on the COD.
  - Offer pricing at P-node or the Mirage 230 kV substation.
  - Enable Ormat to post a surety for the Development and Operating securities.
  - Are willing to lower the risk of liquidated damages for delays on achieving development period minimums.