



October 5, 2021

To Whom It May Concern:

Re: Letter of Intent – Insurance to Meet Financial Responsibility Requirements for Class VI UIC Permit Application

In support of San Joaquin Renewable's first facility in California and its Class VI Permit application for the Underground Injection Control program, I am pleased to share this Letter of Intent to provide an insurance solution that satisfies US EPA's Financial Responsibility obligation.

Founded in 2010, New Energy Risk is a leading provider of bespoke insurance solutions that support frontier technology project financing. Our clients have unlocked over \$2.5B of capital expenditure with the backing of nearly \$1.5B of insurance capacity provided by our partners including the world's largest insurers and reinsurers.

New Energy Risk has developed a suite of insurance solutions to address the unique challenges and regulatory demands of carbon capture projects paired with geologic sequestration. The 2021 finalization of tax regulations by the Department of Treasury has increased the commercial impact of our insurance solutions, particularly for projects seeking permitting like San Joaquin Renewables.

Financial Responsibility is long lived and therefore challenging from an insurance perspective. New Energy Risk approaches Financial Responsibility with long-tenor/lifecycle-spanning insurance solutions that are predictable and without risk of cancellation for non-payment, which provides certainty to the regulator. By combining our technical risk assessment capabilities with our affiliate's balance sheet, we are best positioned to meet the Financial Responsibility obligation that will enable carbon capture and geologic storage projects.

New Energy Risk affiliate AXA XL, a \$1.4 trillion and S&P AA- rated multi-national, is experienced in taking multi-decadal or multi-generational risks. AXA XL is a leading provider of whole life insurance, a long-lived insurance obligation often running 60+ years, and has previously underwritten long-term environmental obligations (e.g. for surface mining). AXA XL's high credit rating provides confidence to the regulator against insurer solvency concerns.

Indicated by this Letter of Intent, New Energy Risk will continue to develop a long-tenor insurance

New Energy Risk

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solution that meets the Financial Responsibility obligations of the UIC program. We will underwrite this insurance solution using the data that San Joaquin Renewables has provided US EPA for its Class VI permit application. We will iterate with US EPA legal staff as we develop policy wording that may be replicable to other projects seeking permit applications.

While we cannot guarantee insurance provision, and any offers of coverage are dependent on customary underwriting and approvals, we believe that we will be able to support this endeavor and look forward to working together collaboratively. Please contact me should you have any questions.

Yours truly,


Matt Lucas, PhD

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