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April 11, 2024

Ms. Brinda Westbrook-Sedgwick  
Commission Secretary  
Public Service Commission  
of the District of Columbia  
1325 G Street N.W., Suite 800  
Washington, DC 20005

**Re: Formal Case No. 1017**

Dear Ms. Westbrook-Sedgwick:

On April 1, 2024, the Public Service Commission of the District of Columbia (Commission) issued Order No. 21977 (Order). The Order, in pertinent part, reviewed Potomac Electric Power Company's (Pepco) draft Request for Proposals (RFP) and Power Purchase Agreement (PPA) related to procurement of renewable energy. The Order also directed Pepco to file a modified RFP and PPA as directed in the Order.

Attached are clean and redlined versions of the RFP and PPA. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

*/s/ Dennis P. Jamouneau*  
Dennis P. Jamouneau

cc: All Parties of Record

**2024 Solicitation for Existing, Repowered, or New  
Photovoltaic Solar and Wind Power Supply  
Generation**

**POTOMAC ELECTRIC POWER COMPANY**

**ISSUE DATE: ~~January 16~~April \_\_, 2024**

## POTOMAC ELECTRIC POWER COMPANY

### 2024 Solicitation for Existing, Repowered, or New Photovoltaic Solar and Wind Power Supply Generation

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# POTOMAC ELECTRIC POWER COMPANY

## 2024 Solicitation for Existing, Repowered, or New Photovoltaic Solar and Wind Power Supply Generation

### 1. INTRODUCTION

Through the issuance of this Request for Proposal (“RFP”), Potomac Electric Power Company (“Pepco”)<sup>1</sup> is soliciting proposals (each, a “Proposal”) for long-term renewable energy and associated environmental attributes from photovoltaic solar and/or wind utility-scale power generating facilities (each, a “Facility”) located within the PJM Interconnection, LLC (“PJM”) region.<sup>2</sup> A Facility may be paired with an energy storage system, as specified in Section 4.3. Environmental attributes (“Environmental Attributes”) include Renewable Energy Credits (“RECs”) and any and all other federal, regional, state and other credits, certificates, benefits, emission reductions, offsets and allowances that are attributable, now or in the future, to the Facility or the energy produced by the Facility. This RFP is directed by, and issued in accordance with, Order No. 19897, dated April 12, 2019, Order No. 20327, dated April 9, 2020, and Order No. 21918, dated October 26, 2023, in Formal Case No. 1017 by the Public Service Commission of the District of Columbia (“Commission”).

Proposals from bidders (each, a “Bidder”) will be evaluated based on the factors outlined in this RFP.

### 2. SCHEDULE

The overall schedule for this RFP is set forth below. All dates subsequent to the Proposal due date are estimated.

EVENT	DATE/DEADLINE
Issuance of RFP by Pepco for Wind and/or Solar Generating Facility, with optional storage.	<del>February 20</del> <u>April 26</u> , 2024
Notice of Intent to Bid Due	<del>March 5</del> <u>May 10</u> , 2024
Complete Proposals Due	<del>March 19</del> <u>May 24</u> , 2024
Bidder Short-List Notification and Commencement of Negotiations	<del>April 2</del> <u>June 7</u> , 2024
Expected Contract Execution and Submittal to Commission for Approval	Q3 2024
Commission Approval	Q4 2024

<sup>1</sup> Pepco, a subsidiary of Exelon Corporation, is a regulated electric distribution utility company operating in the District of Columbia and Maryland.

<sup>2</sup> As defined in the Commission’s regulations, PJM Interconnection region is the area in which the movement of wholesale electricity is coordinated by the PJM Interconnection, L.L.C. This area includes all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia.

~~All dates are illustrative and will be finalized here and throughout the RFP after Commission approval.~~

### 3. SCHEDULE OVERVIEW

#### 3.1 Notice of Intent to Bid

The RFP, the draft Pro Forma Final Agreement (the “**Final Agreement**”), and other related documents, are available upon request by email to the RFP Coordinator at: [PHI\\_Renewables@Pepcoholdings.com](mailto:PHI_Renewables@Pepcoholdings.com). On or before March 5, 2024, each Bidder intending to submit a Proposal shall deliver to Pepco a Notice of Intent to Bid for each such Proposal in the form of Attachment A (a “**Notice of Intent to Bid**”). All Notices of Intent to Bid must be received by Pepco via email on or before 5:00 PM (Eastern) on March 5, 2024. Receipt of a Notice of Intent to Bid does not obligate a Bidder to submit a Proposal.

#### 3.2 Proposals

On or before 5:00 PM (Eastern) March 19, 2024, each Bidder intending to participate in the RFP shall deliver its Proposal(s) to Pepco in the form of Attachment B along with all relevant attachments (the “**Proposal Form**”). Proposals that are incomplete, or otherwise do not satisfy all requirements of this RFP shall not be considered. Pepco shall have no duty to inform any Bidder of any deficiency in its Proposal(s). Submission of a Proposal constitutes a Bidder’s agreement to and acceptance of all terms and conditions of this RFP.

#### 3.3 Bid Clarifications

During the Proposal evaluation process, Pepco may contact Bidders to request additional information or clarifications of Bidder Proposals. Failure to respond promptly to inquiries may result in disqualification of the Bidder or rejection of a Proposal.

#### 3.4 Bidder Short-List and Final Selection

Pepco expects to inform Bidders of selection for final contractual negotiations on or before April 2, 2024. After negotiations, Pepco anticipates that contract execution and submittal to the Commission seeking approval of agreement(s) will occur in the third quarter of 2024.

### 4. ELIGIBILITY REQUIREMENTS

To be eligible for participation in this RFP, Proposals and Bidders must meet the following criteria.

#### 4.1 Bidder Requirements

A Bidder is not required to be a registered member of PJM prior to submission of a Proposal in response to this RFP. However, a Bidder must be a PJM member

prior to the commencement of commercial operation of any Facility identified in any Proposal submitted in response to this RFP. Upon commencement of commercial operations, a Bidder must be qualified as a market buyer and market seller in good standing and in compliance with all applicable requirements of PJM. In addition, a Bidder must be authorized by the Federal Energy Regulatory Commission (“FERC”) to make sales of energy, capacity, and ancillary services at market-based rates at commercial operation. At no time will Pepco assume the responsibility of the PJM member for a Facility.

#### 4.2 Eligible Proposal Size and Term; Final Agreement Requirements

Pepco is seeking energy and environmental attributes on commercially reasonable terms from one or more onshore wind or solar Facilities for an annual target amount of 163,000 MWh.<sup>3</sup> The amount that Pepco purchases per year will be capped at this target amount. The targeted MWh amount equates roughly to a 50 MW onshore wind Facility or a 70 MW solar Facility. Additionally, Facilities proposed in response to this RFP must be at least 5 MW in size.

Winning Bidders will be required to sign the Final Agreement. Bidders may propose a term of agreement that is fifteen (15) years or twenty (20) years. A draft Pro Forma Final Agreement is provided with this RFP and is included as Attachment C. In its submission, a Bidder may propose edits to the Pro Forma Final Agreement in redline form. Edits that propose to allocate excessive risk to Pepco will not be considered. The final, signed, Final Agreement must reflect pay-for-performance terms, including among other things, guarantees regarding achievement of commercial operation date (“COD”), Facility availability, and Facility performance as well as providing for liquidated damages for failure to meet performance and operations targets and performance assurance in the amounts specified therein. If a Bidder is proposing any right for Bidder to terminate this agreement for any reason other than a default by Pepco or an extended force majeure event (e.g., for a period equal to or greater than 365 days), Bidder must propose a termination payment to Pepco for evaluation by Pepco for sufficiency. Bidders (or their Affiliates) must have participated in the operation or development of wind or solar electricity-generating assets that have a nameplate capacity of not less than ~~three~~one hundred (~~300~~100) MW in the aggregate in the United States (excluding the Facility) for new projects and ten

<sup>3</sup> As is seen in the following calculation, 163,000 MWh represents approximately 5% of Pepco DC Standard Offer Service Load.

Year	DC SOS MWh Sales *
2020	2,898,069
2021	3,122,555
2022	<u>3,774,800</u>
Average	3,265,141
5%	163,257

\* Represents SOS sales data as reported in RPS filings

(10) MW for existing projects or projects that are nearing completion at the time of the bid.

**4.3 Generation Technology**

Proposals are open to existing, repowered, or new Facilities of the following type: onshore wind energy Facilities, offshore wind energy Facilities, and photovoltaic solar energy Facilities. The Bidder must provide delivery profile schedules of Facility energy generation with each Proposal.

Proposals may pair generation with energy storage systems. If a Bidder proposes energy storage system pairing as an option to a Proposal, the Bidder must provide documentation of how the storage system will store some or all of the energy produced by the generation Facility, and the Bidder should provide two generation profiles, one with energy storage and one without.

The generation unit shall comply with all PJM and FERC interconnection requirements for generation facilities.

For new generation Facilities, Bidder must provide evidence of current status of site control efforts and a detailed plan to achieve full site control, either via property ownership or lease, for the duration of the term of the Final Agreement. The Bidder must detail the proposed interconnection of the Facility, describe what rights the Bidder has acquired for interconnection, and provide a detailed plan and timeline for the acquisition of any additional necessary rights, if applicable.

The Bidder must identify the parties that will have the responsibility to develop, finance, construct, and operate its proposed generation facility.

**4.4 Geographic Location of Facilities**

Bidders must propose to provide energy and RECs from a Facility that is physically located in the PJM region, as defined in footnote 2, and subject to all PJM rules and regulations.

**4.5 Commencement of Service and Commercial Operation**

Pepco is open to receiving proposals for Facilities with any proposed COD (or, for existing operating facilities, the date on which energy and RECs would begin to be delivered to Pepco).

**4.6 Delivered RECs**

Pepco is seeking to purchase RECs attributable to the output of one or more identified facilities. The RECs attributable to the output of the Facility or Facilities must be tracked through the PJM-EIS Generation Attributes Tracking System (“GATS”). Pepco shall retire the RECs after delivery of the RECs to Pepco. Any benefits derived from the RECs after delivery to Pepco shall ~~inure~~

solely to the benefit of Pepco be assigned by Pepco to SOS suppliers, and not to the seller.

#### 4.7 Energy

All energy from the Facility must be delivered in accordance with PJM requirements to one of the PJM hubs listed on Attachment D. Bidders must demonstrate that their interconnection and transmission upgrades are sufficient to ensure full delivery to the Delivery Point.

### 5. PROPOSAL REQUIREMENTS

#### 5.1 General

Bidders may submit more than one Proposal for a designated Facility, provided that each Proposal uses a different portion of that Facility. Bidders may also submit separate Proposals for different Facilities. A Bidder that is submitting multiple Proposals must clearly indicate whether Pepco can select more than one Proposal, or whether such Proposals are mutually exclusive. A 15-year and 20-year price offer for a single Facility can be made as part of a single Proposal. Each Facility will require a separately executed contract.

#### 5.2 Quantity

A Proposal may pertain to the entire nameplate capacity of a single Facility or a portion of a single Facility that produces a variable output that targets the annual MWh production provided in Section 4.2. Multiple awards may be made in order to reach the target quantity.

#### 5.3 Proposal Pricing

Pepco will pay a price (in \$/MWh) for the entire 15- or 20-year term. All other costs of the project will be borne by the Bidder. Prices may be either; a) a single, fixed price for the entire term or b) a price with a fixed annual escalation through the entire term. Per Order No. 21918, pricing shall be subject to a pricing collar review where every five (5) years, both the seller and Pepco can reopen the contract and renegotiate the purchase price if the price at the time of review falls outside of 15% of the prevailing market price.

#### 5.4 Proposal Contents

In addition to the Proposal Form, the Bidder should provide the following information in order to assist the evaluators in reviewing their Proposal;

- **Project Description:** The Bidder should provide a complete description of the Facility, including size, location, a resource study by an established third-party evaluator, and a P(50) 8760 generation profile with net hourly output in Microsoft Excel. For new projects, Bidders should provide a construction

timeline with major milestones highlighted. Bidders should provide descriptions of major equipment used and plans for acquiring such equipment. Existing projects should provide a description of the generating facility and a history of its performance, including historical output and both scheduled and unscheduled outages.

- **Experience of Company and Key Personnel:** Bidder should provide full business information, including contact names and addresses and resumes of key personnel highlighting experience with projects of similar size, location, and generating technology.
- **Site Control:** Bidder must provide evidence of current status of site control efforts and a detailed plan to achieve full site control to support any proposed COD.
- **Interconnection Status:** Bidders should detail the Facility's interconnection point on the PJM system and describe the Bidder's plan for achieving interconnection and required deliverability. Bidders should provide a copy of any interconnection studies from PJM.
- **Permitting Plan:** Bidders should list all state and federal regulatory agency approvals, permits, or other authorizations required and already obtained and provide Bidder's plan – including a timeline – for acquiring any required future approvals, permits or other authorizations..
- **Financing Plan:** Bidders should describe how they plan to finance the Facility. Bidders should identify all sources of capital (both debt and equity) and provide evidence of any commitments from financing parties. Bidders should list all state and federal tax credits included in their pricing and describe plans for acquiring those credits. Pricing must not be contingent on future receipt of any State and/or Federal tax credits or other incentives.
- **Edits to Final Agreement:** Bidders should provide redline edits to the Pro Forma Final Agreement. In light of the Commission's approval of the Pro Forma Final Agreement, substantive edits to provisions of the Pro Forma Final Agreement that are not specific to the Facility are discouraged. Bidders are encouraged to make specific edits rather than marking items to be discussed. Edits that shift excessive risk to Pepco or ratepayers will not be considered.
- **Other Information:** Bidders should provide and detail any project contingencies or proposed conditions precedent (and propose a termination payment to Pepco for evaluation by Pepco for sufficiency in accordance with Commission Order No. 21298. Preference will be given to projects that do not include contingencies or conditions precedent other than Commission approval of a Final Agreement for the Facility as provided in the Pro Forma Final Agreement. For projects not offering 100% of the Facility, include the

status of other offtake arrangements including the estimated completion date, the product being sold and whether or not pricing and terms are different than this offer. Bidders should provide their best expectations regarding the future of the investment tax credit and the production tax credit.

Bidders are encouraged to provide any other information which they believe will provide evidence of the Facility's viability and their ability to deliver the Facility on time as proposed.

### **5.5 Term**

Proposals shall be for terms of fifteen (15) years or twenty (20) years.

### **5.6 Effectiveness of Proposals**

Each Proposal must remain open for 6 months from the date of submittal, unless the Bidder has been otherwise notified that the Proposal has been rejected.

### **5.7 Availability**

~~Proposal~~**Proposals** for solar facilities must be based on an availability guarantee of 90% as calculated in accordance with Schedule 6.11 of the Renewable Energy Purchase Agreement during the first contract year and 95% in all other contract years, with damages due to Pepco based upon the Contract Price as provided in the Final Agreement. Proposals for wind facilities must be based on an availability guarantee of 90% calculated in accordance with Schedule 6.12 of the Renewable Energy Purchase Agreement. Bidders offering energy and RECs from other forms of generation should include a detailed availability guarantee and information supporting Bidder's proposed availability guaranty percentage.

## **6. SUBMISSION OF PROPOSALS**

### **6.1 Submission Requirements**

A Bidder's Proposal, in PDF format, must be e-mailed to the RFP Coordinator (PHI\_Renewables@Pepcoholdings.com) on or before 5:00 PM (Eastern) on March 19, 2024.

### **6.2 Ownership of Material**

All documents submitted in connection with this RFP shall, upon submission thereof, become the property of Pepco. Pepco is under no obligation to return such materials to the Bidder.

### 6.3 Completion and Accuracy of Proposal

A Bidder's Proposal must be complete in all material respects upon submission. The Bidder is responsible for the accuracy of all information delivered in its Proposal and related materials. If any information in a Proposal is no longer true or accurate, Bidder shall immediately notify Pepco of the changed information. The Bidder risks disqualification from the RFP at any time if delivered information is incorrect or incomplete.

## 7. PROPOSAL EVALUATION PROCESS

Pepco, in consultation with an Independent ~~Evaluator~~Monitor, will evaluate each Proposal based on the criteria outlined in this RFP. The RFP evaluation criteria and evaluation process are designed to result in a fair, unbiased review of all Proposals. Bids that do not comport with the requirements set forth in this RFP may be rejected.

### 7.1 Evaluation

Proposals in this evaluation will be subject to both a price factor evaluation (“**Price Factor Evaluation**”) and a non-price factor evaluation (“**Non-Price Factor Evaluation**”). ~~Although the primary factor under the RFP will be price, non-price factors will be considered~~The Price Factor Evaluation will comprise seventy percent (70%) of the total evaluation score. The Non-Price Factor Evaluation will comprise thirty percent (30%) of the total evaluation score. Non-price factors are primarily considered in order to determine the viability of the proposed Facility and the ability of the Bidder to deliver a Facility with the proposed level of price and performance.

- (a) The most significant non-price factors will be the extent of conformance to the Pro Forma Final Agreement, particularly with respect to the factors below;
- Proposed Bidder edits to Pro Forma Final Agreement do not shift excessive risk to Pepco.
  - Proposed contractual structure, redline or otherwise, contains provisions related to: Liability Caps, Default/Termination Rights, Performance Guarantees, Remedies for Non-Performance, and Security/Collateral.
  - Interconnection, siting and permitting requirements and issues.
  - Facility has obtained or demonstrated a plan to obtain site control.
  - Facility has demonstrated plan to obtain permits.
  - Facility has demonstrated progress toward interconnection.

- Interconnection is in line with the Commercial Operation Date set forth in this RFP.
- (b) Bidder experience;
- Bidder has demonstrated experience with projects of similar size and technology as the Facility.
  - Bidder has demonstrated experience with projects in same geographical region as the Facility.
  - Preference will be given to qualified diverse Bidders.
- (c) Operation date and development/operations plan, including equipment contracts;
- Independent assessment of renewable resources for the Facility (e.g., a wind resource study) and anticipated Facility output or, for existing facilities, detailed information on historical production and scheduled and unscheduled outages.
  - Bidder demonstrates plan to obtain major equipment.
  - Bidder financial qualifications, requirements, and credit support.
  - Demonstrated ability to internally finance Facility or evidence of good faith commitment from financing institution/financial backer.
- (d) For existing facilities, demonstrated performance (including output and outages).

## 7.2 Non-Interference by Bidders

Neither Bidder nor anyone acting on a Bidder's behalf may seek to influence any of the following: The District of Columbia Government officials, Commission Staff, Independent ~~Evaluator~~Monitor, or Pepco's evaluation of Proposals in any way. Attempts to do so will be grounds for disqualification from the bidding process.

## 8. CREDIT SUPPORT; SECURITY FOR PERFORMANCE

If Bidder (or Bidder's guarantor, if any) is rated at or above investment grade and provides a guaranty, Bidder shall have no requirement to provide performance assurance ("Performance Assurance"). Performance Assurance may be in the form of cash, a letter of credit, or other security in a form acceptable to Pepco. If during the term of the Final Agreement, Bidder (or Bidder's guarantor, if any) is no longer rated at or above investment grade, Bidder must post Performance Assurance. For purposes of the Final Agreement, "investment grade" shall mean at least two of the following three credit

ratings: “BBB-” or better from Standard & Poor’s Rating Group (“S&P”), “BBB-” or better from Fitch Investor Service, Inc. (“Fitch”), or “Baa3” or better from Moody’s Investor Services, Inc. (“Moody’s”).

The amount of Performance Assurance will be based upon the term length of the Final Agreement. Performance Assurance will be equal to \$90 per MWh times the annual buyer energy limit under contract with a term of fifteen years, and equal to \$120 per MWh times the annual buyer energy limit under contract with a term of 20 years. The amount of required Performance Assurance will decline annually during commercial operation.

Any letter of credit must be issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a credit rating of at least A- from S&P, or the equivalent credit rating from Moody’s or Fitch, and a minimum of \$10 billion in assets. The letter of credit must be in a form acceptable to Pepco, in whose favor the letter of credit is issued.

**9. ROLE OF INDEPENDENT ~~EVALUATOR~~ MONITOR**

An Independent ~~Evaluator~~ Monitor (“~~HEIM~~”) will be selected by the Commission to monitor and evaluate the RFP process. The ~~HEIM~~ will be required to report and certify that the solicitation process was fair to all qualified Bidders and provide a report to the Commission on the evaluation process. As part of its evaluation, the ~~HEIM~~ shall perform market benchmarking analyses for both energy and RECs, which shall be included in the evaluation report. Pepco, in consultation with the ~~HEIM~~, will determine the short list of bidders to negotiate with, and the selection of executed agreements to submit to the Commission for approval. The ~~HEIM~~ should also provide advice to Pepco during contract negotiations.

**10. COMMISSION APPROVAL**

It is anticipated that the ~~HEIM~~ final report and final Agreements ready for review, approval, and execution will be submitted by Pepco to the Commission in the third quarter of 2024. Bidders selected to submit Final Agreements must cooperate with Pepco in the Commission submission and approval process, which may involve, among other things, providing both pre-filed and live witness testimony and/or interviews from the Bidders. Any and all costs incurred by Bidders in the Commission approval process will be the sole responsibility of the Bidder.

**11. CONFIDENTIALITY**

Pepco will take reasonable precautions and use reasonable efforts to protect any proprietary or confidential information contained in a Proposal, provided that the Bidder has clearly identified such information as proprietary and/or confidential on the page on which it appears. However, Bidders acknowledge that Pepco may be required to make such proprietary and/or confidential information available to the Commission, the ~~HEIM~~, court or other governmental agencies having jurisdiction over the services and products

related to this RFP. In making such disclosure, Pepco will use reasonable efforts, by, among other things, limiting disclosure to generic information (number of responsive Proposals and range of prices, contract lengths, and energy and REC quantities) and refraining to disclose the identity of any Bidder or provide Bidder-specific information so long as such information otherwise continues to be confidential. Pepco will not be required to appeal or challenge any determination by the Commission, a court or other governmental entity on the confidentiality or proprietary status of any information provided pursuant to this RFP.

## **12. NON-DISCRIMINATION POLICY**

Both Pepco and Bidder(s) agree not to discriminate or otherwise grant preferences based on race, color, religion, creed, sex, sexual orientation, gender identity, national origin, ancestry, age, disability or other protected status in accordance with legal requirements.

## **13. GENERAL DISCLAIMER AND RESERVATION**

Each Bidder is responsible for its costs incurred in responding to this RFP and any costs incurred negotiating a Final Agreement and subsequent Commission approval or other proceedings.

Pepco has prepared the information provided in this RFP to assist potential Bidders in deciding whether to respond.

Pepco does not make any representations or warranties regarding the information in the RFP and does not purport that the RFP contains all information needed for Bidders to determine whether to submit a Proposal.

Bidders participating in this RFP shall not have legal recourse or claims against Pepco, the ~~HEIM~~, the Commission or Commission Staff, due to Pepco's rejection, in whole or in part, of their Proposal(s), for failure to reach agreement, for failure to obtain Commission approval, or for any reason whatsoever related to such parties' acts or omissions arising out of or in connection with the RFP process or in connection with the rejection of a Proposal, or failure of an agreement to achieve Commission approval.

Pepco reserves the right to modify, cancel or withdraw this RFP and to revise the schedule specified in the RFP if, in Pepco's sole discretion, such changes are necessary or beneficial to Pepco. To the extent reasonably possible, Pepco will inform Bidders that have filed a Notice of Intent to Bid of any such change. The disclaimers and reservations of rights set forth in this paragraph are limited by the obligation of Pepco to operate in good faith and within Pepco's obligations as governed by law, regulations, rules, and orders of the Commission and other regulatory agencies.

Bidders are not permitted to announce or release any information regarding this RFP or the Commission evaluation process without prior written approval of the Commission, which the Commission may withhold in its sole discretion. Each Bidder understands and agrees that Pepco does not participate in, nor does it allow, Bidders to utilize media releases of any kind to publicize Bidder's business relationship with Pepco. Each Bidder

shall not use any trade name, trademark, service mark or any other information that identifies Pepco in such Bidder's sales, marketing, and publicity activities without Pepco's express prior written consent. Successful Bidders agree to cooperate with Pepco in preparation of any press release announcing the results of this RFP.

Nothing in this RFP limits Pepco's right, and Pepco expressly reserves its right, to enter into one or more bilateral contracts for energy and RECs outside of this RFP process.

**ATTACHMENT A**

**Notice of Intent to Bid Form**

Our organization intends to submit a Proposal in response to the Potomac Electric Power Company Request for Proposals for wind or solar-generated energy and Renewable Energy Credits:

**NAME OF BIDDER:**

Address:

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Contact Name:

Title:

Phone:

Email:

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Alternate Contact

Name:

Title:

Phone:

Email:

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Description of Planned, Existing, or Repowered Facility(ies). Include nameplate rating of Facility(ies).

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Please return Notice of Intent to Bid electronically no later than 5:00 PM Eastern Time on March 5, 2024 to the following e-mail address: [PHI\\_Renewables@Pepcoholdings.com](mailto:PHI_Renewables@Pepcoholdings.com). Include "NOTICE OF INTENT TO BID" as the subject for the electronic submittal.

**ATTACHMENT B**

**Proposal Form**

<b>BIDDER INFORMATION</b>		
<u>1.</u>	Company Name	
<u>2.</u>	Primary Contact Name	
<u>3.</u>	Address	
<u>4.</u>	Telephone	
<u>5.</u>	Email	
<u>6.</u>	Form of organization of Bidder (i.e., corporation, limited liability company, partnership, etc.)	
<u>7.</u>	Jurisdiction of formation of Bidder	
<u>8.</u>	Ultimate parent company of Bidder	
<u>9.</u>	Please attach a summary of Bidder's background and experience in onshore wind/solar energy projects.	
<u>10.</u>	Entity providing credit support on behalf of Bidder (if applicable)	
	Name	
	Address	
	Type of Relationship	
<u>11.</u>	Current senior unsecured debt rating	
	S&P	
	Moody's	
	Fitch	
	Dun & Bradstreet #	
<u>12.</u>	Bank references	
	Name of institution	
	Contact name and title	
	Address	
	Telephone	
<u>13.</u>	As a separate attachment, please list all lawsuits, regulatory proceedings, or arbitrations in which the Bidder or its affiliates or predecessors have been or are engaged that could affect the Bidder's performance of its Proposal. Identify the parties involved and the final resolution or present status of such matters.	

<a href="#"><u>14.</u></a>	Please provide copies of Bidder's annual reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if applicable. Non-public bidders may submit unaudited financial statements	
<b>FACILITY AND DELIVERY POINT INFORMATION</b>		
<a href="#"><u>15.</u></a>	Name of Facility	
<a href="#"><u>16.</u></a>	Type of Facility	
<a href="#"><u>17.</u></a>	Location	
	City, County and State	
	Map Coordinates (longitude and latitude)	
	PJM Delivery Point (name and Pnode)	
<a href="#"><u>18.</u></a>	Description of Facility and wind/solar generation equipment. If proposal includes storage, storage equipment and operating plan for storage is required.	
<a href="#"><u>19.</u></a>	Site control (lease, own, site purchase pending, etc.)	
<a href="#"><u>20.</u></a>	Please attach a copy of all leases, easements or other ownership documentation	
<a href="#"><u>21.</u></a>	Please describe any known environmental issues	
<a href="#"><u>22.</u></a>	Please list and describe all city, county, state and federal permits required for Proposal, including status, duration and timeline.	
<a href="#"><u>23.</u></a>	Nameplate capacity of Facility	
<a href="#"><u>24.</u></a>	Percentage of nameplate capacity of Facility dedicated to Proposal	
<a href="#"><u>25.</u></a>	Interconnection status of Facility including, if applicable, PJM queue number	
<b>PROPOSAL TERMS</b>		
<a href="#"><u>26.</u></a>	Proposed contract term(s), including Buyer's Percentage of Facility output	
<a href="#"><u>27.</u></a>	For a Facility(ies) under development, the expected date for commencement of service	
<a href="#"><u>28.</u></a>	For an existing Facility(ies), documentation of historical output, availability, and outages	

<a href="#"><u>29.</u></a>	Delivered Energy/REC amount	
<a href="#"><u>30.</u></a>	Proposal price(s) per MWh	
<a href="#"><u>31.</u></a>	Delivery Point to Pepco	
<a href="#"><u>32.</u></a>	Interconnection Point	
<a href="#"><u>33.</u></a>	Proposed termination payment amount	

Proposal Form should be submitted electronically, in PDF format no later than 5:00 PM Eastern Time on March 19, 2024 to the following e-mail address: [PHI\\_Renewables@Pepcoholdings.com](mailto:PHI_Renewables@Pepcoholdings.com). Include “PROPOSAL” as the subject for the electronic submittal.

**ATTACHMENT C**

**Pro Forma Final Agreement**

*[to be attached]*

**ATTACHMENT D**

**Eligible PJM Hubs**

<b>Summary report:</b>	
<b>Litera Compare for Word 11.4.0.111 Document comparison done on 4/9/2024 12:20:45 PM</b>	
<b>Style name:</b> MLB Set 1	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://MLDOCS/DB1/146224225/1	
<b>Modified DMS:</b> iw://MLDOCS/DB1/143099485/4	
<b>Changes:</b>	
<b>Add</b>	60
<b>Delete</b>	24
<b>Move From</b>	0
<b>Move To</b>	0
<b>Table Insert</b>	0
<b>Table Delete</b>	0
<b>Table moves to</b>	0
<b>Table moves from</b>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>84</b>

**2024 Solicitation for Existing, Repowered, or New  
Photovoltaic Solar and Wind Power Supply  
Generation**

**POTOMAC ELECTRIC POWER COMPANY**

**ISSUE DATE: April \_\_, 2024**

**POTOMAC ELECTRIC POWER COMPANY**

**2024 Solicitation for Existing, Repowered, or New Photovoltaic Solar and  
Wind Power Supply Generation**

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# POTOMAC ELECTRIC POWER COMPANY

## 2024 Solicitation for Existing, Repowered, or New Photovoltaic Solar and Wind Power Supply Generation

### 1. INTRODUCTION

Through the issuance of this Request for Proposal (“RFP”), Potomac Electric Power Company (“Pepco”)<sup>1</sup> is soliciting proposals (each, a “Proposal”) for long-term renewable energy and associated environmental attributes from photovoltaic solar and/or wind utility-scale power generating facilities (each, a “Facility”) located within the PJM Interconnection, LLC (“PJM”) region.<sup>2</sup> A Facility may be paired with an energy storage system, as specified in Section 4.3. Environmental attributes (“Environmental Attributes”) include Renewable Energy Credits (“RECs”) and any and all other federal, regional, state and other credits, certificates, benefits, emission reductions, offsets and allowances that are attributable, now or in the future, to the Facility or the energy produced by the Facility. This RFP is directed by, and issued in accordance with, Order No. 19897, dated April 12, 2019, Order No. 20327, dated April 9, 2020, and Order No. 21918, dated October 26, 2023, in Formal Case No. 1017 by the Public Service Commission of the District of Columbia (“Commission”).

Proposals from bidders (each, a “Bidder”) will be evaluated based on the factors outlined in this RFP.

### 2. SCHEDULE

The overall schedule for this RFP is set forth below. All dates subsequent to the Proposal due date are estimated.

EVENT	DATE/DEADLINE
Issuance of RFP by Pepco for Wind and/or Solar Generating Facility, with optional storage.	April 26, 2024
Notice of Intent to Bid Due	May 10, 2024
Complete Proposals Due	May 24, 2024
Bidder Short-List Notification and Commencement of Negotiations	June 7, 2024
Expected Contract Execution and Submittal to Commission for Approval	Q3 2024
Commission Approval	Q4 2024

<sup>1</sup> Pepco, a subsidiary of Exelon Corporation, is a regulated electric distribution utility company operating in the District of Columbia and Maryland.

<sup>2</sup> As defined in the Commission’s regulations, PJM Interconnection region is the area in which the movement of wholesale electricity is coordinated by the PJM Interconnection, L.L.C. This area includes all or parts of Delaware, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, West Virginia, and the District of Columbia.

### 3. SCHEDULE OVERVIEW

#### 3.1 Notice of Intent to Bid

The RFP, the draft Pro Forma Final Agreement (the “**Final Agreement**”), and other related documents, are available upon request by email to the RFP Coordinator at: [PHI\\_Renewables@Pepcoholdings.com](mailto:PHI_Renewables@Pepcoholdings.com). On or before March 5, 2024, each Bidder intending to submit a Proposal shall deliver to Pepco a Notice of Intent to Bid for each such Proposal in the form of Attachment A (a “**Notice of Intent to Bid**”). All Notices of Intent to Bid must be received by Pepco via email on or before 5:00 PM (Eastern) on March 5, 2024. Receipt of a Notice of Intent to Bid does not obligate a Bidder to submit a Proposal.

#### 3.2 Proposals

On or before 5:00 PM (Eastern) March 19, 2024, each Bidder intending to participate in the RFP shall deliver its Proposal(s) to Pepco in the form of Attachment B along with all relevant attachments (the “**Proposal Form**”). Proposals that are incomplete, or otherwise do not satisfy all requirements of this RFP shall not be considered. Pepco shall have no duty to inform any Bidder of any deficiency in its Proposal(s). Submission of a Proposal constitutes a Bidder’s agreement to and acceptance of all terms and conditions of this RFP.

#### 3.3 Bid Clarifications

During the Proposal evaluation process, Pepco may contact Bidders to request additional information or clarifications of Bidder Proposals. Failure to respond promptly to inquiries may result in disqualification of the Bidder or rejection of a Proposal.

#### 3.4 Bidder Short-List and Final Selection

Pepco expects to inform Bidders of selection for final contractual negotiations on or before April 2, 2024. After negotiations, Pepco anticipates that contract execution and submittal to the Commission seeking approval of agreement(s) will occur in the third quarter of 2024.

### 4. ELIGIBILITY REQUIREMENTS

To be eligible for participation in this RFP, Proposals and Bidders must meet the following criteria.

#### 4.1 Bidder Requirements

A Bidder is not required to be a registered member of PJM prior to submission of a Proposal in response to this RFP. However, a Bidder must be a PJM member prior to the commencement of commercial operation of any Facility identified in any Proposal submitted in response to this RFP. Upon commencement of

commercial operations, a Bidder must be qualified as a market buyer and market seller in good standing and in compliance with all applicable requirements of PJM. In addition, a Bidder must be authorized by the Federal Energy Regulatory Commission (“FERC”) to make sales of energy, capacity, and ancillary services at market-based rates at commercial operation. At no time will Pepco assume the responsibility of the PJM member for a Facility.

#### 4.2 Eligible Proposal Size and Term; Final Agreement Requirements

Pepco is seeking energy and environmental attributes on commercially reasonable terms from one or more onshore wind or solar Facilities for an annual target amount of 163,000 MWh.<sup>3</sup> The amount that Pepco purchases per year will be capped at this target amount. The targeted MWh amount equates roughly to a 50 MW onshore wind Facility or a 70 MW solar Facility. Additionally, Facilities proposed in response to this RFP must be at least 5 MW in size.

Winning Bidders will be required to sign the Final Agreement. Bidders may propose a term of agreement that is fifteen (15) years or twenty (20) years. A draft Pro Forma Final Agreement is provided with this RFP and is included as Attachment C. In its submission, a Bidder may propose edits to the Pro Forma Final Agreement in redline form. Edits that propose to allocate excessive risk to Pepco will not be considered. The final, signed, Final Agreement must reflect pay-for-performance terms, including among other things, guarantees regarding achievement of commercial operation date (“COD”), Facility availability, and Facility performance as well as providing for liquidated damages for failure to meet performance and operations targets and performance assurance in the amounts specified therein. If a Bidder is proposing any right for Bidder to terminate this agreement for any reason other than a default by Pepco or an extended force majeure event (e.g., for a period equal to or greater than 365 days), Bidder must propose a termination payment to Pepco for evaluation by Pepco for sufficiency. Bidders (or their Affiliates) must have participated in the operation or development of wind or solar electricity-generating assets that have a nameplate capacity of not less than one hundred (100) MW in the aggregate in the United States (excluding the Facility) for new projects and ten (10) MW for existing projects or projects that are nearing completion at the time of the bid.

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<sup>3</sup> As is seen in the following calculation, 163,000 MWh represents approximately 5% of Pepco DC Standard Offer Service Load.

Year	DC SOS MWh Sales *
2020	2,898,069
2021	3,122,555
2022	<u>3,774,800</u>
Average	3,265,141
5%	163,257

\* Represents SOS sales data as reported in RPS filings

### **4.3 Generation Technology**

Proposals are open to existing, repowered, or new Facilities of the following type: onshore wind energy Facilities, offshore wind energy Facilities, and photovoltaic solar energy Facilities. The Bidder must provide delivery profile schedules of Facility energy generation with each Proposal.

Proposals may pair generation with energy storage systems. If a Bidder proposes energy storage system pairing as an option to a Proposal, the Bidder must provide documentation of how the storage system will store some or all of the energy produced by the generation Facility, and the Bidder should provide two generation profiles, one with energy storage and one without.

The generation unit shall comply with all PJM and FERC interconnection requirements for generation facilities.

For new generation Facilities, Bidder must provide evidence of current status of site control efforts and a detailed plan to achieve full site control, either via property ownership or lease, for the duration of the term of the Final Agreement. The Bidder must detail the proposed interconnection of the Facility, describe what rights the Bidder has acquired for interconnection, and provide a detailed plan and timeline for the acquisition of any additional necessary rights, if applicable.

The Bidder must identify the parties that will have the responsibility to develop, finance, construct, and operate its proposed generation facility.

### **4.4 Geographic Location of Facilities**

Bidders must propose to provide energy and RECs from a Facility that is physically located in the PJM region, as defined in footnote 2, and subject to all PJM rules and regulations.

### **4.5 Commencement of Service and Commercial Operation**

Pepco is open to receiving proposals for Facilities with any proposed COD (or, for existing operating facilities, the date on which energy and RECs would begin to be delivered to Pepco).

### **4.6 Delivered RECs**

Pepco is seeking to purchase RECs attributable to the output of one or more identified facilities. The RECs attributable to the output of the Facility or Facilities must be tracked through the PJM-EIS Generation Attributes Tracking System (“GATS”). Pepco shall retire the RECs after delivery of the RECs to Pepco. Any benefits derived from the RECs after delivery to Pepco shall be assigned by Pepco to SOS suppliers, and not to the seller.

#### **4.7 Energy**

All energy from the Facility must be delivered in accordance with PJM requirements to one of the PJM hubs listed on Attachment D. Bidders must demonstrate that their interconnection and transmission upgrades are sufficient to ensure full delivery to the Delivery Point.

### **5. PROPOSAL REQUIREMENTS**

#### **5.1 General**

Bidders may submit more than one Proposal for a designated Facility, provided that each Proposal uses a different portion of that Facility. Bidders may also submit separate Proposals for different Facilities. A Bidder that is submitting multiple Proposals must clearly indicate whether Pepco can select more than one Proposal, or whether such Proposals are mutually exclusive. A 15-year and 20-year price offer for a single Facility can be made as part of a single Proposal. Each Facility will require a separately executed contract.

#### **5.2 Quantity**

A Proposal may pertain to the entire nameplate capacity of a single Facility or a portion of a single Facility that produces a variable output that targets the annual MWh production provided in Section 4.2. Multiple awards may be made in order to reach the target quantity.

#### **5.3 Proposal Pricing**

Pepco will pay a price (in \$/MWh) for the entire 15- or 20-year term. All other costs of the project will be borne by the Bidder. Prices may be either; a) a single, fixed price for the entire term or b) a price with a fixed annual escalation through the entire term. Per Order No. 21918, pricing shall be subject to a pricing collar review where every five (5) years, both the seller and Pepco can reopen the contract and renegotiate the purchase price if the price at the time of review falls outside of 15% of the prevailing market price.

#### **5.4 Proposal Contents**

In addition to the Proposal Form, the Bidder should provide the following information in order to assist the evaluators in reviewing their Proposal;

- **Project Description:** The Bidder should provide a complete description of the Facility, including size, location, a resource study by an established third-party evaluator, and a P(50) 8760 generation profile with net hourly output in Microsoft Excel. For new projects, Bidders should provide a construction timeline with major milestones highlighted. Bidders should provide descriptions of major equipment used and plans for acquiring such equipment. Existing projects should provide a description of the generating facility and a

history of its performance, including historical output and both scheduled and unscheduled outages.

- **Experience of Company and Key Personnel:** Bidder should provide full business information, including contact names and addresses and resumes of key personnel highlighting experience with projects of similar size, location, and generating technology.
- **Site Control:** Bidder must provide evidence of current status of site control efforts and a detailed plan to achieve full site control to support any proposed COD.
- **Interconnection Status:** Bidders should detail the Facility's interconnection point on the PJM system and describe the Bidder's plan for achieving interconnection and required deliverability. Bidders should provide a copy of any interconnection studies from PJM.
- **Permitting Plan:** Bidders should list all state and federal regulatory agency approvals, permits, or other authorizations required and already obtained and provide Bidder's plan – including a timeline – for acquiring any required future approvals, permits or other authorizations..
- **Financing Plan:** Bidders should describe how they plan to finance the Facility. Bidders should identify all sources of capital (both debt and equity) and provide evidence of any commitments from financing parties. Bidders should list all state and federal tax credits included in their pricing and describe plans for acquiring those credits. Pricing must not be contingent on future receipt of any State and/or Federal tax credits or other incentives.
- **Edits to Final Agreement:** Bidders should provide redline edits to the Pro Forma Final Agreement. In light of the Commission's approval of the Pro Forma Final Agreement, substantive edits to provisions of the Pro Forma Final Agreement that are not specific to the Facility are discouraged. Bidders are encouraged to make specific edits rather than marking items to be discussed. Edits that shift excessive risk to Pepco or ratepayers will not be considered.
- **Other Information:** Bidders should provide and detail any project contingencies or proposed conditions precedent (and propose a termination payment to Pepco for evaluation by Pepco for sufficiency in accordance with Commission Order No. 21298. Preference will be given to projects that do not include contingencies or conditions precedent other than Commission approval of a Final Agreement for the Facility as provided in the Pro Forma Final Agreement. For projects not offering 100% of the Facility, include the status of other offtake arrangements including the estimated completion date, the product being sold and whether or not pricing and terms are different than this offer. Bidders should provide their best expectations regarding the future of the investment tax credit and the production tax credit.

Bidders are encouraged to provide any other information which they believe will provide evidence of the Facility's viability and their ability to deliver the Facility on time as proposed.

### **5.5 Term**

Proposals shall be for terms of fifteen (15) years or twenty (20) years.

### **5.6 Effectiveness of Proposals**

Each Proposal must remain open for 6 months from the date of submittal, unless the Bidder has been otherwise notified that the Proposal has been rejected.

### **5.7 Availability**

Proposals for solar facilities must be based on an availability guarantee of 90% as calculated in accordance with Schedule 6.11 of the Renewable Energy Purchase Agreement during the first contract year and 95% in all other contract years, with damages due to Pepco based upon the Contract Price as provided in the Final Agreement. Proposals for wind facilities must be based on an availability guarantee of 90% calculated in accordance with Schedule 6.12 of the Renewable Energy Purchase Agreement. Bidders offering energy and RECs from other forms of generation should include a detailed availability guarantee and information supporting Bidder's proposed availability guaranty percentage.

## **6. SUBMISSION OF PROPOSALS**

### **6.1 Submission Requirements**

A Bidder's Proposal, in PDF format, must be e-mailed to the RFP Coordinator ([PHI\\_Renewables@Pepcoholdings.com](mailto:PHI_Renewables@Pepcoholdings.com)) on or before 5:00 PM (Eastern) on March 19, 2024.

### **6.2 Ownership of Material**

All documents submitted in connection with this RFP shall, upon submission thereof, become the property of Pepco. Pepco is under no obligation to return such materials to the Bidder.

### **6.3 Completion and Accuracy of Proposal**

A Bidder's Proposal must be complete in all material respects upon submission. The Bidder is responsible for the accuracy of all information delivered in its Proposal and related materials. If any information in a Proposal is no longer true or accurate, Bidder shall immediately notify Pepco of the changed information. The Bidder risks disqualification from the RFP at any time if delivered information is incorrect or incomplete.

## 7. PROPOSAL EVALUATION PROCESS

Pepco, in consultation with an Independent Monitor, will evaluate each Proposal based on the criteria outlined in this RFP. The RFP evaluation criteria and evaluation process are designed to result in a fair, unbiased review of all Proposals. Bids that do not comport with the requirements set forth in this RFP may be rejected.

### 7.1 Evaluation

Proposals in this evaluation will be subject to both a price factor evaluation (“**Price Factor Evaluation**”) and a non-price factor evaluation (“**Non-Price Factor Evaluation**”). The Price Factor Evaluation will comprise seventy percent (70%) of the total evaluation score. The Non-Price Factor Evaluation will comprise thirty percent (30%) of the total evaluation score. Non-price factors are primarily considered in order to determine the viability of the proposed Facility and the ability of the Bidder to deliver a Facility with the proposed level of price and performance.

- (a) The most significant non-price factors will be the extent of conformance to the Pro Forma Final Agreement, particularly with respect to the factors below;
- Proposed Bidder edits to Pro Forma Final Agreement do not shift excessive risk to Pepco.
  - Proposed contractual structure, redline or otherwise, contains provisions related to: Liability Caps, Default/Termination Rights, Performance Guarantees, Remedies for Non-Performance, and Security/Collateral.
  - Interconnection, siting and permitting requirements and issues.
  - Facility has obtained or demonstrated a plan to obtain site control.
  - Facility has demonstrated plan to obtain permits.
  - Facility has demonstrated progress toward interconnection.
  - Interconnection is in line with the Commercial Operation Date set forth in this RFP.
- (b) Bidder experience;
- Bidder has demonstrated experience with projects of similar size and technology as the Facility.
  - Bidder has demonstrated experience with projects in same geographical region as the Facility.
  - Preference will be given to qualified diverse Bidders.

- (c) Operation date and development/operations plan, including equipment contracts;
  - Independent assessment of renewable resources for the Facility (e.g., a wind resource study) and anticipated Facility output or, for existing facilities, detailed information on historical production and scheduled and unscheduled outages.
  - Bidder demonstrates plan to obtain major equipment.
  - Bidder financial qualifications, requirements, and credit support.
  - Demonstrated ability to internally finance Facility or evidence of good faith commitment from financing institution/financial backer.
- (d) For existing facilities, demonstrated performance (including output and outages).

## 7.2 Non-Interference by Bidders

Neither Bidder nor anyone acting on a Bidder's behalf may seek to influence any of the following: The District of Columbia Government officials, Commission Staff, Independent Monitor, or Pepco's evaluation of Proposals in any way. Attempts to do so will be grounds for disqualification from the bidding process.

## 8. CREDIT SUPPORT; SECURITY FOR PERFORMANCE

If Bidder (or Bidder's guarantor, if any) is rated at or above investment grade and provides a guaranty, Bidder shall have no requirement to provide performance assurance ("**Performance Assurance**"). Performance Assurance may be in the form of cash, a letter of credit, or other security in a form acceptable to Pepco. If during the term of the Final Agreement, Bidder (or Bidder's guarantor, if any) is no longer rated at or above investment grade, Bidder must post Performance Assurance. For purposes of the Final Agreement, "investment grade" shall mean at least two of the following three credit ratings: "BBB-" or better from Standard & Poor's Rating Group ("S&P"), "BBB-" or better from Fitch Investor Service, Inc. ("Fitch"), or "Baa3" or better from Moody's Investor Services, Inc. ("Moody's").

The amount of Performance Assurance will be based upon the term length of the Final Agreement. Performance Assurance will be equal to \$90 per MWh times the annual buyer energy limit under contract with a term of fifteen years, and equal to \$120 per MWh times the annual buyer energy limit under contract with a term of 20 years. The amount of required Performance Assurance will decline annually during commercial operation.

Any letter of credit must be issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a credit rating of at least A- from S&P, or the equivalent credit rating from Moody's or Fitch, and a minimum of \$10 billion in assets.

The letter of credit must be in a form acceptable to Pepco, in whose favor the letter of credit is issued.

**9. ROLE OF INDEPENDENT MONITOR**

An Independent Monitor (“IM”) will be selected by the Commission to monitor and evaluate the RFP process. The IM will be required to report and certify that the solicitation process was fair to all qualified Bidders and provide a report to the Commission on the evaluation process. As part of its evaluation, the IM shall perform market benchmarking analyses for both energy and RECs, which shall be included in the evaluation report. Pepco, in consultation with the IM, will determine the short list of bidders to negotiate with, and the selection of executed agreements to submit to the Commission for approval. The IM should also provide advice to Pepco during contract negotiations.

**10. COMMISSION APPROVAL**

It is anticipated that the IM final report and final Agreements ready for review, approval, and execution will be submitted by Pepco to the Commission in the third quarter of 2024. Bidders selected to submit Final Agreements must cooperate with Pepco in the Commission submission and approval process, which may involve, among other things, providing both pre-filed and live witness testimony and/or interviews from the Bidders. Any and all costs incurred by Bidders in the Commission approval process will be the sole responsibility of the Bidder.

**11. CONFIDENTIALITY**

Pepco will take reasonable precautions and use reasonable efforts to protect any proprietary or confidential information contained in a Proposal, provided that the Bidder has clearly identified such information as proprietary and/or confidential on the page on which it appears. However, Bidders acknowledge that Pepco may be required to make such proprietary and/or confidential information available to the Commission, the IM, court or other governmental agencies having jurisdiction over the services and products related to this RFP. In making such disclosure, Pepco will use reasonable efforts, by, among other things, limiting disclosure to generic information (number of responsive Proposals and range of prices, contract lengths, and energy and REC quantities) and refraining to disclose the identity of any Bidder or provide Bidder-specific information so long as such information otherwise continues to be confidential. Pepco will not be required to appeal or challenge any determination by the Commission, a court or other governmental entity on the confidentiality or proprietary status of any information provided pursuant to this RFP.

**12. NON-DISCRIMINATION POLICY**

Both Pepco and Bidder(s) agree not to discriminate or otherwise grant preferences based on race, color, religion, creed, sex, sexual orientation, gender identity, national origin, ancestry, age, disability or other protected status in accordance with legal requirements.

### **13. GENERAL DISCLAIMER AND RESERVATION**

Each Bidder is responsible for its costs incurred in responding to this RFP and any costs incurred negotiating a Final Agreement and subsequent Commission approval or other proceedings.

Pepco has prepared the information provided in this RFP to assist potential Bidders in deciding whether to respond.

Pepco does not make any representations or warranties regarding the information in the RFP and does not purport that the RFP contains all information needed for Bidders to determine whether to submit a Proposal.

Bidders participating in this RFP shall not have legal recourse or claims against Pepco, the IM, the Commission or Commission Staff, due to Pepco's rejection, in whole or in part, of their Proposal(s), for failure to reach agreement, for failure to obtain Commission approval, or for any reason whatsoever related to such parties' acts or omissions arising out of or in connection with the RFP process or in connection with the rejection of a Proposal, or failure of an agreement to achieve Commission approval.

Pepco reserves the right to modify, cancel or withdraw this RFP and to revise the schedule specified in the RFP if, in Pepco's sole discretion, such changes are necessary or beneficial to Pepco. To the extent reasonably possible, Pepco will inform Bidders that have filed a Notice of Intent to Bid of any such change. The disclaimers and reservations of rights set forth in this paragraph are limited by the obligation of Pepco to operate in good faith and within Pepco's obligations as governed by law, regulations, rules, and orders of the Commission and other regulatory agencies.

Bidders are not permitted to announce or release any information regarding this RFP or the Commission evaluation process without prior written approval of the Commission, which the Commission may withhold in its sole discretion. Each Bidder understands and agrees that Pepco does not participate in, nor does it allow, Bidders to utilize media releases of any kind to publicize Bidder's business relationship with Pepco. Each Bidder shall not use any trade name, trademark, service mark or any other information that identifies Pepco in such Bidder's sales, marketing, and publicity activities without Pepco's express prior written consent. Successful Bidders agree to cooperate with Pepco in preparation of any press release announcing the results of this RFP.

Nothing in this RFP limits Pepco's right, and Pepco expressly reserves its right, to enter into one or more bilateral contracts for energy and RECs outside of this RFP process.

**ATTACHMENT A**

**Notice of Intent to Bid Form**

Our organization intends to submit a Proposal in response to the Potomac Electric Power Company Request for Proposals for wind or solar-generated energy and Renewable Energy Credits:

**NAME OF BIDDER:**

Address:

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Contact Name:

Title:

Phone:

Email:

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Alternate Contact

Name:

Title:

Phone:

Email:

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Description of Planned,  
Existing, or Repowered  
Facility(ies). Include  
nameplate rating of  
Facility(ies).

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Please return Notice of Intent to Bid electronically no later than 5:00 PM Eastern Time on March 5, 2024 to the following e-mail address: [PHI\\_Renewables@Pepcoholdings.com](mailto:PHI_Renewables@Pepcoholdings.com). Include "NOTICE OF INTENT TO BID" as the subject for the electronic submittal.

**ATTACHMENT B**

**Proposal Form**

<b>BIDDER INFORMATION</b>	
Company Name	
Primary Contact Name	
Address	
Telephone	
Email	
Form of organization of Bidder (i.e., corporation, limited liability company, partnership, etc.)	
Jurisdiction of formation of Bidder	
Ultimate parent company of Bidder	
Please attach a summary of Bidder's background and experience in onshore wind/solar energy projects.	
Entity providing credit support on behalf of Bidder (if applicable)	
Name	
Address	
Type of Relationship	
Current senior unsecured debt rating	
S&P	
Moody's	
Fitch	
Dun & Bradstreet #	
Bank references	
Name of institution	
Contact name and title	
Address	
Telephone	
As a separate attachment, please list all lawsuits, regulatory proceedings, or arbitrations in which the Bidder or its affiliates or predecessors have been or are engaged that could affect the Bidder's performance of its Proposal. Identify the parties involved and the final resolution or present status of such matters.	

	Please provide copies of Bidder's annual reports for the three most recent fiscal years and quarterly reports for the most recent quarter ended, if applicable. Non-public bidders may submit unaudited financial statements	
<b>FACILITY AND DELIVERY POINT INFORMATION</b>		
	Name of Facility	
	Type of Facility	
	Location	
	City, County and State	
	Map Coordinates (longitude and latitude)	
	PJM Delivery Point (name and Pnode)	
	Description of Facility and wind/solar generation equipment. If proposal includes storage, storage equipment and operating plan for storage is required.	
	Site control (lease, own, site purchase pending, etc.)	
	Please attach a copy of all leases, easements or other ownership documentation	
	Please describe any known environmental issues	
	Please list and describe all city, county, state and federal permits required for Proposal, including status, duration and timeline.	
	Nameplate capacity of Facility	
	Percentage of nameplate capacity of Facility dedicated to Proposal	
	Interconnection status of Facility including, if applicable, PJM queue number	
<b>PROPOSAL TERMS</b>		
	Proposed contract term(s), including Buyer's Percentage of Facility output	
	For a Facility(ies) under development, the expected date for commencement of service	
	For an existing Facility(ies), documentation of historical output, availability, and outages	

	Delivered Energy/REC amount	
	Proposal price(s) per MWh	
	Delivery Point to Pepco	
	Interconnection Point	
	Proposed termination payment amount	

Proposal Form should be submitted electronically, in PDF format no later than 5:00 PM Eastern Time on March 19, 2024 to the following e-mail address: [PHI\\_Renewables@Pepcoholdings.com](mailto:PHI_Renewables@Pepcoholdings.com). Include "PROPOSAL" as the subject for the electronic submittal.

**ATTACHMENT C**

**Pro Forma Final Agreement**

*[to be attached]*

**ATTACHMENT D**

**Eligible PJM Hubs**

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**RENEWABLE ENERGY PURCHASE AGREEMENT**

**between**

**POTOMAC ELECTRIC POWER COMPANY**

**(“Buyer”) and**

**COUNTERPARTY**

**(“Seller”) Dated as of [2024]**

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### SCHEDULES AND EXHIBITS

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Schedule 17.1	Notice Information

## RENEWABLE ENERGY PURCHASE AGREEMENT

THIS RENEWABLE ENERGY PURCHASE AGREEMENT (this “Agreement”), is made and entered into as of [•] (“Effective Date”), by and between [Counterparty], hereinafter referred to as “Seller” and Potomac Electric Power Company, a District of Columbia corporation, hereinafter referred to as “Buyer” (each hereinafter referred to individually as “Party” and collectively as “Parties”).

### WITNESSETH:

**WHEREAS**, Seller plans to [develop,] own and operate an energy generating Facility with an aggregate total nameplate capacity rating of [ ] MW (the “Facility Nameplate Rating”), located in [ ]; and

**WHEREAS**, Seller desires to sell and deliver to Buyer, and Buyer desires to purchase and receive, Energy and Environmental Attributes generated by the Facility (collectively, the “Products”); and

**WHEREAS**, Buyer intends to use the Products purchased under this Agreement in accordance with Order No. 19897, issued on April 12, 2019, Order No. 20327, issued on April 9, 2020, and Order No. 21918 in Formal Case No. 1017 by the Public Service Commission of the District of Columbia.

**NOW, THEREFORE**, and in consideration of the foregoing, and of the mutual promises, covenants, and conditions set forth herein, and other good and valuable consideration, the Parties hereto, intending to be legally bound by the terms and conditions set forth in this Agreement, hereby agree as follows:

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions. The following capitalized terms, when used in this Agreement, shall have the meanings set forth below:

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Agreement” has the meaning set forth in the preamble hereto.

“Availability Damages” has the meaning set forth in Schedule 6.11.

“Availability Percentage” has the meaning set forth in Schedule 6.11.

“Bankrupt” means, with respect to any entity, such entity: (a) voluntarily files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or

cause of action under any bankruptcy, insolvency, reorganization or similar Law, or has any such petition filed or commenced against it by its creditors and such petition is not dismissed within ninety (90) days of the filing or commencement; (b) makes an assignment or any general arrangement for the benefit of creditors; (c) otherwise becomes insolvent, however evidenced; (d) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (e) is generally unable to pay its debts as they fall due.

“Business Day” means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall begin at 8:00 am and end at 5:00 pm EPT.

“Buyer” has the meaning set forth in the preamble hereto.

“Buyer Energy Limit” shall mean 163,000 MWh per year.

“Buyer’s Indemnitees” has the meaning set forth in Section 10.1.

“Buyer’s Percentage” means the percentage equal to the Buyer’s Share divided by the Facility Nameplate Rating.

“Buyer’s Share” means the Original Buyer’s Share, as adjusted pursuant to Section 3.5.

“Change in Control” means any circumstance in which Ultimate Parent ceases to own, directly or indirectly through one or more intermediate entities, at least fifty percent (50%) of the outstanding equity or voting interests in Seller. Notwithstanding the foregoing, the following shall not constitute a Change in Control: (a) any time in which the Seller retains a Qualified Operator to operate the Facility, (b) any transaction after which the Seller’s Ultimate Parent, or their Affiliate, is a Qualified Operator, (c) the sale of any equity interest, directly or indirectly, in the Ultimate Parent, or the sale of any equity interest in any entity that owns, directly or indirectly, legally or beneficially an equity interest in Ultimate Parent, or (d) the sale of any indirect equity interest in Seller in connection with a tax equity or cash equity financing of the Facility; *provided that* Seller or its Affiliate maintains day-to-day operational management rights to the Facility.

“Confidential Information” means any information in any form designated by a Party as confidential pursuant to Section 16.2 whether such information was disclosed prior to or after the Effective Date; *provided, however*, that Confidential Information shall not include Unrestricted Information.

“Commencement Date” means, for a Facility that is in commercial operation prior to the Effective Date, the date on which Seller is obligated to begin selling, and Buyer is obligated to buy, Buyer’s Percentage of all Products produced by, or associated with, the Facility as agreed to by the Parties and set forth in Exhibit C.

“Contract Price” means the price per MWh of Energy delivered to the Delivery Point for Buyer’s account and RECs transferred to Buyer, as set out on Schedule 8.1.

“Contract Term” has the meaning set forth in Section 2.1.

“Contract Year” shall mean the twelve (12) month period commencing on the Initial Delivery Date or Commencement Date, as applicable, and each anniversary thereafter during the Services Term.

“Costs” means, with respect to the Non-Defaulting Party, (i) all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement and (ii) reasonable third party consultant fees and expenses incurred by the Non-Defaulting Party in calculating Replacement Costs or Resale Costs (as applicable); *provided that* any and all such fees and expenses are incurred by the Non-Defaulting Party within the first six (6) months after the date of the termination of this Agreement.

“COVID-19” means the global pandemic associated with the outbreak of the disease designated as COVID-19 as declared by the World Health Organization on March 11, 2020, and any mutations thereof, and the actions of any Governmental Authority directly related thereto.

“Credit Rating” means, with respect to any Person, the rating then assigned to such Person’s senior unsecured long-term debt obligations (not supported by third-party credit enhancements) by a Rating Agency or, if such Person does not have a rating for its senior unsecured long-term debt, then the “Issuer Credit Rating” for such Person established by S&P.

“DCPSC” means the District of Columbia Public Service Commission.

“Decreased Capacity Damages” has the meaning set forth in Section 3.5.

“Defaulting Party” has the meaning set forth in Section 12.1.

“Delay Damages” has the meaning set forth in Section 3.3.

“Delivery Point” means the PJM hub identified in Exhibit B.

“Disclosing Party” has the meaning set forth in Section 16.1.

“Eastern Prevailing Time” or “EPT” means Eastern Standard Time or Eastern Daylight Saving Time, whichever is in effect on any particular date.

“Effective Date” has the meaning set forth in the preamble hereto.

“Electrical Interconnection Facilities” means the equipment and facilities required to safely and reliably interconnect the Facility to the PJM Transmission System or the transmission system of another Transmitting Utility in whose territory the Facility is located, as applicable, including transformers and all switching, metering, communications, control and safety equipment, including the facilities described in Exhibit A.

“Emergency” means: (a) an abnormal system condition requiring manual or automatic action to maintain system frequency or voltage or to prevent loss of firm load, equipment damage or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; (b) system recovery from an abnormal condition that resulted in loss of firm load or equipment damage; or (c) a condition that requires implementation of “emergency procedures” (as defined by PJM or any Transmitting Utility).

“Energy” means three-phase, 60- cycle alternating current electric energy.

“Environmental Attributes” means Renewable Energy Credits and any and all other (whether known or unknown) federal, regional, state and other credits, certificates, benefits, emission reductions, carbon credits, offsets and allowances that are attributable, now or in the future, however entitled or named, attributable to or associated with the Facility or the Energy produced by the Facility, including: (a) any such credits, certificates, benefits, offsets and allowances computed on the basis of the Facility’s displacement of fossil fuel derived or other conventional energy generation arising under existing or future applicable Law; (b) any environmental certificates issued by PJM under the GATS in connection with Energy delivered to Buyer; and (c) any voluntary emission reduction credits obtained or obtainable by Seller in connection with the generation of Energy delivered to Buyer from the Facility; *provided, however*, that Environmental Attributes shall not include: (i) production tax credits based on energy production from any portion of the Facility; (ii) any investment tax credits or other tax credits associated with the construction or ownership of the Facility; (iii) any state, federal or private cash payments or grants relating in any way to the construction or ownership of the Facility or the output thereof; or (iv) accelerated depreciation benefits related to the Facility’s status as a generator of renewable energy.

“Event of Default” has the meaning set forth in Sections 12.1 and 12.2.

“Facility” means the generating facility, including the Electrical Interconnection Facilities and any other ancillary facilities and equipment, as more particularly described in Exhibit A.

“Facility Commercial Operation” means the condition of the Facility once it has achieved the following:

- (a) ninety percent (90%) of Buyer’s Percentage of the Facility Nameplate Rating shall have been fully commissioned and shall be operational;
- (b) all performance testing of the Electrical Interconnection Facilities shall have been successfully completed in accordance with the PJM Agreements;
- (c) the Facility shall be operating and able to produce and deliver Energy to the Interconnection Point: (i) pursuant to the terms of this Agreement, the Interconnection Agreement, and all applicable Laws; and (ii) in accordance with Good Utility Practice; and

- (d) the SCADA system for the Facility shall have been installed and tested and shall be fully operational.

“Facility Commercial Operation Date” means the first date as of which: (a) Facility Commercial Operation has occurred; and (b) Seller shall have delivered to Buyer written certification of an authorized officer of Seller certifying that the Facility has achieved Facility Commercial Operation.

“Facility Lender” means any Person(s), other than Affiliates of Seller, that provide construction, working capital or term debt financing for the Facility (including any agent(s) thereof).

“Facility Meter” means the revenue quality electricity generation meter, to be located at the metering point shown on Exhibit A, which shall register all Energy produced by the Facility and delivered to the Interconnection Point.

“Facility Nameplate Rating” has the meaning set forth in the Recitals hereto, as such amount may be adjusted pursuant to Section 3.4.

“Facility Site” means the property on which the Facility is located, as more particularly described in Exhibit A.

“FERC” means the Federal Energy Regulatory Commission.

“Financing Assignment” shall mean the consent to collateral assignment between Buyer, Seller and Facility Lender, in a form reasonably satisfactory to Buyer, Seller and Facility Lender.

“Fitch” means Fitch Investor Service, Inc.

“Force Majeure Event” means an event or circumstance that: (a) prevents a Party from performing its obligations under this Agreement; (b) was not foreseeable by such Party or if it was foreseeable, was not within the reasonable control of, or the result of the negligence of, such Party; and (c) such Party is unable to avoid or cause to be avoided with the exercise of due diligence. Force Majeure Events shall include, *provided that* the criteria in the first sentence are met, riot, insurrection, war (declared or not), mobilization, explosion, labor dispute, fire, flood, earthquake, storm, lightning, tsunami, backwater caused by flood, vandalism, act of the public enemy, terrorism, epidemic or pandemic (including COVID-19, but only as to specific future impacts to Seller that were not actually known as of the Effective Date), civil disturbances, strike, labor disturbances, work slowdown or stoppage, blockades, sabotage, labor or material shortage, national emergency, the extension, amendment, adoption or repeal of or other change in, or the interpretation or application of, any applicable Law, and any action or inaction by any Governmental Authority. Notwithstanding the foregoing, under no circumstance shall a Force Majeure Event be based on: (i) Seller’s ability to sell a Product at a price greater than that received under the terms of this Agreement; (ii) Buyer’s ability to purchase a Product at a price lower than paid under the terms of this Agreement; and (iii) any other economic hardship or changes in market conditions affecting the economics of one of the Parties but not the other, except

to the extent such economic hardship or change in market conditions is the result of an independent Force Majeure Event described above.

“GAAP” means generally accepted accounting principles in the United States of America as in effect from time to time.

“GATS Operating Rules” means the operating rules for the GATS (including successor versions), as published by PJM Environmental Information Services, Inc.

“Generator Attribute Tracking System” or “GATS” means the system (or its successor) operated by PJM Environmental Information Services, Inc. in accordance with the GATS Operating Rules to provide environmental and emissions attributes reporting and tracking services to its subscribers.

“Good Utility Practice” means the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry (in the case of Buyer) or the [wind][solar] industry (in the case of Seller) during the relevant time period, and any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision is made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather is intended to include acceptable practices, methods and acts generally accepted in the region.

“Governmental Authority” means any federal, state, local, municipal or other governmental or quasi-governmental authority, agency, department, board, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party, the Facility, the Products to be delivered hereunder or this Agreement.

“Guaranteed Availability Percentage” has the meaning set forth in Schedule 6.11.

“Guaranteed Initial Delivery Date” means the Guaranteed Initial Delivery Date set forth in Exhibit C; *provided, however*, that the Guaranteed Initial Delivery Date shall be extended on a day-for-day basis (a) for up to twelve (12) months to the extent that the Initial Delivery Date is delayed as a result of (i) a Force Majeure Event, (ii) a delay in the importation or delivery of solar modules to be incorporated into the Facility, or (iii) any delay in the completion and energizing of the Electrical Interconnection Facilities by PJM or the Transmitting Utility, or (b) for each day after the PSC Approval Deadline that PSC Approval is not obtained.

“Guarantor” means any Person that: (a) guarantees a Party’s financial obligations under this Agreement pursuant to a Guaranty; (b) is an Affiliate of such Party; (c) has a Credit Rating from at least two (2) of the Rating Agencies; (d) is Investment Grade; and (e) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction.

“Guaranty” means a guaranty agreement (a) in favor of the Security Beneficiary; (b) executed and delivered by a Guarantor to Buyer; and (c) in the form of Schedule 14.4(c).

“Indemnified Person” has the meaning set forth in Section 10.3(c).

“Indemnifying Party” has the meaning set forth in Section 10.3(c).

“Initial Delivery Date” means the date on which the conditions set forth in Section 3.1 have been satisfied or waived in writing by Buyer.

“Instructed Operation” means a mandatory direction by a Transmitting Utility to meet an Emergency, or a transmission system reliability need, including voltage support.

“Interconnection Agreement” means an agreement between Seller and the Transmitting Utility (which may be Buyer or an Affiliate of Buyer) in whose territory the Facility is located regarding interconnection of the Facility to the transmission system of the Transmitting Utility.

“Interconnection Point” means the physical point of interconnection between the Electrical Interconnection Facilities and the electrical transmission system of the Transmitting Utility.

“Interest Rate” means, as of any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate published in *The Wall Street Journal* under “Money Rates” on such day (or, if such rate is not published on such date, the rate published on the most recent preceding date on which such rate is published), plus two percent (2%); and (b) the maximum rate permitted by applicable Law.

“Internal Bilateral Transaction” has the meaning given to such term in the PJM Agreements.

“Investment Grade” shall mean at least two of the following three Credit Ratings: “BBB-” or better from S&P, “BBB-” or better from Fitch, or “Baa3” or better from Moody’s.

“Invoice” has the meaning set forth in Section 8.2.

“kW” means kilowatt.

“Law” means any statute, law, treaty, convention, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction issued, adopted, administered or implemented by a court or Governmental Authority, including any of the foregoing that are enacted, amended or issued after the Effective Date, and any binding interpretations of any of the foregoing.

“Letter of Credit” means an irrevocable standby letter of credit in favor of the Security Beneficiary issued by a Qualified Institution, in the form of Schedule 14.4(b) or such other form as may reasonably be agreed by the Parties.

“Lien” means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever, including any sale-leaseback arrangement, conditional sale or other title retention agreement and any financing lease having substantially the same effect as any of the foregoing.

“Locational Marginal Price” shall mean, for any period, the location specific Real-Time Energy Market price as defined and published by PJM, expressed in \$/MWh, which, for the avoidance of doubt, may be positive or negative.

“Market Participant” has the meaning set forth in the PJM Operating Agreement.

“Milestone Schedule” has the meaning set forth in Section 3.6.

“Monthly Settlement Date” has the meaning set forth in Section 8.2.

“Moody’s” means Moody’s Investor Services, Inc.

“MW” means megawatt.

“MWh” means megawatt-hour.

“NERC” means the North American Electric Reliability Council, or any other Person designated by FERC to perform its functions.

“Non-Defaulting Party” has the meaning set forth in Section 12.3.

“Original Buyer’s Share” means [ ] MW.

“Party” or “Parties” has the meaning set forth in the preamble hereto.

“Performance Assurance” means collateral in the form of cash, Letter(s) of Credit, Guaranty, or other security acceptable to the Security Beneficiary, in each case in accordance with Article 14 unless otherwise approved by the Security Beneficiary.

“Performance Assurance Amount” has the meaning set forth in Schedule 14.1.

“Period” has the meaning set forth in Schedule 6.11.

“Permit” means any permit, authorization, license, order, consent, waiver, exception, exemption, variance or other approval by or from, and any filing, report, certification, declaration, notice or submission to or with, any Governmental Authority required to authorize action, including any of the foregoing relating to the ownership, siting, construction, operation, use or maintenance of the Facility under any applicable Law.

“Person” means an individual, partnership, joint venture, corporation, limited liability company, trust, association, unincorporated organization or Governmental Authority.

“PJM” means PJM Interconnection, L.L.C., or its successor.

“PJM Agreements” means the PJM Tariff, the PJM Operating Agreement, and any other PJM bylaws, procedures, manuals or documents applicable to the Facility.

“PJM Member” means any entity satisfying the requirements of PJM to conduct business with PJM.

“PJM Operating Agreement” means the Operating Agreement of PJM.

“PJM Tariff” means the Open Access Transmission Tariff of PJM.

“PJM Transmission System” means the system of transmission lines and associated facilities that have been placed under PJM’s operational control.

“Products” has the meaning set forth in the Recitals hereto.

“PSC Approval” means an order issued by the DCPSC approving the terms of this Agreement without modification and authorizing Buyer to recover all of its costs incurred hereunder, which order shall be in form and substance reasonably acceptable to Buyer.

“PSC Approval Deadline” means the date that is six (6) months after the date on which Buyer files this Agreement with the DCPSC seeking PSC Approval.

“Qualified Institution” means a U.S. commercial bank (or a foreign bank with a U.S. branch) having total assets of at least \$10 billion dollars (\$10,000,000,000.00) and a Credit Rating equal to or better than “A-” by S&P and an equivalent Credit Rating by Moody’s or Fitch.

“Qualified Operator” means an entity that, together with its Affiliates, owns or operates renewable electricity generating assets that have a nameplate capacity of not less than five hundred (500) MW in the aggregate in the United States (excluding the Facility).

“Rating Agency” or “Rating Agencies” shall mean, individually or collectively, S&P, Moody’s and Fitch.

“Real-Time Energy Market” has the meaning given to such term in the PJM Agreements.

“Receiving Party” has the meaning set forth in Section 16.1.

“Regional Reliability Entity” means the organization designated by NERC responsible for establishing and implementing reliability criteria and protocols for the Facility.

“Regulatory Charges” has the meaning set forth in Section 9.2.

“Renewable Energy Credit” or “REC” shall have the meaning set forth in the RPS Rules and RPS Act.

“Renewable Energy Portfolio Standard” shall have the meaning set forth in the RPS Act.

“Replacement Costs” means the net present value of (a) the market price of Energy at the Delivery Point, and Environmental Attributes supplied from a renewable energy generating resource located in [XX], less (b) the price of Energy and Environmental Attributes at the Contract Price, in each case for all Products that would have been delivered during the remainder of the Services Term.

“Resale Costs” means the net present value of (a) the price of Energy and Environmental Attributes at the Contract Price less (b) the market price of Energy at the Delivery Point, and Environmental Attributes supplied from a renewable energy generating resource located in [XX], in each case for all Products that would have been delivered during the remainder of the Services Term.

“RPS Act” shall mean the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15–340; D.C. Official Code §§ 34–1431 et seq.), as amended.

“RPS Rules” means the DCPSC’s Rules and Procedures to Implement the Renewable Energy Portfolio Standard.

“S&P” means Standard & Poor’s Ratings Group, a division of McGraw Hill, Inc.

“Security Beneficiary” has the meaning set forth in Section 14.2.

“Security Obligor” has the meaning set forth in Section 14.2.

“Seller” has the meaning set forth in the preamble hereto.

“Seller’s Indemnitees” has the meaning set forth in Section 10.2.

“Services Term” means the period commencing on the Initial Delivery Date or Commencement Date, as applicable, and ending [XX] years thereafter.

“Termination Payment” means all of the actual damages incurred by the Non-Defaulting Party as a result of termination, including (a) the Costs and (b) the Replacement Costs (if Buyer is the Non-Defaulting Party) or Resale Costs (if Seller is the Non-Defaulting Party) incurred by the Non-Defaulting Party as a result of the termination of this Agreement.

“Tier One Renewable Source” shall have the meaning ascribed to it in the RPS Act.

“Transmitting Utility” means any utility (including its control area operator) that transmits Energy from the Interconnection Point to the Delivery Point.

“Ultimate Parent” means [Counterparty’s ultimate parent entity].

“Unrestricted Information” means any information disclosed by one Party to the other Party that: (a) is or becomes part of the public domain without fault of the Receiving Party; (b) was received by the Receiving Party from a Person under no obligation to the Disclosing Party with respect to maintaining the confidentiality thereof; or (c) was already in the Receiving Party’s possession and not subject to confidentiality restrictions at the time the information was made available by the Disclosing Party.

1.2 Interpretation. Unless otherwise required by the context in which any term appears:

- (a) the singular shall include the plural and vice versa;
- (b) references to Articles, Sections, Schedules or Exhibits shall be to Articles, Sections, Schedules or Exhibits of this Agreement, unless otherwise specified;
- (c) all references to a particular Person in any capacity shall be deemed to refer also to such Person’s successors and permitted assigns in such capacity;
- (d) the words “herein,” “hereof” and “hereunder” shall refer to this Agreement as a whole and not to any particular section or subsection thereof;
- (e) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation” and shall not be construed to mean that the examples given are an exclusive list of the topics covered;
- (f) the word “or” when used in this Agreement includes the meaning “and/or” unless the context unambiguously dictates otherwise;
- (g) all accounting terms not specifically defined herein shall be construed in accordance with GAAP;
- (h) references to this Agreement shall include a reference to all schedules and exhibits hereto, each of which shall be incorporated by reference into this Agreement;
- (i) references to any agreement, document or instrument, including the PJM Agreements, shall be construed to refer to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time;
- (j) the masculine shall include the feminine and neuter and vice versa;
- (k) references to a Law shall be construed to refer to such Law as the same may be amended, modified, supplemented or restated from time to time;
- (l) the term “month” shall mean a calendar month unless otherwise indicated, and a “day” shall be a twenty-four (24) hour period beginning at 12:00:01 am and ending at 12:00:00 midnight; *provided, however*, that a “day” may

be twenty-three (23) or twenty-five (25) hours on those days on which daylight savings time begins or ends;

- (m) unless expressly provided otherwise in this Agreement, where this Agreement requires the consent, approval or similar action by a Party, such consent, approval, or action shall be made or given in such Party's sole discretion;
- (n) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning in Good Utility Practice or the PJM Agreements, shall have such meaning in this Agreement, or (ii) do not have well-known and generally accepted meaning in Good Utility Practice or the PJM Agreements but have well-known technical or trade meanings shall have such recognized meanings; and
- (o) all references to dollars are to U.S. dollars.

## ARTICLE 2 TERM

2.1 Term. The term of this Agreement (the "Contract Term") will commence upon the Effective Date and, unless earlier terminated pursuant to the express provisions of this Agreement, will continue until the end of the Services Term; *provided, however*, that all provisions of this Agreement which must, in order to give full force and effect to the rights and obligations of the Parties, survive termination or expiration of this Agreement, shall so survive, including Articles 10, 12, 13, and 16.

2.2 PSC Approval. Seller shall have no obligation to deliver or sell, and Buyer shall have no obligation to accept or purchase, Products prior to receipt of PSC Approval. Buyer shall file this Agreement before the DCPSC and seek PSC Approval within thirty (30) days following the Effective Date. Buyer shall use commercially reasonable efforts to support the PSC Approval process prior to any termination of this Agreement pursuant to Section 2.3.

2.3 Termination Rights Regarding PSC Approval. Either Seller or Buyer may terminate this Agreement without liability upon thirty (30) days' advance written notice if PSC Approval does not occur on or before the date that is six (6) months after the PSC Approval Deadline. Buyer shall notify Seller whether any order issued by the DCPSC approving the terms of this Agreement is in form and substance acceptable to Buyer no later than five (5) Business Days after issuance of such order.

## ARTICLE 3 FACILITY DEVELOPMENT

***[Note: This Section and selected definitions may be reserved or removed for existing facilities that have already achieved COD]***

3.1 Initial Delivery Date. The Initial Delivery Date shall occur upon the satisfaction or waiver in writing by Buyer of the following conditions precedent:

- (a) the Facility Commercial Operation Date shall have occurred or will occur simultaneously with the Initial Delivery Date;
- (b) Seller shall have obtained (and demonstrated possession of) all Permits required to commence delivery of the Energy from the Facility and satisfy the conditions of Facility Commercial Operation, other than those that would not have a material adverse effect on Seller's ability to satisfy its obligations under this Agreement;
- (c) no Seller Event of Default shall be occurring;
- (d) Seller shall be a PJM Member and shall have entered into all required PJM Agreements required for the performance of Seller's obligations in connection with the Facility and this Agreement, which agreements shall be in full force and effect or Seller shall have entered into an agreement with a Market Participant that will perform all of Seller's PJM-related obligations in connection with the Facility and this Agreement;
- (e) the Facility as-built shall meet the eligibility requirements for a Tier One Renewable Source as of the Effective Date;
- (f) Seller shall have made all filings and applications required for accreditation of the Facility in GATS and for the registration, origination and transfer of Environmental Attributes from the Facility, but only to the extent such requirements are available to complete by Seller as of the Facility Commercial Operation Date;
- (g) Seller shall have entered into all agreements and made all filings and other arrangements necessary for the transmission and delivery of the Energy associated with Buyer's Percentage of the Facility from the Facility to the Delivery Point;
- (h) Seller shall have obtained all necessary authorizations from FERC to sell Energy at market-based rates as contemplated by this Agreement and shall be in compliance with such authorization;
- (i) Seller shall have delivered required Performance Assurance, in accordance with Article 14; and
- (j) Seller shall have provided Buyer with written certification that all of the preceding conditions have been satisfied.

3.2 Deadline to Achieve Initial Delivery Date. Subject to Section 3.3, Seller shall achieve the Initial Delivery Date no later than the Guaranteed Initial Delivery Date. Seller shall provide Buyer with notice of (i) the expected occurrence of the Initial Delivery Date no later than thirty (30) days prior thereto; (ii) any updates to the Initial Delivery Date no later than five (5) Business Days prior thereto; and (iii) the actual Initial Delivery Date upon the date thereof.

3.3 Delay Damages. In the event the Initial Delivery Date does not occur on or prior to the Guaranteed Initial Delivery Date, for each day beginning with the day after the Guaranteed Initial Delivery Date through and including the date on which the Initial Delivery Date occurs, Seller shall pay liquidated damages in the amount of \$0.20 per kW of Buyer's Percentage of the Facility Nameplate Rating per day ("Delay Damages"). Delay Damages shall be paid by Seller within thirty (30) days after the end of the month in which the Delay Damages accrue. The Parties acknowledge and agree that (a) calculation of actual damages that Buyer would suffer as a result of a delay in the Initial Delivery Date would be difficult or impossible to ascertain; (b) obtaining an adequate remedy may be difficult; and (c) the amount of Delay Damages constitutes a fair and reasonable approximation of the damages Buyer will incur as a result of delay in the Initial Delivery Date and is not intended as, nor shall it be deemed, a penalty. Subject to Section 14.5 and excluding Buyer's right to terminate as a result of a Seller Event of Default under Section 12.1(a), the rights set forth pursuant to this Section 3.3 shall be Buyer's exclusive remedy for Seller's delay in achieving the Guaranteed Initial Delivery Date. Buyer acknowledges and agrees that Seller's aggregate liability to Buyer, for damages (including Delay Damages) or otherwise, prior to the Initial Delivery Date shall in no event exceed the applicable Performance Assurance Amount.

3.4 Facility Nameplate Rating. At any point prior to the Initial Delivery Date, Seller may in its sole discretion modify the Facility Nameplate Rating by providing notice of the same to Buyer, which shall adjust the Facility Nameplate Rating required hereunder (including Exhibit A), *provided that* in no event shall the Facility Nameplate Rating be less than Buyer's Share.

3.5 Buyer's Share. In the event that Seller achieves the Initial Delivery Date before the Guaranteed Initial Delivery Date but, on the Initial Delivery Date, the Buyer's Share is less than One Hundred Percent (100%) of the Original Buyer's Share but greater than or equal to Ninety Percent (90%) of the Original Buyer's Share on such date and continues to be less than One Hundred Percent (100%) of the Original Buyer's Share as of the date that is twelve months after the Initial Delivery Date, Seller shall pay to Buyer liquidated damages in an amount equal to the product of: (i) the Original Buyer's Share *minus* (ii) the Buyer's Share determined as of the Guaranteed Initial Delivery Date, multiplied by one hundred thousand dollars (\$100,000.00) (the "Decreased Capacity Damages"). If this Agreement is terminated prior to the Facility achieving the Initial Delivery Date, Seller shall not owe Decreased Capacity Damages. If Decreased Capacity Damages are owed by Seller to Buyer, Seller shall make payment of the Decreased Capacity Damages to Buyer by no later than thirty (30) days following the Guaranteed Initial Delivery Date. Upon payment of the Decreased Capacity Damages, the definition of Buyer's Share hereunder shall be revised to reflect the adjusted Facility Nameplate Rating.

3.6 Construction and Progress Reports. Seller shall construct the Facility in accordance with the specifications set forth in Exhibit A and prepare and submit to Buyer written progress reports, in a form reasonably satisfactory to Buyer, describing the status of development and construction of the Facility and all milestones set forth in Schedule 3.6 (the "Milestone Schedule"), including the status of each of the conditions precedent to the Initial Delivery Date set forth in Section 3.1. Such progress reports shall be submitted: (a) on a quarterly basis commencing no later than two (2) years prior to Seller's anticipated Initial Delivery Date; and (b) on a weekly basis commencing forty-five (45) days prior to Seller's anticipated Initial Delivery Date.

3.7 Maintenance of Facility. To the extent required to achieve the Initial Delivery Date, Seller shall maintain the Facility in accordance with Good Utility Practice.

3.8 Facility Design and Costs. As between Buyer and Seller, Seller (including its contractors and subcontractors) is solely responsible for all Facility design and all costs of installing, developing, and financing the Facility at the Facility Site. Nothing in this Agreement or the Buyer's review of Seller's reports, nor its monitoring of the development and construction the Facility, shall be construed as endorsement by Buyer of the design, engineering, construction or testing of the Facility nor as any express or implied warranty as to the performance, safety, durability, or reliability of the Facility.

3.9 Facility Site Visits; Publicity. Prior to the Initial Delivery Date, Buyer may request permission from Seller to visit the Facility Site during normal business hours to monitor the construction, start-up, and testing of the Facility at the Facility Site and to verify compliance with this Agreement. Seller shall accommodate Buyer's reasonable requests for such visits, *provided that* Buyer shall during any such visit to the Facility comply with Seller's safety policies, instructions, and any other generally applicable restrictions applicable to site access required by Seller and communicated to Buyer.

3.10 Early Termination by Seller. Prior to the date that is [\_\_\_\_\_] months following the Effective Date, Seller may terminate this Agreement upon payment of \$[\_\_\_\_\_] to Buyer if any of the following conditions occur: ***[If applicable, Seller to specify date, amount and conditions].***

#### ARTICLE 4 PURCHASE AND SALE OF PRODUCTS

4.1 Purchase and Sale Obligation. Subject to Seller's rights pursuant to Section 4.3, during the Services Term Seller shall: (a) deliver and sell Buyer's Percentage of all Products produced by, or associated with, the Facility to Buyer; and (b) not offer, deliver, sell or make available to any Person other than Buyer, Buyer's Percentage of all Products produced by, or associated with, the Facility. Subject to the rights of the Parties pursuant to Sections 4.3 and 4.4, during the Services Term Buyer shall: (i) have the exclusive right to purchase and receive Buyer's Percentage of all Products produced by, or associated with, the Facility; and (ii) accept and purchase Buyer's Percentage of all Products produced by, or associated with, the Facility and delivered to Buyer in accordance with the terms and conditions of this Agreement, *provided that* if, during the Contract Term of this Agreement, the Facility becomes eligible for any Environmental Attributes not existing under the RPS Act on the Effective Date (or if the RPS Act is amended in a manner that increases costs to deliver Environmental Attributes from those costs contemplated as of the Effective Date), Seller shall deliver those additional Environmental Attributes to Buyer, *provided that* Buyer agrees to pay any material costs required to generate and deliver such additional Environmental Attributes to Buyer, including costs required for material modifications to the Facility; *provided further*, that to the extent Seller is delivering (or notifies Buyer that it plans to deliver) such additional Environmental Attributes from the Facility not associated with Buyer's Share to another buyer, Buyer shall only pay such material costs on a pro-rata basis based on Buyer's Share.

4.2 Quantity. The quantity of Energy and RECs required to be delivered by Seller to Buyer shall be equal to Buyer's Percentage of the Energy produced by the Facility, as measured by the Facility Meter.

4.3 Limitations on Seller's Obligation to Sell. Notwithstanding anything to the contrary set forth herein, Seller may sell any or all Energy produced by the Facility (and all Ancillary Services and Environmental Attributes associated therewith) to Persons other than Buyer to the extent it is unable to deliver Buyer's Percentage of such Energy to the Delivery Point due to a Force Majeure Event or an Instructed Operation. Unless Buyer has agreed in writing, Seller shall not monetize or otherwise sell or deliver Energy and Environmental Attributes from the Facility on behalf of any other Person if such action interferes with the generation, qualification Buyer's Percentage of Energy from the Facility and Buyer's Percentage of Environmental Attributes.

4.4 Limitations on Buyer's Obligation to Purchase. Notwithstanding anything to the contrary set forth in this Agreement: (a) Buyer shall have no obligation to purchase Energy or Environmental Attributes generated by the Facility prior to the Services Term; (b) Buyer is purchasing only Energy and Environmental Attributes, each associated with Buyer's Percentage of the Facility from the Facility, and is not purchasing any other product of the Facility, which shall remain the property of Seller; and (c) Buyer shall not be obligated to purchase Energy in excess of the Buyer Energy Limit, and Seller shall retain the right to sell any such excess Energy and associated Environmental Attributes to third parties.

4.5 Origination of RECs. RECs provided by Seller to Buyer hereunder shall be required to originate from the Energy produced by the Facility.

## **ARTICLE 5 SCHEDULING AND DELIVERY OF PRODUCTS**

5.1 Delivery of Energy. Seller shall be solely responsible for arranging, scheduling with PJM and other Transmitting Utilities, and delivering Energy from the Facility to be delivered hereunder to the Delivery Point. As between the Parties, Seller shall be solely responsible for any and all costs and charges (including penalties) incurred in connection therewith, whether imposed pursuant to standards or provisions established by FERC, any other Governmental Authority, PJM or any Transmitting Utility, to deliver the Energy to the Delivery Point including any of Seller's costs to deliver to Buyer via PJM's Internal Bilateral Transaction mechanism and including and any transmission costs, scheduling costs, imbalance costs, congestion costs and the cost of firm transmission rights. Buyer shall arrange, schedule with PJM and be responsible for transmission of Energy from the Delivery Point and shall, as between the Parties, be solely responsible for any and all costs and charges (including penalties) incurred in connection therewith, whether imposed pursuant to standards or provisions established by FERC, any other Governmental Authority, PJM or any Transmitting Utility, including transmission costs, scheduling costs, imbalance costs, congestion costs and the cost of firm transmission rights.

5.2 Delivery of Environmental Attributes. Subject to Section 6.9, Seller shall: (a) take all actions necessary to register, certify and transfer Environmental Attributes from Seller to Buyer in accordance with GATS and the RPS Act, including making all filing and applications required for accreditation of the Facility in GATS and for the registration, origination and transfer of

Environmental Attributes from the Facility; and (b) bear all costs associated therewith, including program fees and registration fees. Seller shall comply with the RPS Act and RPS Rules in connection with Seller's transfer of RECs to Buyer hereunder.

5.3 Title and Risk of Loss.

- (a) Title to, and risk of loss (including risks and costs associated with any transmission outages or curtailment up to and at the Delivery Point) related to, Energy sold by Seller to Buyer pursuant to this Agreement shall pass and transfer from Seller to Buyer upon delivery thereof for Buyer's account at the Delivery Point. Seller covenants that it shall have good and marketable title to all Energy delivered to Buyer at the Delivery Point and that it has the right to, and will, sell and deliver such Energy and Ancillary Services to Buyer free and clear of all Liens.
- (b) Title to, and risk of loss related to, Environmental Attributes sold by Seller to Buyer pursuant to this Agreement shall pass and transfer from Seller to Buyer upon the completion of the recordation of transfer and physical or electronic delivery of such Environmental Attributes to Buyer in definitive form in accordance with GATS Operating Rules or other applicable Law. Seller shall transfer certificates into Buyer's GATS account(s) as necessary to transfer Environmental Attributes to Buyer under GATS. Seller covenants that it shall have good and marketable title to all Environmental Attributes delivered to Buyer and that it has the right to, and will, sell and deliver such Environmental Attributes to Buyer free and clear of all Liens.

5.4 PJM E-Accounts. Each of Buyer and Seller shall establish and maintain for the duration of the Services Term separate PJM E-Accounts for Seller to provide and Buyer to receive the Products. PJM's Internal Bilateral Transaction mechanism, or successor, will settle the physical delivery of Energy between the Seller and Buyer in the Real-Time Energy Market.

**ARTICLE 6  
SELLER COVENANTS**

6.1 Compliance with Law and Utility Requirements. Seller shall in all material respects comply with, and cause the Facility to comply with: (a) Good Utility Practice; (b) all applicable requirements of Law; and (c) all applicable rules, procedures, operating policies, criteria, guidelines and requirements imposed by the DCPSC, any other Governmental Authority, any Transmitting Utility, NERC and/or any Regional Reliability Entity, including, in each case, all practices, requirements, rules, procedures and standards related to Seller's construction, ownership, operation and maintenance of the Facility and its performance of its obligations under this Agreement (including obligations related to the generation, scheduling and transmission of Energy), whether such requirements were imposed prior to or after the Effective Date. Seller shall be solely responsible for registering as the "Generator Operator" of the Facility with NERC and any applicable Regional Reliability Entity.

6.2 Permits. Seller shall maintain in full force and effect all Permits necessary for it to perform its obligations under this Agreement, including all Permits necessary to operate and maintain the Facility.

6.3 Maintenance of Facility. At all times during the Services Term, Seller shall maintain the Facility in accordance with Good Utility Practice.

6.4 Interconnection Agreement. Seller shall comply with the terms and conditions of the Interconnection Agreement.

6.5 Planned Outages. Seller shall not schedule a planned outage of the Facility or any portion thereof between June 15 and September 15 during any Contract Year, unless such outage (i) is required to avoid damage to the Facility, (ii) is necessary to maintain equipment warranties and cannot be scheduled outside the months of June 15 to September 15, (iii) is required in accordance with Good Utility Practice that is agreed to by the Parties in writing, (iv) is occurring during non-daylight hours, (v) affects no more than ten percent (10%) of the Facility Nameplate Rating; or (vi) is otherwise agreed to by the Parties in writing. No later than thirty (30) days prior to the Services Term, Seller shall deliver to Buyer a schedule of planned maintenance for the Facility for the following twelve (12) month period, which schedule shall: (a) be updated by Seller by each March 31 and September 30 to cover the twelve (12) month period following such update; (b) be consistent with the requirements of Good Utility Practice and the Interconnection Agreement; (c) indicate the planned commencement and completion dates for each planned maintenance during the period covered thereby, as well as the affected portion(s) of the Facility; and (d) be in form and substance reasonably acceptable to Buyer. To the extent Seller is required by any Transmitting Utility to provide information regarding maintenance, outages or availability of the Facility, Seller shall, simultaneous with the submission thereof to such Transmitting Utility, deliver a copy thereof to Buyer.

6.6 PJM Membership. Seller shall, at all times during the Services Term, either: (a) be a member in good standing of PJM and be qualified as a PJM “Market Seller” pursuant to the PJM Agreements; or (b) have entered into an agreement with a Market Participant that will perform all of Seller’s PJM-related obligations in connection with the Facility and this Agreement.

6.7 Market-Based Rate Authority. Seller shall, at all times during the Services Term, maintain all necessary authorization from FERC to sell Energy at market-based rates as contemplated by this Agreement.

6.8 Forecasts. Commencing thirty (30) days prior to the Services Term, Seller shall prepare and deliver to Buyer on a monthly basis and in a form reasonably acceptable to Buyer, twelve (12) month rolling forecasts of Energy production by the Facility, which forecasts shall be prepared in good faith and in accordance with Good Utility Practice based on historical performance, maintenance schedules, Seller’s generation projections and other relevant data and considerations.

6.9 Tier One Renewable Source. To the extent that the requirements for certification as a Tier One Renewable Source are unchanged since the Effective Date, Seller shall be solely responsible for certifying the Facility as a Tier One Renewable Source under the RPS Act and

maintaining such certification during the Services Term. Buyer shall have no responsibility for certification of the Facility as a Tier One Renewable Source.

6.10 Compliance Reporting. To the extent Buyer is subject to any certification or compliance reporting requirement with respect to the Products produced by Seller and delivered to Buyer hereunder, Seller shall use commercially reasonable efforts to provide any information in its possession (or, if not in Seller's possession, available to it and not reasonably available to Buyer) reasonably necessary to permit Buyer to comply with any such reporting requirement.

6.11 Facility Guarantees. Seller guarantees that the Facility shall maintain the Availability Percentage required under Schedule 6.11, and shall pay Availability Damages, if any are due pursuant to Schedule 6.11.

6.12 Facility Costs. As between Buyer and Seller, Seller (including its contractors and subcontractors) is solely responsible for all Facility costs associated with financing, operating, maintaining and, to the extent applicable, removing the Facility from the Facility Site. Nothing in this Agreement or the Buyer's review of Seller's reports shall be construed as any express or implied warranty as to the performance, safety, durability, or reliability of the Facility.

6.13 No Interference with Buyer's Products. Unless Buyer has agreed in writing, and except as allowed by Seller in Section 4.3, Seller shall not monetize or otherwise secure the benefits of the Energy and Environmental Attributes or any other products of the Facility on behalf of any other Person if such action interferes in any material respect, with the qualification, scheduling or transfer of the Products to Buyer as provided in this Agreement.

6.14 Insurance. Seller shall maintain at its sole expense, commencing with the Effective Date and continuing through the Contract Term, insurance for the Facility (including commercial general liability insurance) customarily maintained for facilities of similar type and size in the state in which the Facility is located, but no less than a commercially reasonable business would obtain for a facility of similar value and operation. Seller shall provide certificates of insurance or other reasonable evidence of such insurance coverage acceptable to Buyer upon request. Failure to obtain and maintain the required insurance shall constitute a breach of this Agreement and Seller will be liable for any and all costs, liabilities, damages, and penalties (including attorneys' fees, court, and settlement expenses) resulting to Buyer from such breach, unless a written waiver of the specific insurance requirement is provided to Seller by Buyer and such failure may constitute an Event of Default in accordance with Section 12.2. Failure of Seller to provide insurance as herein required or failure of Buyer to require evidence of insurance or to notify Seller of any breach by Seller of the requirements of this Section shall not be deemed to be a waiver by Buyer of any of the terms and conditions of this Agreement, nor shall they be deemed to be a waiver of the obligation of Seller to defend, indemnify, and hold harmless Buyer as required herein. The obligation to procure and maintain any insurance required is a separate responsibility of Seller and independent of the duty to furnish a copy or certificate of such insurance policies. Notwithstanding any provision of this Agreement, none of the requirements contained herein as to insurance coverage to be maintained by Seller are intended to and shall not in any manner limit, qualify, or quantify the liabilities and obligations assumed by Seller under this Agreement, any other agreement with Buyer or its Affiliates, or otherwise provided by Law.

6.15 Ownership of Renewable Assets. At all times during the Contract Term, Seller shall remain a Qualified Operator or contract for operational services with an entity that is a Qualified Operator.

6.16 Facility Site Visits; Publicity. During the Contract Term, Buyer may request permission from Seller to visit the Facility Site during normal business hours to monitor the operation of the Facility at the Facility Site and to verify compliance with this Agreement. Seller shall accommodate Buyer's reasonable requests for such visits, *provided that* Buyer shall during any such visit to the Facility comply with Seller's safety policies, instructions, and any other generally applicable restrictions applicable to site access required by Seller and communicated to Buyer. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party, which approval shall not be unreasonably withheld. The preceding sentence shall not apply to communications or other filings with Governmental Authorities by Buyer, including any filings with the DCPSC or FERC.

## **ARTICLE 7 METERING**

7.1 Metering. All electric metering associated with the Facility, including the Facility Meter and any other real-time meters, billing meters and back-up meters, shall be installed, operated, maintained and tested in accordance with Good Utility Practice and any applicable requirements and standards issued by NERC, the Transmitting Utility in whose territory the Interconnection Point is located and any applicable Regional Reliability Entity. The Facility Meter shall be used for the registration, recording and transmission of information regarding the Energy output of the Facility. As between the Parties, Seller shall be responsible for the operation, maintenance, and calibration of the Facility Meter and any other real-time meters, billing meters and back-up meters at the Facility in accordance with the Interconnection Agreement, Good Utility Practice and any applicable requirements and standards issued by NERC, the Transmitting Utility in whose territory the Interconnection Point is located and any applicable Regional Reliability Entity. Seller shall provide Buyer with a copy of all metering, testing and calibration information and documents regarding the Facility Meter and any other real-time meters, billing meters and back-up meters at the Facility promptly following receipt thereof by Seller.

7.2 Measurements. Readings of the Facility Meter and any other real-time meters, billing meters and back-up meters at the Facility by the Transmitting Utility in whose territory the Facility is located (or an independent Person mutually acceptable to the Parties) shall be conclusive as to the amount of Energy generated by the Facility; *provided, however,* that Seller, at the direction of Buyer at Buyer's expense and subject to any applicable limits in the Interconnection Agreement and the PJM Agreements, shall cause the Facility Meter to be tested by the Transmitting Utility in whose territory the Facility is located, and if the Facility Meter is out of service or is determined to be registering inaccurately by more than two percent (2%): (a) measurement of Energy produced by the Facility shall be adjusted in accordance with the filed tariff of such Transmitting Utility; and (b) Seller shall reimburse Buyer for the cost of such test of the Facility Meter.

7.3 Notice of Malfunction. Seller shall provide Buyer with prompt notice upon becoming aware of any material malfunction or other failure of the Facility Meter or other telemetry equipment necessary to accurately report the quantity of Energy being produced by the Facility.

7.4 Telemetry. The Facility Meter shall be capable of sending meter telemetry into the PJM Power Meter system and Seller shall provide Buyer with access to such Power Meter data. Seller shall transmit to Buyer, via a virtual private network (VPN), all telemetry data measured by the Facility Meter, including MW, MVAR, MWh, MVARh, isolation breaker open/closed status, interconnection bus voltage and amp flow. Without limiting the foregoing, all such telemetry equipment shall comply with PJM requirements for PJM transmission owners.

## **ARTICLE 8 BILLING AND PAYMENT**

8.1 Price for Energy and RECs. Buyer shall pay the Contract Price for all Energy delivered to the Delivery Point for Buyer's account in accordance with Section 5.1, all RECs transferred to Buyer in accordance with Section 5.2, *provided, however*, that if, for any period when Seller is delivering Energy to Buyer pursuant to this Agreement, the Locational Marginal Price at the Delivery Point is negative (*i.e.*, a value less than zero) and Buyer is obligated to pay or incur such negative Locational Marginal Price, the applicable Contract Price for Energy purchased from Seller during such period shall be reduced by the absolute value of such negative Locational Marginal Price.

8.2 Billing. Unless otherwise agreed to by the Parties, on or before the fifteenth (15th) day of each month (or the first Business Day thereafter), Seller shall deliver to Buyer, via electronic transmission or other means agreed to by the Parties, an invoice ("Invoice") that sets forth: (a) the net amount due from one Party to the other for all Products delivered by Seller to Buyer pursuant to the terms of this Agreement as of the end of the immediately preceding calendar month; and (b) any other credits, charges and liabilities due pursuant to the terms of this Agreement, including any adjustments and outstanding amounts due pursuant to prior Invoices. All Invoices to Buyer shall include the supporting documentation reasonably necessary to demonstrate how the Invoice amounts were calculated, including information from PJM to substantiate all calculations of the Energy delivered by Seller to the Delivery Point and GATS documentation of REC transfers to Buyer, and any additional information reasonably requested by Buyer. Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the total amount due pursuant to such Invoice no later than the final Business Day of the month during which such Invoice is issued (such day, the "Monthly Settlement Date").

8.3 Payment. All payments shall be made by "Electronic Funds Transfer" (EFT) via "Automated Clearing House" (ACH), to a bank designated in writing by the Party to which payment is owed, by 11:59:59 pm EPT on the Monthly Settlement Date. Payment of an Invoice shall not be deemed an admission or waiver with respect to any matter related to such Invoice or the charges reflected therein.

8.4 Interest. Interest on delinquent amounts (including amounts determined to be owed as a result of the resolution of a billing dispute) shall be calculated at the Interest Rate (a) from the

original due date (or, for amounts not properly invoiced, the date that would have been the due date if such amounts were properly invoiced) to the date of payment; or (b) in the case of reimbursement obligations, from the date an overpayment was received until the date of reimbursement.

8.5 Set-Off. Each of Buyer and Seller shall have the right to set off any undisputed amounts owed by the other Party pursuant to this Agreement against any undisputed amounts that it owes to such Party pursuant to this Agreement.

8.6 Billing Disputes. Either Party may, in good faith, dispute any amount charged or paid pursuant to an Invoice within twelve (12) months of the date of such Invoice by providing a written statement setting forth the basis of such dispute. Each Party shall remain obligated to pay any undisputed amounts pending resolution of a billing dispute. Failure by a Party to deliver notice of a billing dispute within the time period set forth herein shall be deemed a waiver of such Party's right to dispute such Invoice. The Parties shall continue to perform under this Agreement during the period of any billing dispute but shall not be precluded from exercising any other remedy available under this Agreement. A billing dispute shall be subject to the provisions of Article 13. Any amount determined to be owed as a result of the resolution of a billing dispute shall be paid within fifteen (15) days of such resolution, along with accrued interest in accordance with Section 8.4.

8.7 PJM Accounting Procedures. Each of Buyer and Seller shall comply with all applicable PJM accounting procedures in connection with invoicing and settlement for amounts due under this Agreement.

8.8 Contract Price Adjustment. Upon each five-year anniversary of the Commercial Operation Date, each Party shall have the right to propose an adjustment to the Contract Price. A Party seeking to propose an adjustment to the Contract Price (the "Reopening Party") shall provide notice to the other Party, which shall include (i) the Reopening Party's proposed Contract Price, and (ii) the basis for the Reopening Party's belief that the existing Contract Price is more than fifteen percent (15%) greater or less than the prevailing market price in PJM for Energy and RECs from Tier One Renewable Source under the same terms of this Agreement and in the same quantity available to Buyer from the Facility. If the Parties agree to adjust the Contract Price, the Parties shall amend this Agreement to reflect the new Contract Price and file a copy of the amendment with the Commission, which may be confidential. If the Parties do not agree, the Reopening Party may petition the Commission for approval of an amendment to this Agreement to establish a new Contract Price equal to the Reopening Party's proposed Contract Price, and the other Party shall have an opportunity to respond to the Reopening Party's petition. If the Commission approves the Reopening Party's proposed Contract Price, the Parties shall amend this Agreement consistent with the Commission's approval. A Party's failure to agree to amend the Agreement after approval of a new Contract Price by the Commission shall constitute an Event of Default by that Party.

## **ARTICLE 9 TAXES**

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Regulatory Charges. Seller shall pay or cause to be paid all taxes, fees and other charges imposed by any Governmental Authority (“Regulatory Charges”) on or with respect to the Products arising before and at delivery thereof in accordance with this Agreement, including ad valorem taxes, taxes related to the operation or maintenance of the Facility, and other taxes attributable to the Facility or interests in land associated with the Facility. Buyer shall pay or cause to be paid all Regulatory Charges on or with respect to the Products being delivered to Buyer hereunder after delivery thereof in accordance with this Agreement (other than ad valorem, franchise or income taxes related to the sale of the Products, which shall be the responsibility of Seller). In the event a Party is required by Law to pay Regulatory Charges which are the other Party’s responsibility hereunder: (a) the Party that is assessed such Regulatory Charges shall notify the Party responsible for payment (which notice shall include supporting documentation) of such assessment; (b) the assessed Party shall timely pay such Regulatory Charges; and (c) the responsible Party shall reimburse the assessed Party in full no later than the next Monthly Settlement Date, with interest at the Interest Rate from and including the date on which the assessed Party paid such Regulatory Charges until (but excluding) the date on which the responsible Party reimburses the assessed Party. Nothing herein shall obligate or cause a Party to pay or be liable to pay any Regulatory Charges from which it is exempt under the Law; *provided, however*, that an exempt Party shall bear the responsibility of proving upon request its exemption as necessary to avoid the unjust imposition of Regulatory Charges on the other Party.

## **ARTICLE 10 INDEMNIFICATION**

10.1 Seller’s Indemnification. Seller shall indemnify, hold harmless and defend Buyer, its Affiliates and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, “Buyer’s Indemnitees”) from and against any and all claims, liabilities, costs, losses, damages and expenses, including reasonable attorney and expert fees and disbursements, actually incurred for: (a) damage to property or injury to, or death of, any person; and (b) any penalties or fines imposed by Governmental Authorities, in the case of either clause (a) or (b), to the extent directly caused by the gross negligence or willful misconduct of Seller and/or its officers, directors, employees, agents, contractors, subcontractors or invitees, and arising out of, or connected with, Seller’s performance under this Agreement, Seller’s exercise of rights under this Agreement or Seller’s breach of this Agreement.

10.2 Buyer’s Indemnification. Buyer shall indemnify, hold harmless and defend Seller, its Affiliates and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, “Seller’s Indemnitees”) from and against any and all claims, liabilities, costs, losses, damages and expenses, including reasonable attorney and expert fees and disbursements, actually incurred for: (a) damage

to property or injury to, or death of, any person; and (b) any penalties or fines imposed by Governmental Authorities, in the case of either clause (a) or (b), to the extent directly caused by the gross negligence or willful misconduct of Buyer and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Buyer's performance under this Agreement, Buyer's exercise of rights under this Agreement or Buyer's breach of this Agreement.

### 10.3 Defense of Indemnified Claims.

- (a) Within a reasonable time after receipt by a Person (the "Indemnified Person") of any claim as to which the indemnification provided for in Section 10.1 or 10.2 may apply, such Indemnified Person shall notify the indemnifying Party (the "Indemnifying Party") in writing of such fact; *provided, however*, that delay in notifying the Indemnifying Party shall not relieve such Indemnifying Party of its indemnification obligations except to the extent that it is materially prejudiced by such delay.
- (b) The Indemnifying Party shall diligently, competently and in good faith control and conduct the defense, with counsel reasonably satisfactory to the Indemnified Person, of any claim as to which the indemnification provided for in Section 10.1 or 10.2 applies; *provided, however*, that the Indemnifying Party may not settle or compromise any such claim without the Indemnified Person's consent, unless the terms of such settlement or compromise unconditionally release the Indemnified Person(s) from any and all liability with respect thereto and do not impose any obligations on any Indemnified Person.
- (c) An Indemnified Person shall have the right, at its option (but not the obligation), to be represented by advisory counsel of its own selection and at its own expense and to monitor the progress and handling of an indemnified claim. An Indemnified Person shall also have the right, at its option (but not the obligation), to assume the defense of any such claim with counsel of its own choosing at its sole cost and expense; *provided, however*, that an Indemnified Person shall have the right to assume the defense of, and to settle or compromise, any such indemnified claim at the Indemnifying Party's expense if: (i) the Indemnifying Party fails to acknowledge, in writing, its responsibility to assume the defense of such claim; (ii) the Indemnifying Party fails to diligently, competently and in good faith control and conduct the defense of such claim; (iii) there is an apparent conflict of interest between the Indemnifying Party and the Indemnified Person with respect to such claim; or (iv) there are legal defenses available to it which are different from, additional to, or inconsistent with, those available to the Indemnifying Party.
- (d) The Indemnifying Party's obligations to indemnify, defend and hold each Indemnified Person harmless shall not be reduced or limited by reason of any limitation on the amount or type of damages, compensation or benefits

payable by or for the Indemnifying Party or any of its subcontractors under workers' compensation acts, disability benefit acts or other employee benefit acts; *provided*, that the Indemnifying Party's obligations shall in no event exceed the Indemnified Person's actual out-of-pocket costs or losses.

## **ARTICLE 11 FORCE MAJEURE EVENTS**

11.1 Excused Performance. Notwithstanding anything in this Agreement to the contrary, a Party shall be excused from performing its obligations under this Agreement (other than the obligation to make payments when due) and shall not be liable for damages due to its failure to perform such obligations during any period that such Party is unable to perform due to a Force Majeure Event; *provided, however*, that the Party claiming a Force Majeure Event shall (a) have the burden of proving the existence and consequences of such Force Majeure Event; and (b) act expeditiously to resume performance. The suspension of performance due to a Force Majeure Event shall be of no greater scope and of no longer duration than is required by the Force Majeure Event.

11.2 Notification. A Party unable to perform under this Agreement due to a Force Majeure Event shall: (a) provide verbal notice of such Force Majeure Event to the other Party as soon as reasonably practicable after the Party has knowledge of the occurrence of the Force Majeure Event, provide written notice to the other Party, which shall include a description of the Force Majeure Event and its effect on performance under this Agreement, and an estimate of the expected duration of such Party's inability to perform due to the Force Majeure Event; and (b) provide prompt notice to the other Party when performance resumes; *provided, however*, that a Party's failure to provide verbal or written notice of a Force Majeure Event in accordance with this Section 11.2 shall not preclude such Party from claiming the Force Majeure Event so long as such failure does not have a material adverse effect on the affected Party.

11.3 No Extension of Term. In no event will any delay or failure of performance caused by any Force Majeure Event extend this Agreement beyond the Services Term.

11.4 Right to Terminate. In the event that any delay or failure of performance caused by either (i) a Force Majeure Event claimed by either Party or (ii) any other event listed in clauses (a)(ii) or (a)(iii) of the definition of Guaranteed Initial Delivery Date continues for an uninterrupted period of three hundred sixty five (365) days or longer, either Party may, upon not less than thirty (30) days' advance written notice to the other Party, terminate this Agreement without liability to the other Party.

## **ARTICLE 12 EVENTS OF DEFAULT; REMEDIES**

12.1 Events of Default. An "Event of Default" shall mean, with respect to a Party ("Defaulting Party"), the occurrence of any of the following:

- (a) the failure to make, when due, any undisputed payment required to be made pursuant to this Agreement if such failure is not remedied within ten (10) Business Days after written notice thereof is received;

- (b) any representation or warranty made by such Party herein shall be false in any material respect and shall remain uncured for a period of thirty (30) days after written notice thereof is received; *provided that* if such Party cannot cure the default within thirty (30) days in spite of a diligent, good faith effort to do so, then such Party shall have a longer cure period not to exceed ninety (90) days in the aggregate to effect such cure;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied within thirty (30) days after written notice thereof is received; *provided that* if such Party cannot cure the default within thirty (30) days in spite of a diligent, good faith effort to do so, then such Party shall have a longer cure period not to exceed one hundred twenty (120) days in the aggregate to effect such cure;
- (d) such Party becomes Bankrupt;
- (e) the failure by such Party to provide Performance Assurance in accordance with Article 14; and
- (f) such Party assigns this Agreement or any rights, interests or obligations hereunder without the prior written consent of the other Party when such consent is required.

12.2 Additional Seller Events of Default. Any of the following events shall constitute an Event of Default of Seller:

- (a) **[For new projects only]** the failure by Seller to achieve the Initial Delivery Date no later than one hundred eighty (180) days after the Guaranteed Initial Delivery Date, as extended as provided by such definition, which, in the aggregate, shall not exceed three hundred and sixty-five (365) days;
- (b) the failure by Seller to begin to provide all Products produced by or associated with the facility by the Commencement Date;
- (c) the delivery or sale of any such Products to any Person other than Buyer if not expressly permitted under this Agreement and such failure is not remedied within five (5) Business Days after written notice thereof is received;
- (d) the failure by Seller to comply with Section 6.6 if such failure is not remedied as soon as practicable (and no more than thirty (30) days) after Seller becomes aware of such failure;
- (e) the failure by Seller to obtain and maintain insurance as required under Section 6.14 if such failure is not remedied within ten (10) Business Days after written notice thereof is received; and

- (f) the failure by Seller to maintain the Availability Requirement, as required under Section 6.11.

12.3 General Remedies. If an Event of Default has occurred and is continuing with respect to a Defaulting Party, the other Party (the “Non-Defaulting Party”) shall have the right to (a) suspend performance under this Agreement, and/or (b) exercise any remedies available at law or in equity, including termination of this Agreement. Without limiting the generality of the foregoing, upon an Event of Default, the Non-Defaulting Party shall have the right to exercise its remedies under any Performance Assurance.

12.4 Damages on Termination.

- (a) Upon a termination of this Agreement by Buyer based on a Seller Event of Default other than an Event of Default under Section 12.2(a), Buyer shall be entitled to recover the Termination Payment plus any other amounts previously accrued under this Agreement. In the event of a termination of this Agreement by Buyer pursuant to Section 12.2(a), Buyer shall be entitled to recover the amount of the Performance Assurance posted at the time of such termination, less any Delay Damages paid by Seller up until such termination date.
- (b) Upon a termination of this Agreement by Seller based on a Buyer Event of Default, Seller shall be entitled to recover the Termination Payment plus any other amounts previously accrued under this Agreement.
- (c) All calculations of the Replacement Costs, Resale Costs, and Termination Payment under the definitions of each of the foregoing, shall be determined in a commercially reasonable manner, and may include reference to one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs, all of which should be calculated for the remaining Services Term and include the value Environmental Attributes, and any lost or repaid investment tax credit. For the avoidance of doubt, (i) in no event shall the Non-Defaulting Party owe any damages to the Defaulting Party, and (ii) the Non-Defaulting Party shall not be required to enter into a replacement transaction in order to establish the amounts owed under this Agreement.
- (d) The Parties acknowledge and agree that: (i) the inherent value of Energy supplied from a [wind][solar] energy generating resource is a primary reason Buyer is entering into this Agreement; (ii) in the event of termination of this Agreement based on a Seller Event of Default, Buyer will likely be required to replace the Energy that would have been provided hereunder with Energy supplied from another solar energy generating resource; and

(iii) in the event of termination of this Agreement by Seller based on a Buyer Event of Default, Seller will likely sell the Energy that would have been sold hereunder to a Party seeking Energy supplied from a solar energy generating resource.

12.5 Facility Lender's Right to Cure. In connection with any financing or refinancing of the Facility by Seller, Buyer shall use good faith efforts to work with Seller and the Facility Lender to (1) agree upon a Financing Assignment of this Agreement, including with respect to: (i) Buyer's notice of any Seller Event of Default to such Facility Lender; and (ii) Buyer's acceptance of a cure of any Seller Event of Default by the Facility Lender, so long as the cure is accomplished within the applicable cure periods set forth in this Agreement or the Financing Assignment; and (2) execute and deliver any estoppels or other documents that may be reasonably required for Seller to finance or refinance the Facility. Seller shall promptly reimburse Buyer for its reasonable fees, including attorneys' fees, to review and prepare documents in connection with Seller's financing or refinancing of the Facility.

12.6 Exclusion of Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT, CONTRACT OR OTHERWISE, PROVIDED THAT THE FOREGOING EXCLUSION SHALL NOT PRECLUDE RECOVERY BY A PARTY OF ANY LIQUIDATED DAMAGES EXPRESSLY PROVIDED HEREIN, NOR SHALL IT BE CONSTRUED TO LIMIT RECOVERY BY AN INDEMNIFIED PERSON UNDER ANY INDEMNITY PROVISION IN RESPECT OF A THIRD PARTY CLAIM OR WITH RESPECT TO THE GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT OF A PARTY.

12.7 Liquidated Damages. The Parties acknowledge and agree that: (a) Buyer shall be damaged by Seller's failure to meet its obligations as specified in Sections 3.2 and 3.3; (b) it would be impracticable or extremely difficult to fix the actual damages resulting therefrom; (c) any sums that would be creditable or payable under those sections are in the nature of liquidated damages, and not a penalty, and are fair and reasonable; and (d) each payment represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from each such failure.

## **ARTICLE 13 DISPUTE RESOLUTION**

13.1 Informal Dispute Resolution. Before initiating legal action pursuant to Section 13.2, a Party aggrieved by a dispute hereunder shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts determined to be owed as a result of informal dispute resolution pursuant to this Section 13.1 shall be paid within fifteen (15) days of such resolution.

13.2 Formal Dispute Resolution. After the requirements of Section 13.1 have been satisfied, either Party may initiate legal action in accordance with Sections 17.11 and 17.13.

## ARTICLE 14 CREDIT AND COLLATERAL REQUIREMENTS

### 14.1 Credit Support.

- (a) Seller's Credit Support. Upon the later of the date that is (i) fifteen (15) Business Days after Seller has received written notice that PSC Approval has been obtained and (ii) eight (8) months after the Effective Date (except to the extent Seller has exercised its termination option in accordance with Section 2.3), Seller will post or issue, or cause to be posted or issued, Performance Assurance equal to the Performance Assurance Amount.
- (b) Buyer's Credit Support. In the event that Buyer is no longer Investment Grade, it shall provide Performance Assurance equal to the Performance Assurance Amount within ten (10) Business Days of the applicable downgrade event.

14.2 Grant of Security Interest. To secure its obligations under this Agreement, the Party providing Performance Assurance (the "Security Obligor") hereby grants to the other Party (the "Security Beneficiary") a present and continuing security interest in, and lien on (and right of set-off against), and assignment of, all Performance Assurance that is in the form of cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, the Security Beneficiary, *provided, however*, if Seller is the Security Obligor, that such interest may be junior to an interest granted by Seller in such collateral or proceeds for purposes of financing the development, construction or operation of the Facility. The Security Obligor agrees to take such action as reasonably required to perfect in favor of the Security Beneficiary such security interest in, and lien on (and right of set-off against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

14.3 Remedies. Upon or any time after the occurrence of an Event of Default caused by the Security Obligor under Section 12.1(a), the Security Beneficiary may do any one or more of the following: (i) exercise any of the rights and remedies of the Security Beneficiary with respect to all Performance Assurance, including any such rights and remedies under Law then in effect; (ii) exercise its rights of set-off against any and all Performance Assurance of the Security Obligor issued in favor of the Security Beneficiary; (iii) draw on any outstanding Performance Assurance issued for the Security Beneficiary's benefit; and (iv) liquidate any Performance Assurance held by or for the benefit of the Security Beneficiary free from any claim or right of any nature whatsoever of the Security Obligor, including any equity or right of purchase or redemption by the Security Obligor. The Security Obligor shall apply the proceeds of any Performance Assurance realized upon the exercise of such rights or remedies to reduce the Security Obligor's obligation under this Agreement (the Security Obligor remaining liable for any amounts owing to the Security Beneficiary after such application), subject to the Security Beneficiary's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

14.4 Forms of Performance Assurance. At the Security Obligor's choice, the following are deemed to be acceptable methods for posting Performance Assurance, if required:

- (a) Cash. The Security Beneficiary shall not be entitled to hold Performance Assurance in the form of cash; rather, Performance Assurance in the form of cash shall be held in any financial institution that is a Qualified Institution, the Security Beneficiary will pay to the Security Obligor on the first Business Day of each calendar quarter the amount of interest it receives based upon the applicable overnight repurchase interest rate from the issuing financial institution on any Performance Assurance in the form of cash posted by the Security Obligor.
- (b) Letter of Credit. A Letter of Credit shall state that it shall renew automatically for successive one (1) year periods unless the Security Beneficiary receives written notice from the issuing financial institution at least ninety (90) days prior to the expiration date stated in the Letter of Credit that the issuing financial institution elects not to extend the Letter of Credit. If the Security Beneficiary receives notice from the issuing financial institution that the Letter of Credit will not be extended, the Security Obligor will be required to provide a substitute Letter of Credit from an alternative bank or financial institution that is a Qualified Institution. The receipt of the substitute Letter of Credit must be effective on or before the expiration date of the expiring Letter of Credit and delivered to the Security Beneficiary at least ten (10) Business Days before the expiration date of the original Letter of Credit. If the Security Obligor fails to supply a substitute Letter of Credit as required herein, then the Security Beneficiary the Security Beneficiary will have the right to draw on the expiring Letter of Credit and to hold the amount as collateral. the Security Obligor shall have the right to amend its Letter of Credit to reflect any reduction of Performance Assurance under this Agreement.
- (c) Guaranty. A Guaranty meeting the requirements of the definition of such term as provided in this Agreement.

14.5 Calling on Security.

- (a) If an Event of Default of the Security Obligor has occurred pursuant to Article 12 and is not remedied within the ten (10) Business Day cure period set forth in Article 12, the Security Beneficiary may call upon any Performance Assurance posted by the Security Obligor.
- (b) Within thirty (30) days of the Initial Delivery Date or the Commencement Date, as applicable, the Security Obligor shall replenish the Performance Assurance to the extent reduced by the amount of any draws prior to the Facility Commercial Operation Date and thereafter shall have no obligation to replenish the Performance Assurance.

14.6 Release of Security. Promptly following the step down of any Performance Assurance in accordance with Schedule 14.1, Security Beneficiary shall promptly release any Performance Assurance held by it to the Security Obligor. Promptly following the end of the Contract Term or the earlier termination of this Agreement and the satisfaction of all of the Security Obligor's obligations under this Agreement, the Security Beneficiary shall promptly release any Performance Assurance held by it to the Security Obligor.

14.7 Credit Support Is Not a Limit of Liability. Except to the extent expressly stated in this Agreement including the last sentence of Section 3.3 (regarding Seller's liability prior to the Facility Commercial Operation Date) and the last sentence of Section 12.4(a) (regarding the Termination Payment), the required amounts of any cash or Letters of Credit shall not be deemed to be a limitation of Seller's liability.

## **ARTICLE 15 REPRESENTATIONS AND WARRANTIES**

15.1 Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Effective Date that:

- (a) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and is qualified to transact business in each jurisdiction in which its operations or the ownership of its properties require it to be qualified;
- (b) it has all Permits necessary for it to legally perform its obligations under this Agreement except: (i) in the case of Buyer, PSC Approval; and (ii) those Permits which Seller anticipates will be obtained by Seller in the ordinary course of its development and construction of the Facility;
- (c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms or conditions in its governing documents, any contracts to which it is a party or any Law, rule, regulation or order applicable to it, the violation of which could reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Agreement;
- (d) it has full power and authority to carry on its business as now conducted and to enter into, and carry out its obligations under, this Agreement;
- (e) the execution and delivery of this Agreement and performance or compliance with any provision hereof will not result in the creation or imposition of any Lien upon its properties (except as expressly contemplated in favor of Buyer pursuant to this Agreement), the creation or imposition of which could reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Agreement;
- (f) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject only to

applicable bankruptcy, insolvency or other similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity);

- (g) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (h) except as set forth in Schedule 15.1(h), there are no pending or, to its knowledge threatened actions, suits or proceedings against it or any of its Affiliates before any court or Governmental Authority that could reasonably be expected to materially adversely affect its ability to perform its obligations under this Agreement;
- (i) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance will occur as a result of its entering into or performing its obligations under this Agreement; and
- (j) it is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement and its rights and obligations hereunder, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement.

15.2 Disclaimer of Implied Warranties. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THERE ARE NO WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

## **ARTICLE 16 CONFIDENTIALITY**

16.1 Non-Disclosure of Confidential Information. Neither Party (a "Receiving Party") shall disclose any Confidential Information of the other Party (the "Disclosing Party") obtained pursuant to, or in connection with, the execution or performance of this Agreement to any Person other than an officer, director, employee, agent, lender, equity investor, representative or consultant of the Receiving Party without the express prior written consent of the Disclosing Party.

16.2 Designation of Confidential Information. A Party seeking to classify any material as Confidential Information must specifically designate such material as confidential prior to disclosing it to the Receiving Party, *provided that* prior to the Facility Commercial Operation Date, this Agreement and anything contained herein or learned from Seller about the Facility shall be considered Confidential Information, except the facts that the Facility shall utilize solar photovoltaic technology and that the Facility is located in Ohio. A Disclosing Party may not seek confidential treatment of any material unless such material was designated as confidential at the time of disclosure to the Receiving Party.

16.3 Disclosure to DCPSC. The Parties acknowledge and understand that all or portions of this Agreement may be made public by the DCPSC in connection with the DCPSC's review of this Agreement. The Parties further acknowledge that materials deemed confidential may be provided to the DCPSC at any time. The Parties shall use reasonable efforts in cooperation with each other to seek confidential treatment of any portion of this Agreement, consistent with the provisions of this Article 16.

16.4 Other Permitted Disclosures. Notwithstanding Section 16.1, either Party may:

- (a) produce Confidential Information in response to a subpoena, discovery request or other compulsory process issued by a Governmental Authority upon reasonable prior notice to the Disclosing Party; *provided, however*, that prior to such disclosure the Receiving Party must use reasonable efforts in cooperation with the Disclosing Party to seek confidential treatment of such Confidential Information;
- (b) disclose whatever information FERC requires it to disclose in connection with obtaining and maintaining market-based rate authorization and the filing of quarterly or annual reports and may make such disclosure without notification to the Disclosing Party; and/or
- (c) disclose Confidential Information to its Affiliates and their officers, directors, employees, agents, lenders, equity investors, representatives and consultants; *provided, however*, that such Affiliates, officers, directors, employees, agents, lenders, equity investors, representatives and consultants must be bound by the confidentiality obligations set forth in this Article 16; *and provided further*, that in no event shall a document or information be disclosed in violation of the FERC Code of Conduct or Standards of Conduct requirements.

16.5 Audits. Any independent auditor performing an audit on behalf of a Party pursuant to Section 17.7 shall be required to execute a confidentiality agreement with the Party being audited requiring that any Confidential Information disclosed in connection with such audit be treated as confidential pursuant to this Article 16.

16.6 Equitable Relief. The Parties agree that monetary damages may be inadequate to compensate a Disclosing Party for a Receiving Party's breach of its obligations under this Article 16. Each Receiving Party accordingly agrees that a Disclosing Party may be entitled to equitable relief, by way of injunction or otherwise, if the Receiving Party breaches or threatens to breach its obligations under this Article 16.

16.7 Survival. The confidentiality provisions of this Article 16 shall survive any termination of this Agreement for a period of three (3) years.

## ARTICLE 17 MISCELLANEOUS

17.1 Notices. Whenever this Agreement requires or permits delivery of a notice or requires a Party to notify the other Party, all notices, requests, statements or payments shall be made to the Parties in writing using the contact information set out in Schedule 17.1, as updated from time to time by each Party by providing written notice to the other Party. Notices required to be in writing shall be delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been received by the close of the Business Day during which the notice is sent by facsimile (and confirmed) or hand delivered. Notice by overnight mail or courier shall be deemed to have been received upon delivery as evidenced by the delivery receipt. Notices sent by electronic messaging system will be deemed received on the date the electronic message is received (it being agreed that the burden of proving receipt will be on the sender and will not be met by automatic out-of-office or similar replies).

17.2 Joint Preparation. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, negotiation or drafting hereof.

17.3 No Third-Party Beneficiaries. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a Party to this Agreement. This Agreement shall not impart any rights enforceable by any Person other than a Party or a permitted successor or assignee thereof.

17.4 Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

17.5 Headings. The headings used in this Agreement are for convenience and reference purposes only and shall have no bearing on the interpretation hereof.

17.6 Records. Each Party shall keep and maintain all books and records as may be necessary or useful in performing or verifying any calculations made pursuant to this Agreement or in verifying such Party's performance hereunder, including operating logs, Facility output data, meter readings and financial records, all in accordance with Good Utility Practice. Each Party shall provide such books and records to the other Party within fifteen (15) Business Days of a written request for such information. All records shall be retained by each Party for at least three (3) years following the year in which such records were created.

17.7 Audit. Each Party shall have the right, upon at least three (3) Business Days' prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement, including records necessary to verify that Buyer has received and is receiving Buyer's Percentage of Products produced by the Facility. If any such

examination reveals any inaccuracy in any Invoice, the necessary adjustments in such Invoice and the payments thereof will be made in accordance with Sections 8.1 and 8.6.

17.8 Successors. This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

17.9 No Dedication. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's property or any portion thereof to the other Party or the public, nor affect the status of Buyer as an independent public utility corporation or Seller as an independent Person.

17.10 Assignment; Change in Control.

- (a) Party shall assign this Agreement or delegate its rights or obligations hereunder without the prior written consent of the other Party; *provided, however*, that:
  - (i) a Party may collaterally assign this Agreement or any accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements; and
  - (ii) a Party may transfer or assign this Agreement to an Affiliate so long as such assignee has agreed in writing to comply with all obligations of the assignor hereunder and has complied with the obligations of the assigning Party to provide Performance Assurance in accordance with Article 14.
- (b) Any consent required by Section 17.10(a) shall not be unreasonably withheld, conditioned or delayed; *provided, however*, that subject to Section 12.5, neither Party shall be required to consent to any assignment or transfer that would require it to accept any limitation of its rights under this Agreement or expansion of the liability, risks or obligations imposed on it under this Agreement.
- (c) It shall be a condition of any assignment, transfer, delegation or other disposition of this Agreement that: (a) all Letters of Credit and Guaranties required pursuant to Article 14 shall remain in place in favor of Buyer notwithstanding such assignment, transfer, delegation or disposition; or (b) replacement Letters of Credit and Guaranties in form and substance acceptable to Buyer shall have been provided prior to such assignment, transfer, delegation or disposition.
- (d) A Change in Control of Seller will be subject to the prior written consent of Buyer, such consent not to be unreasonably withheld.

17.11 Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed, enforced and performed in accordance with the laws of the State of

New York, without regard to principles of conflicts of law, or, if and to the extent applicable, federal law.

17.12 No Partnership or Joint Venture. This Agreement is not intended to create, nor shall it be construed to create, any partnership or joint venture relationship between Buyer and Seller, and neither Party hereto shall have the power to bind or obligate the other Party. Neither Party hereto shall be liable for the payment or performance of any debts, obligations, or liabilities of the other Party, unless expressly assumed in writing herein or otherwise. Each Party retains full control over the employment, direction, compensation and discharge of its employees, and will be solely responsible for all compensation of such employees, including social security, withholding and worker's compensation responsibilities.

17.13 Jurisdiction and Venue. Except for matters subject to the exclusive or primary jurisdiction of FERC, the DCPSC or the appellate courts having jurisdiction over the DCPSC or FERC matters, all disputes hereunder shall be resolved in the federal or state courts of the State of New York. Each Party hereby irrevocably submits to the *in personam* jurisdiction of such courts for such purpose. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.

17.14 Amendments and Future Treatment. Each Party agrees that it will not assert or defend itself on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not be amended, modified, terminated, discharged or supplemented, nor shall any provision hereof be waived, unless mutually agreed, in writing, by the Parties. Furthermore, the Parties expressly agree that no amendment of this Agreement that imposes costs for which Buyer may seek recovery from its ratepayers shall be enforceable absent specific DCPSC approval of such amendment and Buyer's right to recover such costs through its rates. The rates, terms and conditions contained in this Agreement are not subject to change under Section 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of the Parties to the proposed change, the standard of review for any avoidance, breach, rejection, termination or other cessation of performance of, or changes to, any portion of this Agreement over which FERC has jurisdiction, whether proposed by a Party, a non-Party or FERC acting sua sponte, shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as such standard may be subsequently clarified by the Supreme Court of the United States or inferior courts.

17.15 Modification of PJM Agreements. Notwithstanding Section 1.2(i):

- (a) if the PJM Agreements are amended or modified so that any Schedule or Section reference herein to such agreement is changed, such Schedule or Section reference shall be deemed to automatically (and without any action by the Parties) refer to the new or successive Schedule or Section in such PJM Agreement that replaces the provision originally referred to in this Agreement; and
- (b) if any provision of any of the PJM Agreements referenced herein, or any other PJM rule relating to the implementation of this Agreement, is changed

materially from that in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement; *provided, however*, that neither Party shall be obligated to agree to any change that diminishes the benefits of this Agreement to such Party.

17.16 Bankruptcy Considerations. The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code and that each of Seller and Buyer is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.

17.17 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to a Party upon any breach or default by the other Party shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, and any waiver of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

17.18 Further Assurances. Each Party shall deliver or cause to be delivered to the other Party such instruments, documents, statements, certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested.

17.19 Entire Agreement. This Agreement, including the Exhibits and Schedules hereto, embodies the entire agreement and understanding of the Parties in respect of the subject matter hereof. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the matters contemplated by this Agreement.

17.20 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. The Parties agree that this Agreement may be executed by electronic signature.

17.21 Obligation of Good Faith. In carrying out its rights, obligations and duties under this Agreement, each Party shall act reasonably and in accordance with the principles of good faith and fair dealing.

*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, this Agreement is executed by the respective Parties on the dates set forth below and shall be effective as of the date first written above.

**Seller**

**Buyer**

**By:**

**By:**

---

---

**Name:**

**Name:**

---

---

**Title:**

**Title:**

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**EXHIBIT A**

**FACILITY DESCRIPTION**

**Facility Nameplate:**

**Point of Interconnection:**

**Facility Site:**

**Major equipment and components comprising the Facility:**

**Interconnection Facilities comprising the Facility:**

**EXHIBIT B**  
**DELIVERY POINT**

**EXHIBIT C**

**GUARANTEED INITIAL DELIVERY DATE / COMMENCEMENT DATE**

Facility: [\_\_\_\_\_]

Guaranteed Initial Delivery Date: [\_\_\_\_\_]

or

Commencement Date: [\_\_\_\_\_]

## SCHEDULE 3.6

### MILESTONE SCHEDULE

Milestone	Expected Completion Date
Commencement of Construction	
Substantial Completion	
Commercial Operation	

## SCHEDULE 6.11

### SOLAR PROJECT AVAILABILITY CALCULATIONS

1. Availability Damages. For any Period in which Seller does not maintain the Guaranteed Availability Percentage, Seller shall pay to Buyer liquidated damages (“Availability Damages”) in an amount equal to (a) the Contract Price multiplied by (b) the resulting difference of the Guaranteed Availability Percentage minus the Availability Percentage for such Period; *provided however*, that the first determination of the Availability Percentage of the Facility shall be calculated twenty-four (24) months after the Initial Delivery Date (the “First Availability Calculation Date”). Commencing on the First Availability Calculation Date (or the first Business Day thereafter) and continuing on or before the fifteenth (15th) day of each Period (or the first Business Day thereafter) thereafter during the Services Term, Seller shall provide Buyer with the Availability Percentage calculated for the preceding Period along with any supporting documentation reasonably required for Buyer to independently confirm Seller’s Availability Percentage calculation.
2. Availability Requirement. Pursuant to Section 12.2(g) of the Agreement, it shall be an Event of Default if Seller fails to maintain an Availability Percentage equal to or greater than 80% over each Period (as defined below) (the “Availability Requirement”).
3. Definitions. Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. For purposes of this Schedule 6.11, the following capitalized terms shall be defined as follows.

The “Availability Percentage” of the Facility shall be calculated as follows:

$$AP = 100 * \sum (\text{of all Units}) [(TPM - TOM) / TPM]$$

Where:

AP = Availability Percentage

TOM = Total Outage Minutes

TPM = Total Period Minutes

“Availability Damages” shall have the meaning set forth in Section 1 of this Schedule 6.11.

“Daylight Hours” shall be those hours during which average plane of array irradiance is at least 100 W/m<sup>2</sup>.

“Equivalent Forced Outage Minutes” means the total number of minutes during (a) a reduction in output or capacity or removal from service, in whole or in part, of a Unit by reason of an emergency or threatened emergency, unanticipated failure or other cause beyond the control of Seller, (b) Instructed Operation, (c) a reduction in output of the Facility caused by the action or inaction of Buyer, or (d) a failure of the main Facility substation transformer; *provided, however*, that any Force Majeure Event Minutes shall not be counted as Equivalent Forced Outage Minutes. A reduction in output or removal from service of a Unit or the Facility in response to changes in market conditions shall not constitute Equivalent Forced Outage Minutes.

“Equivalent Maintenance Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit in order to perform necessary repairs on specific components of the Unit, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“Equivalent Planned Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit for inspection, maintenance or repair, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“First Availability Calculation Date” shall have the meaning set forth above in Section 1 of this Schedule 6.11.

“Force Majeure Event Minutes” means a minute during which either Seller or Buyer has declared a Force Majeure Event for one or more Units. Force Majeure Event Minutes shall include the minutes during which one or more Units is not operating due to a Serial Defect.

“Guaranteed Availability Percentage” shall mean ninety percent (90%).

“Period” means, beginning at the end of the third Contract Year, the immediately preceding period of two (2) Contract Year non-rolling block periods for which the Availability Percentage is being calculated.

“Serial Defect” shall mean a manufacturing, material or design defect of a substantially identical nature that has occurred to fifteen percent (15%) or more of the Units of the Facility.

“Total Outage Minutes” means the sum of Equivalent Maintenance Outage Minutes and Equivalent Planned Outage Minutes for a Period.

“Total Period Minutes” means the total number of minutes in a Period.

“Unit” means each solar generation inverter included in the Facility, as described in Exhibit A.

## SCHEDULE 6.11

### WIND PROJECT AVAILABILITY CALCULATIONS

1. Availability Damages. For any Period in which Seller does not maintain the Guaranteed Availability Percentage, Seller shall pay to Buyer liquidated damages (“Availability Damages”) in an amount equal to (a) the Contract Price multiplied by (b) the resulting difference of the Guaranteed Availability Percentage minus the Availability Percentage for such Period; *provided however*, that the first determination of the Availability Percentage of the Facility shall be calculated twenty-four (24) months after the Initial Delivery Date (the “First Availability Calculation Date”). Commencing on the First Availability Calculation Date (or the first Business Day thereafter) and continuing on or before the fifteenth (15th) day of each Period (or the first Business Day thereafter) thereafter during the Services Term, Seller shall provide Buyer with the Availability Percentage calculated for the preceding Period along with any supporting documentation reasonably required for Buyer to independently confirm Seller’s Availability Percentage calculation.
2. Availability Requirement. Pursuant to Section 12.2(g) of the Agreement, it shall be an Event of Default if Seller fails to maintain an Availability Percentage equal to or greater than 80% over each Period (as defined below) (the “Availability Requirement”).
3. Definitions. Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. For purposes of this Schedule 6.12, the following capitalized terms shall be defined as follows.

The “Availability Percentage” of the Facility shall be calculated as follows:

$$AP = 100 * \sum (\text{of all Units}) [(TPM - TOM) / TPM]$$

Where:

AP = Availability Percentage

TOM = Total Outage Minutes

TPM = Total Period Minutes

“Availability Damages” shall have the meaning set forth in Section 1 of this Schedule 6.12.

“Equivalent Forced Outage Minutes” means the total number of minutes during (a) a reduction in output or capacity or removal from service, in whole or in part, of a Unit by reason of an emergency or threatened emergency, unanticipated failure or other cause beyond the control of Seller, (b) Instructed Operation, (c) a reduction in output of the Facility caused by the action or inaction of Buyer, or (d) a failure of the main Facility substation transformer; *provided, however*, that any Force Majeure Event Minutes shall not be counted as Equivalent Forced Outage Minutes. A reduction in output or removal from service of a Unit or the Facility in response to changes in market conditions shall not constitute Equivalent Forced Outage Minutes.

“Equivalent Maintenance Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit in order to perform necessary repairs on specific components of the Unit, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“Equivalent Planned Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit for inspection, maintenance or repair, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“First Availability Calculation Date” shall have the meaning set forth above in Section 1 of this Schedule 6.12.

“Force Majeure Event Minutes” means a minute during which either Seller or Buyer has declared a Force Majeure Event for one or more Units. Force Majeure Event Minutes shall include the minutes during which one or more Units is not operating due to a Serial Defect.

“Guaranteed Availability Percentage” shall mean ninety percent (90%).

“Period” means, beginning at the end of the third Contract Year, the immediately preceding period of two (2) Contract Year non-rolling block periods for which the Availability Percentage is being calculated.

“Serial Defect” shall mean a manufacturing, material or design defect of a substantially identical nature that has occurred to fifteen percent (15%) or more of the Units of the Facility.

“Total Outage Minutes” means the sum of Equivalent Maintenance Outage Minutes and Equivalent Planned Outage Minutes for a Period.

“Total Period Minutes” means the total number of minutes in a Period.

“Unit” means each wind generation turbine included in the Facility, as described in Exhibit A.

## **SAMPLE CALCULATION FOR SOLAR PROJECT**

Assumptions:

1. Facility consists of 75 Units.
2. Relevant period is 24 months (with no leap year).
3. No Force Majeure during event period.
4. Each Unit of the facility experienced 1,750 Total Outage Minutes during the Period.

$$AP = 100 * [(1,051,200 - 131,250) / 1,051,200 = 87.5\%$$

## **SAMPLE CALCULATION FOR WIND PROJECT**

Assumptions:

1. Facility consists of 10 Units.
2. Relevant period is 24 months (with no leap year).
3. No Force Majeure during event period.
4. Each Unit of the facility experienced 2,500 Total Outage Minutes during the Period.

$$AP = 100 * [(1,051,200 - 25,000) / 1,051,200 = 97.6\%$$

**SCHEDULE 8.1**  
**CONTRACT PRICE**

Contract Price:

## SCHEDULE 14.1

### PERFORMANCE ASSURANCE AMOUNTS

The amount of Performance Assurance (the “Performance Assurance Amount”) provided by the Security Obligor during the Contract Term shall be equal to the dollar amount specified in the following table for the number of years and the applicable year of the Services Term:

15-year Services Term: [Note: Table will be expanded for 20-year Services Term]

Upon the date required pursuant to <u>Section 14.1</u>	
14 Years Remaining	
13 Years Remaining	
12 Years Remaining	
11 Years Remaining	
10 Years Remaining	
9 Years Remaining	
8 Years Remaining	
7 Years Remaining	
6 Years Remaining	
5 Years Remaining	
4 Years Remaining	
3 Years Remaining	
2 Years Remaining	
1 Years Remaining	

**SCHEDULE 14.4(b)**

**FORM OF LETTER OF CREDIT**

Irrevocable Letter of Credit No.: \_\_\_\_\_ Issue Date: \_\_\_\_\_

Expiry Date: \_\_\_\_\_ (the "Expiry Date")

Beneficiary: \_\_\_\_\_  
("Beneficiary")

\_\_\_\_\_  
\_\_\_\_\_

Amount: US\$ \_\_\_\_\_

We hereby issue in your favor our Irrevocable Letter of Credit No:\_(the "Letter of Credit") for the account of\_\_\_\_\_ ("Applicant") for an amount or amounts not to exceed in the aggregate\_\_\_\_\_ Dollars (US\$\_\_\_\_\_) available by your draft(s) at sight on the bank of \_\_\_\_\_ ("Issuer") located at \_\_[ADDRESS], effective\_\_\_\_\_[DATE] and initially expiring at our counters on\_\_\_\_\_[DATE] or any automatically extended expiry date, as provided herein (the "Expiry Date"). This Letter of Credit is available in one or more drawings up to the aggregate amount set forth herein.

This Letter of Credit is presentable and payable at our counters, and we hereby engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be honored with sight payment on presentation if accompanied by the required documents pursuant to the terms of this Letter of Credit.

The below mentioned document(s) must be presented on or before the Expiry Date of this Letter of Credit in accordance with the terms and conditions of this Letter of Credit.

1. Your signed and dated certification by an authorized officer, reading as follows: "The amount of this drawing, US\$ [AMOUNT], being made under the bank of \_\_\_\_\_[ISSUER NAME], Letter of Credit number\_\_, represents an amount due and payable to Beneficiary from Applicant pursuant to Section \_ of \_\_\_\_\_ the Renewable Energy Purchase Agreement dated as of \_\_\_\_\_ between Beneficiary and \_."
2. The original of this Letter of Credit and any amendments.

If presentation of any drawing is made on a Business Day (as herein defined) and such presentation is made on or before 10:00 am New York time, Issuer shall satisfy such drawing request on the next Business Day. If the drawing is received after 10:00 am New York time, Issuer will satisfy such drawing request on the second following Business Day.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one year from the initial expiration date hereof, or any future expiration date

occurring thereafter, unless at least ninety (90) days prior to any expiration date we notify you at the above address by registered mail, or overnight courier that we elect not to consider this Letter of Credit extended for any such period.

This Letter of Credit may be terminated upon the earlier of (a) Issuer's receipt of Beneficiary's written certification that they have received payment in full of all sums owing to Beneficiary under the Renewable Energy Purchase Agreement dated\_\_\_\_, 2022 between Beneficiary and\_\_\_\_, and that Issuer is subsequently authorized to cancel this Letter of Credit, accompanied by a copy of the original Letter of Credit and any and all amendments thereto; (b) Issuer's receipt of a written release from Beneficiary releasing Issuer from its obligations under this Letter of Credit, accompanied by a copy of the original Letter of Credit and any and all amendments thereto; or (c) the Expiry Date, or any automatically extended expiry date, provided notice has been given as set forth in the immediately preceding paragraph.

The term "Business Day" as used herein means any day other than a Saturday, a Sunday or a day on which banking institutions located in the City of New York are required or authorized by law to be closed.

Applicant's filing of a bankruptcy, receivership or other debtor-relief petition, and/or Applicant's discharge thereunder, shall in no way affect the liability of Issuer under this Letter of Credit and, notwithstanding any such filing by, or on behalf of, Applicant or any resultant discharge thereunder, Issuer shall remain liable to Beneficiary for the full amount of Issuer's obligations herein to Beneficiary, not to exceed the available undrawn amount of this Letter of Credit.

Additional terms and conditions:

1. All commissions and other banking charges will be borne by Applicant.
2. This Letter of Credit may not be transferred or assigned.
3. This Letter of Credit is subject to the International Standby Practices of the International Chamber of Commerce Publication No. 590 ("ISP98") or such later revision(s) of ISP98 as may be hereafter adopted. As to matters not governed by ISP98, this Letter of Credit shall be governed by, and construed in accordance with, the laws of the State of New York, including, to the extent not inconsistent with ISP98, the Uniform Commercial Code as in effect in the State of New York. This Letter of Credit may not be amended, changed or modified without the express written consent of Beneficiary and Issuer.
4. This Letter of Credit is irrevocable and any rights granted to Beneficiary hereunder cannot be deemed to be waived, modified or revoked prior to its expiration without the prior written consent of Beneficiary.
5. A failure to make any partial drawings at any time shall not impair or reduce the availability of this Letter of Credit in any subsequent period or our obligation to honor your subsequent demands for payment made in accordance with the terms of

this Letter of Credit, as long as the combined amount of all partial drawings does not exceed the aggregate amount of this Letter of Credit.

SPECIAL TERMS AND CONDITIONS:

1. PARTIAL DRAWINGS ALLOWED.
2. DRAFT(S) MUST STATE DRAWN UNDER [ISSUER] IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER [ ] DATED [ ].
3. THE DRAFT AND DOCUMENTS MUST BE PRESENTED AT OUR OFFICES AT [ISSUER ADDRESS].
4. PRESENTATION BY FACSIMILE TO THE FOLLOWING NUMBER IS ACCEPTABLE (212) . [WITH ORIGINAL(S) THEREOF TO FOLLOW BY OVERNIGHT COURIER FOR DELIVERY ON THE NEXT BUSINESS DAY TO THE ADDRESS SPECIFIED IN THE PRECEDING PARAGRAPH 3.]
5. IN THE EVENT OF ANY DRAWING IN FULL OR A DRAWING OF THE ENTIRE REMAINING AVAILABLE AMOUNT, THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS THERETO, IF ANY, MUST BE DELIVERED TO THE ADDRESS SPECIFIED IN PARAGRAPH 3 OF THESE SPECIAL TERMS AND CONDITIONS, BY OVERNIGHT COURIER OR BY HAND DELIVERY, FOR DELIVERY NOT LATER THAN THE FIRST BUSINESS DAY FOLLOWING THE SUBMISSION OF THE DRAW CERTIFICATE.
6. COMMUNICATIONS WITH RESPECT TO THIS LETTER OF CREDIT SHALL BE IN WRITING AND SHALL BE ADDRESSED TO US AT THE ABOVE ADDRESS, SPECIFICALLY REFERRING TO “THE [ISSUER] IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER [ ] DATED [ ]”, ATTENTION: [ ], EMAIL: [ ], TELEPHONE: [ ] OR FACSIMILE [ ].
7. WITH RESPECT TO ANY CLAIM YOU MAY HAVE WITH RESPECT TO THIS LETTER OF CREDIT, WE AND YOU CONSENT AND SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN NEW YORK COUNTY, IN THE STATE OF NEW YORK, AND WAIVE ANY OBJECTION TO VENUE OR ANY CLAIM OF FORUM NON CONVENIENS WITH RESPECT TO ANY ACTION OR PROCEEDING IN ANY SUCH COURT WITH RESPECT TO ANY SUCH CLAIM.

Authorized Signature:  
[NAME AND TITLE]

**SCHEDULE 14.4(c)**

**FORM OF GUARANTY**

**[Form of Guaranty attached on the following page]**

## SELLER GUARANTY

This SELLER GUARANTY, dated as of [●], is made by [●], a [Delaware limited liability company] (“Guarantor”), to [ ] (“Counterparty”).

### RECITALS:

WHEREAS, Counterparty, a Delaware limited liability company (“Obligor”), as seller, and Counterparty, as buyer, have entered into the Renewable Energy Purchase Agreement, dated as of [●], 2022 (the “REPA,” capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the REPA) pursuant to which Counterparty has agreed to enter into certain transactions with respect to energy and environmental attributes generated by the renewable project owned by Obligor;

WHEREAS, as a condition precedent to Counterparty’s obligations under the REPA, Counterparty is requiring this Guaranty to be executed and delivered by Guarantor; and

WHEREAS, Guarantor is the [in]direct parent company of Obligor.

NOW, THEREFORE, in consideration of the premises and in order to induce Counterparty to enter into the REPA, Guarantor hereby agrees as follows:

### AGREEMENT:

1. Guaranty.

(a) Subject to Section 1(b) below, Guarantor hereby absolutely, irrevocably and unconditionally guarantees the punctual payment and performance when due of all obligations of Obligor now or hereafter existing under the REPA (collectively, the “Guaranteed Obligations”). This is a guaranty of payment and performance, not of collection. For purposes hereof, the phrase “when due” shall include when any such obligations of Obligor under the REPA would be due or are required to be performed (giving effect to any grace or cure periods under the REPA), whether at maturity, upon demand, by acceleration or otherwise, in accordance with the REPA. In the event Obligor shall fail to pay any Guaranteed Obligations owed to Counterparty under the REPA, Guarantor shall, upon written demand from Counterparty of such failure, pay or cause to be paid the amount owed within ten (10) Business Days of receipt of such notice.

(b) Notwithstanding anything to the contrary herein, Guarantor’s aggregate obligation to Counterparty under this Guaranty shall not in any event exceed \$[●] (the “Maximum Guaranteed Amount”).

(c) Guarantor guarantees that the obligations of Guarantor under this Guaranty are independent of the obligations of Obligor under the REPA, and a separate action or actions may be brought against Guarantor to enforce this Guaranty, irrespective of whether any action is brought against Obligor or whether Obligor is joined in any such action or actions. Subject to the notice requirement set forth in Section 1(a) above, Counterparty shall have the right to proceed first and directly against Guarantor under this Guaranty without first proceeding against Obligor or exhausting any other remedies that it may have.

(d) If any amount paid by Guarantor in respect of the Guaranteed Obligations hereunder is required to be repaid by Counterparty to Guarantor pursuant to a court order in any bankruptcy or similar legal proceeding, Guarantor's obligations hereunder shall be restored as if such payment by Guarantor had never been made.

(e) This Guaranty shall automatically terminate upon the earlier of (i) the termination or expiration of the REPA and (ii) Guarantor's payment of amounts hereunder in aggregate amount equal to the Maximum Guaranteed Amount.

2. Obligations Unconditional; Waiver.

(a) The obligations of Guarantor hereunder shall be absolute, irrevocable and unconditional and shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(i) the release or waiver, by operation of applicable law or order or by Counterparty, of any guarantor of any of the Guaranteed Obligations or any security for any Guaranteed Obligations;

(ii) the extension of time for the payment or performance by Obligor of all or any portion of the Guaranteed Obligations or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the REPA;

(iii) any failure, omission, delay or lack of diligence on the part of Counterparty to enforce, assert or exercise any right, privilege, power or remedy conferred on Counterparty pursuant to the terms hereof or of the REPA;

(iv) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, Obligor or any of the assets of Obligor;

(v) any invalidity or unenforceability of, or defect or deficiency in, the REPA or any of the Guaranteed Obligations;

(vi) the settlement or compromise of any obligation Guaranteed Obligation; or

(vii) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(b) Guarantor hereby waives notice of acceptance of this Guaranty and of any liability to which it applies or may apply, presentment, demand for payment (except as provided in Section 1(a) above), any right to require a proceeding first against Obligor or any other person before proceeding against Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands (except as provided in Section 1(a) above). Guarantor further waives notice of, and hereby consents to, any change in, amendment to, waiver of or consent to a deviation from, any of the terms and provisions of the REPA or any renewal,

extension, increase, acceleration or other alteration of any of the Guaranteed Obligations or the taking of any security for the Guaranteed Obligations or any release thereof.

3. Subrogation. Guarantor shall be subrogated to all rights of Counterparty against Obligor in respect of any amounts paid by Guarantor pursuant to this Guaranty, *provided that* Guarantor will not exercise any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until this all Guaranteed Obligations have been paid in full. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of Counterparty and shall forthwith be paid to Counterparty to be applied to the Guaranteed Obligations. If (a) Guarantor shall perform and shall make payment to Counterparty of all or any part of the Guaranteed Obligations and (b) all Guaranteed Obligations shall have been paid in full, Counterparty shall, at Guarantor's request, execute and deliver to Guarantor appropriate documents necessary to evidence the transfer by subrogation to Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.

4. Amendments; Assignments.

(a) No amendment, waiver, supplement or other modification of any provision of this Guaranty, and no consent to any departure by Guarantor herefrom, shall be effective unless the same shall be in writing and signed by both Guarantor and Counterparty.

(b) Neither Guarantor nor Counterparty may assign its rights, interests or obligations hereunder to any other person without the prior written consent of Guarantor or Counterparty, as the case may be; *provided that* Counterparty may transfer all or any portion of its rights, interests or obligations under this Guaranty without the consent of Guarantor to any permitted transferee under the REPA. The provisions of this Guaranty will bind and benefit the successors and permitted assigns of Guarantor and Counterparty. The term "Obligor" means Obligor and its successors and permitted assigns pursuant to the REPA, and the term "Counterparty" means Counterparty and its successors and permitted assigns pursuant to the REPA.

5. No Consequential Damages. Except as expressly payable by Obligor pursuant to the REPA, in no event shall Guarantor be subject to any consequential, exemplary, equitable, loss of profits, punitive or tort damages.

6. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its principles of conflicts of laws that would result in the application of the laws of a State other than the State of New York.

7. Notices. Any notice or other communication in respect of this Guaranty must be sent via (a) certified or registered mail or (b) e-mail as set forth below; *provided that*, if sent by certified or registered mail, then a copy must also be sent via e-mail, to Counterparty at the address in Exhibit 10 to the REPA (unless otherwise notified in writing by Counterparty to Guarantor) or to Guarantor at the following address (unless otherwise notified in writing by Guarantor to Counterparty):

*[insert Guarantor notice information]*

Such notice will be deemed effective: (a) if in writing and delivered in person or by courier, on the date it is delivered, (b) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted, or (c) if sent by e-mail, on the date that it is received, unless, in each case, the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that communication will be deemed given and effective on the first following day that is a Business Day.

8. Severability. The invalidity or unenforceability of any provision of this Guaranty shall not affect the remaining provisions that shall be liberally construed in order to carry out the intentions of Guarantor and Counterparty in respect of and including any provision which is invalid or unenforceable as nearly as possible.

9. Entire Agreement. This Guaranty constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

\* \* \*

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed by its duly authorized officer as of the day first above written.

[GUARANTOR]

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE 15.1(h)**  
**GOVERNMENTAL ACTIONS**

**SCHEDULE 17.1**

**NOTICE INFORMATION**

Any notices required under this Agreement shall be made as follows (as updated by the Parties from time to time):

<p>Buyer:</p> <p><b>All Notices:</b></p> <p>Potomac Electric Power Company C/O Pepco Holdings, Inc. 701 Ninth Street, EP6412 Washington, DC 20068 Attn: _____ E-mail: _____ Telephone: _____ Duns: _____ Federal Tax ID Number: 53-0127880</p> <p><b>Invoices:</b></p> <p>Attn: _____ Phone: _____ E-mail: _____</p> <p><b>Electronic Funds Transfer:</b></p> <p>BNK: Wells Fargo Bank, San Francisco, CA FED ABA: _____ ACH ABA: FOR ACCT: Potomac Electric ppa Power Co. ACCT: _____</p> <p><b>With additional Notices of an Event of Default to:</b></p> <p>Pepco Holdings, Inc. Attn: Anne Bancroft, General Counsel 701 Ninth St., NW Washington, DC 20068 Phone: 215 841 4774 Email: Anne.Bancroft@exeloncorp.com</p>	<p>Seller:</p> <p><b>All Notices:</b></p> <p><b>Invoices:</b></p> <p><b>Electronic Funds Transfer:</b></p> <p>[To be updated by Seller in accordance with <u>Section 17.1</u>]</p> <p>BNK: Fed-ABA: ACH-ABA ACCT Name: ACCT No:</p>
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**RENEWABLE ENERGY PURCHASE AGREEMENT**

**between**

**POTOMAC ELECTRIC POWER COMPANY**

**(“Buyer”) and**

**COUNTERPARTY**

**(“Seller”) Dated as of [2024]**

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## RENEWABLE ENERGY PURCHASE AGREEMENT

THIS RENEWABLE ENERGY PURCHASE AGREEMENT (this “Agreement”), is made and entered into as of [•] (“Effective Date”), by and between [Counterparty], hereinafter referred to as “Seller” and Potomac Electric Power Company, a District of Columbia corporation, hereinafter referred to as “Buyer” (each hereinafter referred to individually as “Party” and collectively as “Parties”).

### WITNESSETH:

**WHEREAS**, Seller plans to [develop,] own and operate an energy generating Facility with an aggregate total nameplate capacity rating of [ ] MW (the “Facility Nameplate Rating”), located in [ ]; and

**WHEREAS**, Seller desires to sell and deliver to Buyer, and Buyer desires to purchase and receive, Energy and Environmental Attributes generated by the Facility (collectively, the “Products”); and

**WHEREAS**, Buyer intends to use the Products purchased under this Agreement in accordance with Order No. 19897, issued on April 12, 2019, Order No. 20327, issued on April 9, 2020, and Order No. 21918 in Formal Case No. 1017 by the Public Service Commission of the District of Columbia.

**NOW, THEREFORE**, and in consideration of the foregoing, and of the mutual promises, covenants, and conditions set forth herein, and other good and valuable consideration, the Parties hereto, intending to be legally bound by the terms and conditions set forth in this Agreement, hereby agree as follows:

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions. The following capitalized terms, when used in this Agreement, shall have the meanings set forth below:

“Affiliate” means, with respect to any Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Agreement” has the meaning set forth in the preamble hereto.

“Availability Damages” has the meaning set forth in Schedule 6.11.

“Availability Percentage” has the meaning set forth in Schedule 6.11.

“Bankrupt” means, with respect to any entity, such entity: (a) voluntarily files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or

cause of action under any bankruptcy, insolvency, reorganization or similar Law, or has any such petition filed or commenced against it by its creditors and such petition is not dismissed within ninety (90) days of the filing or commencement; (b) makes an assignment or any general arrangement for the benefit of creditors; (c) otherwise becomes insolvent, however evidenced; (d) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (e) is generally unable to pay its debts as they fall due.

“Business Day” means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall begin at 8:00 am and end at 5:00 pm EPT.

“Buyer” has the meaning set forth in the preamble hereto.

“Buyer Energy Limit” shall mean 163,000 MWh per year.

“Buyer’s Indemnitees” has the meaning set forth in Section 10.1.

“Buyer’s Percentage” means the percentage equal to the Buyer’s Share divided by the Facility Nameplate Rating.

“Buyer’s Share” means the Original Buyer’s Share, as adjusted pursuant to Section 3.5.

“Change in Control” means any circumstance in which Ultimate Parent ceases to own, directly or indirectly through one or more intermediate entities, at least fifty percent (50%) of the outstanding equity or voting interests in Seller. Notwithstanding the foregoing, the following shall not constitute a Change in Control: (a) any time in which the Seller retains a Qualified Operator to operate the Facility, (b) any transaction after which the Seller’s Ultimate Parent, or their Affiliate, is a Qualified Operator, (c) the sale of any equity interest, directly or indirectly, in the Ultimate Parent, or the sale of any equity interest in any entity that owns, directly or indirectly, legally or beneficially an equity interest in Ultimate Parent, or (d) the sale of any indirect equity interest in Seller in connection with a tax equity or cash equity financing of the Facility; *provided that* Seller or its Affiliate maintains day-to-day operational management rights to the Facility.

“Confidential Information” means any information in any form designated by a Party as confidential pursuant to Section 16.2 whether such information was disclosed prior to or after the Effective Date; *provided, however*, that Confidential Information shall not include Unrestricted Information.

“Commencement Date” means, for a Facility that is in commercial operation prior to the Effective Date, the date on which Seller is obligated to begin selling, and Buyer is obligated to buy, Buyer’s Percentage of all Products produced by, or associated with, the Facility as agreed to by the Parties and set forth in Exhibit C.

“Contract Price” means the price per MWh of Energy delivered to the Delivery Point for Buyer’s account and RECs transferred to Buyer, as set out on Schedule 8.1.

“Contract Term” has the meaning set forth in Section 2.1.

“Contract Year” shall mean the twelve (12) month period commencing on the Initial Delivery Date or Commencement Date, as applicable, and each anniversary thereafter during the Services Term.

“Costs” means, with respect to the Non-Defaulting Party, (i) all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of this Agreement and (ii) reasonable third party consultant fees and expenses incurred by the Non-Defaulting Party in calculating Replacement Costs or Resale Costs (as applicable); *provided that* any and all such fees and expenses are incurred by the Non-Defaulting Party within the first six (6) months after the date of the termination of this Agreement.

“COVID-19” means the global pandemic associated with the outbreak of the disease designated as COVID-19 as declared by the World Health Organization on March 11, 2020, and any mutations thereof, and the actions of any Governmental Authority directly related thereto.

“Credit Rating” means, with respect to any Person, the rating then assigned to such Person’s senior unsecured long-term debt obligations (not supported by third-party credit enhancements) by a Rating Agency or, if such Person does not have a rating for its senior unsecured long-term debt, then the “Issuer Credit Rating” for such Person established by S&P.

“DCPSC” means the District of Columbia Public Service Commission.

“Decreased Capacity Damages” has the meaning set forth in Section 3.5.

“Defaulting Party” has the meaning set forth in Section 12.1.

“Delay Damages” has the meaning set forth in Section 3.3.

“Delivery Point” means the PJM hub identified in Exhibit B.

“Disclosing Party” has the meaning set forth in Section 16.1.

“Eastern Prevailing Time” or “EPT” means Eastern Standard Time or Eastern Daylight Saving Time, whichever is in effect on any particular date.

“Effective Date” has the meaning set forth in the preamble hereto.

“Electrical Interconnection Facilities” means the equipment and facilities required to safely and reliably interconnect the Facility to the PJM Transmission System or the transmission system of another Transmitting Utility in whose territory the Facility is located, as applicable, including transformers and all switching, metering, communications, control and safety equipment, including the facilities described in Exhibit A.

“Emergency” means: (a) an abnormal system condition requiring manual or automatic action to maintain system frequency or voltage or to prevent loss of firm load, equipment damage or tripping of system elements that could adversely affect the reliability of an electric system or the safety of persons or property; (b) system recovery from an abnormal condition that resulted in loss of firm load or equipment damage; or (c) a condition that requires implementation of “emergency procedures” (as defined by PJM or any Transmitting Utility).

“Energy” means three-phase, 60- cycle alternating current electric energy.

“Environmental Attributes” means Renewable Energy Credits and any and all other (whether known or unknown) federal, regional, state and other credits, certificates, benefits, emission reductions, carbon credits, offsets and allowances that are attributable, now or in the future, however entitled or named, attributable to or associated with the Facility or the Energy produced by the Facility, including: (a) any such credits, certificates, benefits, offsets and allowances computed on the basis of the Facility’s displacement of fossil fuel derived or other conventional energy generation arising under existing or future applicable Law; (b) any environmental certificates issued by PJM under the GATS in connection with Energy delivered to Buyer; and (c) any voluntary emission reduction credits obtained or obtainable by Seller in connection with the generation of Energy delivered to Buyer from the Facility; *provided, however*, that Environmental Attributes shall not include: (i) production tax credits based on energy production from any portion of the Facility; (ii) any investment tax credits or other tax credits associated with the construction or ownership of the Facility; (iii) any state, federal or private cash payments or grants relating in any way to the construction or ownership of the Facility or the output thereof; or (iv) accelerated depreciation benefits related to the Facility’s status as a generator of renewable energy.

“Event of Default” has the meaning set forth in Sections 12.1 and 12.2.

“Facility” means the generating facility, including the Electrical Interconnection Facilities and any other ancillary facilities and equipment, as more particularly described in Exhibit A.

“Facility Commercial Operation” means the condition of the Facility once it has achieved the following:

- (a) ninety percent (90%) of Buyer’s Percentage of the Facility Nameplate Rating shall have been fully commissioned and shall be operational;
- (b) all performance testing of the Electrical Interconnection Facilities shall have been successfully completed in accordance with the PJM Agreements;
- (c) the Facility shall be operating and able to produce and deliver Energy to the Interconnection Point: (i) pursuant to the terms of this Agreement, the Interconnection Agreement, and all applicable Laws; and (ii) in accordance with Good Utility Practice; and

- (d) the SCADA system for the Facility shall have been installed and tested and shall be fully operational.

“Facility Commercial Operation Date” means the first date as of which: (a) Facility Commercial Operation has occurred; and (b) Seller shall have delivered to Buyer written certification of an authorized officer of Seller certifying that the Facility has achieved Facility Commercial Operation.

“Facility Lender” means any Person(s), other than Affiliates of Seller, that provide construction, working capital or term debt financing for the Facility (including any agent(s) thereof).

“Facility Meter” means the revenue quality electricity generation meter, to be located at the metering point shown on Exhibit A, which shall register all Energy produced by the Facility and delivered to the Interconnection Point.

“Facility Nameplate Rating” has the meaning set forth in the Recitals hereto, as such amount may be adjusted pursuant to Section 3.4.

“Facility Site” means the property on which the Facility is located, as more particularly described in Exhibit A.

“FERC” means the Federal Energy Regulatory Commission.

“Financing Assignment” shall mean the consent to collateral assignment between Buyer, Seller and Facility Lender, in a form reasonably satisfactory to Buyer, Seller and Facility Lender.

“Fitch” means Fitch Investor Service, Inc.

“Force Majeure Event” means an event or circumstance that: (a) prevents a Party from performing its obligations under this Agreement; (b) was not foreseeable by such Party or if it was foreseeable, was not within the reasonable control of, or the result of the negligence of, such Party; and (c) such Party is unable to avoid or cause to be avoided with the exercise of due diligence. Force Majeure Events shall include, *provided that* the criteria in the first sentence are met, riot, insurrection, war (declared or not), mobilization, explosion, labor dispute, fire, flood, earthquake, storm, lightning, tsunami, backwater caused by flood, vandalism, act of the public enemy, terrorism, epidemic or pandemic (including COVID-19, but only as to specific future impacts to Seller that were not actually known as of the Effective Date), civil disturbances, strike, labor disturbances, work slowdown or stoppage, blockades, sabotage, labor or material shortage, national emergency, the extension, amendment, adoption or repeal of or other change in, or the interpretation or application of, any applicable Law, and any action or inaction by any Governmental Authority. Notwithstanding the foregoing, under no circumstance shall a Force Majeure Event be based on: (i) Seller’s ability to sell a Product at a price greater than that received under the terms of this Agreement; (ii) Buyer’s ability to purchase a Product at a price lower than paid under the terms of this Agreement; and (iii) any other economic hardship or changes in market conditions affecting the economics of one of the Parties but not the other, except

to the extent such economic hardship or change in market conditions is the result of an independent Force Majeure Event described above.

“GAAP” means generally accepted accounting principles in the United States of America as in effect from time to time.

“GATS Operating Rules” means the operating rules for the GATS (including successor versions), as published by PJM Environmental Information Services, Inc.

“Generator Attribute Tracking System” or “GATS” means the system (or its successor) operated by PJM Environmental Information Services, Inc. in accordance with the GATS Operating Rules to provide environmental and emissions attributes reporting and tracking services to its subscribers.

“Good Utility Practice” means the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry (in the case of Buyer) or the [wind][solar] industry (in the case of Seller) during the relevant time period, and any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision is made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather is intended to include acceptable practices, methods and acts generally accepted in the region.

“Governmental Authority” means any federal, state, local, municipal or other governmental or quasi-governmental authority, agency, department, board, court, tribunal, regulatory commission or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party, the Facility, the Products to be delivered hereunder or this Agreement.

“Guaranteed Availability Percentage” has the meaning set forth in Schedule 6.11.

“Guaranteed Initial Delivery Date” means the Guaranteed Initial Delivery Date set forth in Exhibit C; *provided, however*, that the Guaranteed Initial Delivery Date shall be extended on a day-for-day basis (a) for up to twelve (12) months to the extent that the Initial Delivery Date is delayed as a result of (i) a Force Majeure Event, (ii) a delay in the importation or delivery of solar modules to be incorporated into the Facility, or (iii) any delay in the completion and energizing of the Electrical Interconnection Facilities by PJM or the Transmitting Utility, or (b) for each day after the PSC Approval Deadline that PSC Approval is not obtained.

“Guarantor” means any Person that: (a) guarantees a Party’s financial obligations under this Agreement pursuant to a Guaranty; (b) is an Affiliate of such Party; (c) has a Credit Rating from at least two (2) of the Rating Agencies; (d) is Investment Grade; and (e) is incorporated or organized in a jurisdiction of the United States and is in good standing in such jurisdiction.

“Guaranty” means a guaranty agreement (a) in favor of the Security Beneficiary; (b) executed and delivered by a Guarantor to Buyer; and (c) in the form of Schedule 14.4(c).

“Indemnified Person” has the meaning set forth in Section 10.3(c).

“Indemnifying Party” has the meaning set forth in Section 10.3(c).

“Initial Delivery Date” means the date on which the conditions set forth in Section 3.1 have been satisfied or waived in writing by Buyer.

“Instructed Operation” means a mandatory direction by a Transmitting Utility to meet an Emergency, or a transmission system reliability need, including voltage support.

“Interconnection Agreement” means an agreement between Seller and the Transmitting Utility (which may be Buyer or an Affiliate of Buyer) in whose territory the Facility is located regarding interconnection of the Facility to the transmission system of the Transmitting Utility.

“Interconnection Point” means the physical point of interconnection between the Electrical Interconnection Facilities and the electrical transmission system of the Transmitting Utility.

“Interest Rate” means, as of any date, the lesser of (a) the per annum rate of interest equal to the prime lending rate published in *The Wall Street Journal* under “Money Rates” on such day (or, if such rate is not published on such date, the rate published on the most recent preceding date on which such rate is published), plus two percent (2%); and (b) the maximum rate permitted by applicable Law.

“Internal Bilateral Transaction” has the meaning given to such term in the PJM Agreements.

“Investment Grade” shall mean at least two of the following three Credit Ratings: “BBB-” or better from S&P, “BBB-” or better from Fitch, or “Baa3” or better from Moody’s.

“Invoice” has the meaning set forth in Section 8.2.

“kW” means kilowatt.

“Law” means any statute, law, treaty, convention, rule, regulation, ordinance, code, Permit, enactment, injunction, order, writ, decision, authorization, judgment, decree or other legal or regulatory determination or restriction issued, adopted, administered or implemented by a court or Governmental Authority, including any of the foregoing that are enacted, amended or issued after the Effective Date, and any binding interpretations of any of the foregoing.

“Letter of Credit” means an irrevocable standby letter of credit in favor of the Security Beneficiary issued by a Qualified Institution, in the form of Schedule 14.4(b) or such other form as may reasonably be agreed by the Parties.

“Lien” means any mortgage, pledge, hypothecation, assignment, mandatory deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever, including any sale-leaseback arrangement, conditional sale or other title retention agreement and any financing lease having substantially the same effect as any of the foregoing.

“Locational Marginal Price” shall mean, for any period, the location specific Real-Time Energy Market price as defined and published by PJM, expressed in \$/MWh, which, for the avoidance of doubt, may be positive or negative.

“Market Participant” has the meaning set forth in the PJM Operating Agreement.

“Milestone Schedule” has the meaning set forth in Section 3.6.

“Monthly Settlement Date” has the meaning set forth in Section 8.2.

“Moody’s” means Moody’s Investor Services, Inc.

“MW” means megawatt.

“MWh” means megawatt-hour.

“NERC” means the North American Electric Reliability Council, or any other Person designated by FERC to perform its functions.

“Non-Defaulting Party” has the meaning set forth in Section 12.3.

“Original Buyer’s Share” means [ ] MW.

“Party” or “Parties” has the meaning set forth in the preamble hereto.

“Performance Assurance” means collateral in the form of cash, Letter(s) of Credit, Guaranty, or other security acceptable to the Security Beneficiary, in each case in accordance with Article 14 unless otherwise approved by the Security Beneficiary.

“Performance Assurance Amount” has the meaning set forth in Schedule 14.1.

“Period” has the meaning set forth in Schedule 6.11.

“Permit” means any permit, authorization, license, order, consent, waiver, exception, exemption, variance or other approval by or from, and any filing, report, certification, declaration, notice or submission to or with, any Governmental Authority required to authorize action, including any of the foregoing relating to the ownership, siting, construction, operation, use or maintenance of the Facility under any applicable Law.

“Person” means an individual, partnership, joint venture, corporation, limited liability company, trust, association, unincorporated organization or Governmental Authority.

“PJM” means PJM Interconnection, L.L.C., or its successor.

“PJM Agreements” means the PJM Tariff, the PJM Operating Agreement, and any other PJM bylaws, procedures, manuals or documents applicable to the Facility.

“PJM Member” means any entity satisfying the requirements of PJM to conduct business with PJM.

“PJM Operating Agreement” means the Operating Agreement of PJM.

“PJM Tariff” means the Open Access Transmission Tariff of PJM.

“PJM Transmission System” means the system of transmission lines and associated facilities that have been placed under PJM’s operational control.

“Products” has the meaning set forth in the Recitals hereto.

“PSC Approval” means an order issued by the DCPSC approving the terms of this Agreement without modification and authorizing Buyer to recover all of its costs incurred hereunder, which order shall be in form and substance reasonably acceptable to Buyer.

“PSC Approval Deadline” means the date that is six (6) months after the date on which Buyer files this Agreement with the DCPSC seeking PSC Approval.

“Qualified Institution” means a U.S. commercial bank (or a foreign bank with a U.S. branch) having total assets of at least \$10 billion dollars (\$10,000,000,000.00) and a Credit Rating equal to or better than “A-” by S&P and an equivalent Credit Rating by Moody’s or Fitch.

“Qualified Operator” means an entity that, together with its Affiliates, owns or operates renewable electricity generating assets that have a nameplate capacity of not less than five hundred (500) MW in the aggregate in the United States (excluding the Facility).

“Rating Agency” or “Rating Agencies” shall mean, individually or collectively, S&P, Moody’s and Fitch.

“Real-Time Energy Market” has the meaning given to such term in the PJM Agreements.

“Receiving Party” has the meaning set forth in Section 16.1.

“Regional Reliability Entity” means the organization designated by NERC responsible for establishing and implementing reliability criteria and protocols for the Facility.

“Regulatory Charges” has the meaning set forth in Section 9.2.

“Renewable Energy Credit” or “REC” shall have the meaning set forth in the RPS Rules and RPS Act.

“Renewable Energy Portfolio Standard” shall have the meaning set forth in the RPS Act.

“Replacement Costs” means the net present value of (a) the market price of Energy at the Delivery Point, and Environmental Attributes supplied from a renewable energy generating resource located in [XX], less (b) the price of Energy and Environmental Attributes at the Contract Price, in each case for all Products that would have been delivered during the remainder of the Services Term.

“Resale Costs” means the net present value of (a) the price of Energy and Environmental Attributes at the Contract Price less (b) the market price of Energy at the Delivery Point, and Environmental Attributes supplied from a renewable energy generating resource located in [XX], in each case for all Products that would have been delivered during the remainder of the Services Term.

“RPS Act” shall mean the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15–340; D.C. Official Code §§ 34–1431 et seq.), as amended.

“RPS Rules” means the DCPSC’s Rules and Procedures to Implement the Renewable Energy Portfolio Standard.

“S&P” means Standard & Poor’s Ratings Group, a division of McGraw Hill, Inc.

“Security Beneficiary” has the meaning set forth in Section 14.2.

“Security Obligor” has the meaning set forth in Section 14.2.

“Seller” has the meaning set forth in the preamble hereto.

“Seller’s Indemnitees” has the meaning set forth in Section 10.2.

“Services Term” means the period commencing on the Initial Delivery Date or Commencement Date, as applicable, and ending [XX] years thereafter.

“Termination Payment” means all of the actual damages incurred by the Non-Defaulting Party as a result of termination, including (a) the Costs and (b) the Replacement Costs (if Buyer is the Non-Defaulting Party) or Resale Costs (if Seller is the Non-Defaulting Party) incurred by the Non-Defaulting Party as a result of the termination of this Agreement.

“Tier One Renewable Source” shall have the meaning ascribed to it in the RPS Act.

“Transmitting Utility” means any utility (including its control area operator) that transmits Energy from the Interconnection Point to the Delivery Point.

“Ultimate Parent” means [Counterparty’s ultimate parent entity].

“Unrestricted Information” means any information disclosed by one Party to the other Party that: (a) is or becomes part of the public domain without fault of the Receiving Party; (b) was received by the Receiving Party from a Person under no obligation to the Disclosing Party with respect to maintaining the confidentiality thereof; or (c) was already in the Receiving Party’s possession and not subject to confidentiality restrictions at the time the information was made available by the Disclosing Party.

1.2 Interpretation. Unless otherwise required by the context in which any term appears:

- (a) the singular shall include the plural and vice versa;
- (b) references to Articles, Sections, Schedules or Exhibits shall be to Articles, Sections, Schedules or Exhibits of this Agreement, unless otherwise specified;
- (c) all references to a particular Person in any capacity shall be deemed to refer also to such Person’s successors and permitted assigns in such capacity;
- (d) the words “herein,” “hereof” and “hereunder” shall refer to this Agreement as a whole and not to any particular section or subsection thereof;
- (e) the words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation” and shall not be construed to mean that the examples given are an exclusive list of the topics covered;
- (f) the word “or” when used in this Agreement includes the meaning “and/or” unless the context unambiguously dictates otherwise;
- (g) all accounting terms not specifically defined herein shall be construed in accordance with GAAP;
- (h) references to this Agreement shall include a reference to all schedules and exhibits hereto, each of which shall be incorporated by reference into this Agreement;
- (i) references to any agreement, document or instrument, including the PJM Agreements, shall be construed to refer to such agreement, document or instrument as the same may be amended, modified, supplemented or replaced from time to time;
- (j) the masculine shall include the feminine and neuter and vice versa;
- (k) references to a Law shall be construed to refer to such Law as the same may be amended, modified, supplemented or restated from time to time;
- (l) the term “month” shall mean a calendar month unless otherwise indicated, and a “day” shall be a twenty-four (24) hour period beginning at 12:00:01 am and ending at 12:00:00 midnight; *provided, however*, that a “day” may

be twenty-three (23) or twenty-five (25) hours on those days on which daylight savings time begins or ends;

- (m) unless expressly provided otherwise in this Agreement, where this Agreement requires the consent, approval or similar action by a Party, such consent, approval, or action shall be made or given in such Party's sole discretion;
- (n) words, phrases or expressions not otherwise defined herein that (i) have a generally accepted meaning in Good Utility Practice or the PJM Agreements, shall have such meaning in this Agreement, or (ii) do not have well-known and generally accepted meaning in Good Utility Practice or the PJM Agreements but have well-known technical or trade meanings shall have such recognized meanings; and
- (o) all references to dollars are to U.S. dollars.

## **ARTICLE 2 TERM**

2.1 Term. The term of this Agreement (the "Contract Term") will commence upon the Effective Date and, unless earlier terminated pursuant to the express provisions of this Agreement, will continue until the end of the Services Term; *provided, however*, that all provisions of this Agreement which must, in order to give full force and effect to the rights and obligations of the Parties, survive termination or expiration of this Agreement, shall so survive, including Articles 10, 12, 13, and 16.

2.2 PSC Approval. Seller shall have no obligation to deliver or sell, and Buyer shall have no obligation to accept or purchase, Products prior to receipt of PSC Approval. Buyer shall file this Agreement before the DCPSC and seek PSC Approval within thirty (30) days following the Effective Date. Buyer shall use commercially reasonable efforts to support the PSC Approval process prior to any termination of this Agreement pursuant to Section 2.3.

2.3 Termination Rights Regarding PSC Approval. Either Seller or Buyer may terminate this Agreement without liability upon thirty (30) days' advance written notice if PSC Approval does not occur on or before the date that is six (6) months after the PSC Approval Deadline. Buyer shall notify Seller whether any order issued by the DCPSC approving the terms of this Agreement is in form and substance acceptable to Buyer no later than five (5) Business Days after issuance of such order.

## **ARTICLE 3 FACILITY DEVELOPMENT**

***[Note: This Section and selected definitions may be reserved or removed for existing facilities that have already achieved COD]***

3.1 Initial Delivery Date. The Initial Delivery Date shall occur upon the satisfaction or waiver in writing by Buyer of the following conditions precedent:

- (a) the Facility Commercial Operation Date shall have occurred or will occur simultaneously with the Initial Delivery Date;
- (b) Seller shall have obtained (and demonstrated possession of) all Permits required to commence delivery of the Energy from the Facility and satisfy the conditions of Facility Commercial Operation, other than those that would not have a material adverse effect on Seller's ability to satisfy its obligations under this Agreement;
- (c) no Seller Event of Default shall be occurring;
- (d) Seller shall be a PJM Member and shall have entered into all required PJM Agreements required for the performance of Seller's obligations in connection with the Facility and this Agreement, which agreements shall be in full force and effect or Seller shall have entered into an agreement with a Market Participant that will perform all of Seller's PJM-related obligations in connection with the Facility and this Agreement;
- (e) the Facility as-built shall meet the eligibility requirements for a Tier One Renewable Source as of the Effective Date;
- (f) Seller shall have made all filings and applications required for accreditation of the Facility in GATS and for the registration, origination and transfer of Environmental Attributes from the Facility, but only to the extent such requirements are available to complete by Seller as of the Facility Commercial Operation Date;
- (g) Seller shall have entered into all agreements and made all filings and other arrangements necessary for the transmission and delivery of the Energy associated with Buyer's Percentage of the Facility from the Facility to the Delivery Point;
- (h) Seller shall have obtained all necessary authorizations from FERC to sell Energy at market-based rates as contemplated by this Agreement and shall be in compliance with such authorization;
- (i) Seller shall have delivered required Performance Assurance, in accordance with Article 14; and
- (j) Seller shall have provided Buyer with written certification that all of the preceding conditions have been satisfied.

3.2 Deadline to Achieve Initial Delivery Date. Subject to Section 3.3, Seller shall achieve the Initial Delivery Date no later than the Guaranteed Initial Delivery Date. Seller shall provide Buyer with notice of (i) the expected occurrence of the Initial Delivery Date no later than thirty (30) days prior thereto; (ii) any updates to the Initial Delivery Date no later than five (5) Business Days prior thereto; and (iii) the actual Initial Delivery Date upon the date thereof.

3.3 Delay Damages. In the event the Initial Delivery Date does not occur on or prior to the Guaranteed Initial Delivery Date, for each day beginning with the day after the Guaranteed Initial Delivery Date through and including the date on which the Initial Delivery Date occurs, Seller shall pay liquidated damages in the amount of \$0.20 per kW of Buyer's Percentage of the Facility Nameplate Rating per day ("Delay Damages"). Delay Damages shall be paid by Seller within thirty (30) days after the end of the month in which the Delay Damages accrue. The Parties acknowledge and agree that (a) calculation of actual damages that Buyer would suffer as a result of a delay in the Initial Delivery Date would be difficult or impossible to ascertain; (b) obtaining an adequate remedy may be difficult; and (c) the amount of Delay Damages constitutes a fair and reasonable approximation of the damages Buyer will incur as a result of delay in the Initial Delivery Date and is not intended as, nor shall it be deemed, a penalty. Subject to Section 14.5 and excluding Buyer's right to terminate as a result of a Seller Event of Default under Section 12.1(a), the rights set forth pursuant to this Section 3.3 shall be Buyer's exclusive remedy for Seller's delay in achieving the Guaranteed Initial Delivery Date. Buyer acknowledges and agrees that Seller's aggregate liability to Buyer, for damages (including Delay Damages) or otherwise, prior to the Initial Delivery Date shall in no event exceed the applicable Performance Assurance Amount.

3.4 Facility Nameplate Rating. At any point prior to the Initial Delivery Date, Seller may in its sole discretion modify the Facility Nameplate Rating by providing notice of the same to Buyer, which shall adjust the Facility Nameplate Rating required hereunder (including Exhibit A), *provided that* in no event shall the Facility Nameplate Rating be less than Buyer's Share.

3.5 Buyer's Share. In the event that Seller achieves the Initial Delivery Date before the Guaranteed Initial Delivery Date but, on the Initial Delivery Date, the Buyer's Share is less than One Hundred Percent (100%) of the Original Buyer's Share but greater than or equal to Ninety Percent (90%) of the Original Buyer's Share on such date and continues to be less than One Hundred Percent (100%) of the Original Buyer's Share as of the date that is twelve months after the Initial Delivery Date, Seller shall pay to Buyer liquidated damages in an amount equal to the product of: (i) the Original Buyer's Share *minus* (ii) the Buyer's Share determined as of the Guaranteed Initial Delivery Date, multiplied by one hundred thousand dollars (\$100,000.00) (the "Decreased Capacity Damages"). If this Agreement is terminated prior to the Facility achieving the Initial Delivery Date, Seller shall not owe Decreased Capacity Damages. If Decreased Capacity Damages are owed by Seller to Buyer, Seller shall make payment of the Decreased Capacity Damages to Buyer by no later than thirty (30) days following the Guaranteed Initial Delivery Date. Upon payment of the Decreased Capacity Damages, the definition of Buyer's Share hereunder shall be revised to reflect the adjusted Facility Nameplate Rating.

3.6 Construction and Progress Reports. Seller shall construct the Facility in accordance with the specifications set forth in Exhibit A and prepare and submit to Buyer written progress reports, in a form reasonably satisfactory to Buyer, describing the status of development and construction of the Facility and all milestones set forth in Schedule 3.6 (the "Milestone Schedule"), including the status of each of the conditions precedent to the Initial Delivery Date set forth in Section 3.1. Such progress reports shall be submitted: (a) on a quarterly basis commencing no later than two (2) years prior to Seller's anticipated Initial Delivery Date; and (b) on a weekly basis commencing forty-five (45) days prior to Seller's anticipated Initial Delivery Date.

3.7 Maintenance of Facility. To the extent required to achieve the Initial Delivery Date, Seller shall maintain the Facility in accordance with Good Utility Practice.

3.8 Facility Design and Costs. As between Buyer and Seller, Seller (including its contractors and subcontractors) is solely responsible for all Facility design and all costs of installing, developing, and financing the Facility at the Facility Site. Nothing in this Agreement or the Buyer's review of Seller's reports, nor its monitoring of the development and construction the Facility, shall be construed as endorsement by Buyer of the design, engineering, construction or testing of the Facility nor as any express or implied warranty as to the performance, safety, durability, or reliability of the Facility.

3.9 Facility Site Visits; Publicity. Prior to the Initial Delivery Date, Buyer may request permission from Seller to visit the Facility Site during normal business hours to monitor the construction, start-up, and testing of the Facility at the Facility Site and to verify compliance with this Agreement. Seller shall accommodate Buyer's reasonable requests for such visits, *provided that* Buyer shall during any such visit to the Facility comply with Seller's safety policies, instructions, and any other generally applicable restrictions applicable to site access required by Seller and communicated to Buyer.

3.10 Early Termination by Seller. Prior to the date that is [\_\_\_\_\_] months following the Effective Date, Seller may terminate this Agreement upon payment of \$[\_\_\_\_\_] to Buyer if any of the following conditions occur: ***[If applicable, Seller to specify date, amount and conditions]***.

#### **ARTICLE 4 PURCHASE AND SALE OF PRODUCTS**

4.1 Purchase and Sale Obligation. Subject to Seller's rights pursuant to Section 4.3, during the Services Term Seller shall: (a) deliver and sell Buyer's Percentage of all Products produced by, or associated with, the Facility to Buyer; and (b) not offer, deliver, sell or make available to any Person other than Buyer, Buyer's Percentage of all Products produced by, or associated with, the Facility. Subject to the rights of the Parties pursuant to Sections 4.3 and 4.4, during the Services Term Buyer shall: (i) have the exclusive right to purchase and receive Buyer's Percentage of all Products produced by, or associated with, the Facility; and (ii) accept and purchase Buyer's Percentage of all Products produced by, or associated with, the Facility and delivered to Buyer in accordance with the terms and conditions of this Agreement, *provided that* if, during the Contract Term of this Agreement, the Facility becomes eligible for any Environmental Attributes not existing under the RPS Act on the Effective Date (or if the RPS Act is amended in a manner that increases costs to deliver Environmental Attributes from those costs contemplated as of the Effective Date), Seller shall deliver those additional Environmental Attributes to Buyer, *provided that* Buyer agrees to pay any material costs required to generate and deliver such additional Environmental Attributes to Buyer, including costs required for material modifications to the Facility; *provided further*, that to the extent Seller is delivering (or notifies Buyer that it plans to deliver) such additional Environmental Attributes from the Facility not associated with Buyer's Share to another buyer, Buyer shall only pay such material costs on a pro-rata basis based on Buyer's Share.

4.2 Quantity. The quantity of Energy and RECs required to be delivered by Seller to Buyer shall be equal to Buyer's Percentage of the Energy produced by the Facility, as measured by the Facility Meter.

4.3 Limitations on Seller's Obligation to Sell. Notwithstanding anything to the contrary set forth herein, Seller may sell any or all Energy produced by the Facility (and all Ancillary Services and Environmental Attributes associated therewith) to Persons other than Buyer to the extent it is unable to deliver Buyer's Percentage of such Energy to the Delivery Point due to a Force Majeure Event or an Instructed Operation. Unless Buyer has agreed in writing, Seller shall not monetize or otherwise sell or deliver Energy and Environmental Attributes from the Facility on behalf of any other Person if such action interferes with the generation, qualification Buyer's Percentage of Energy from the Facility and Buyer's Percentage of Environmental Attributes.

4.4 Limitations on Buyer's Obligation to Purchase. Notwithstanding anything to the contrary set forth in this Agreement: (a) Buyer shall have no obligation to purchase Energy or Environmental Attributes generated by the Facility prior to the Services Term; (b) Buyer is purchasing only Energy and Environmental Attributes, each associated with Buyer's Percentage of the Facility from the Facility, and is not purchasing any other product of the Facility, which shall remain the property of Seller; and (c) Buyer shall not be obligated to purchase Energy in excess of the Buyer Energy Limit, and Seller shall retain the right to sell any such excess Energy and associated Environmental Attributes to third parties.

4.5 Origination of RECs. RECs provided by Seller to Buyer hereunder shall be required to originate from the Energy produced by the Facility.

## **ARTICLE 5 SCHEDULING AND DELIVERY OF PRODUCTS**

5.1 Delivery of Energy. Seller shall be solely responsible for arranging, scheduling with PJM and other Transmitting Utilities, and delivering Energy from the Facility to be delivered hereunder to the Delivery Point. As between the Parties, Seller shall be solely responsible for any and all costs and charges (including penalties) incurred in connection therewith, whether imposed pursuant to standards or provisions established by FERC, any other Governmental Authority, PJM or any Transmitting Utility, to deliver the Energy to the Delivery Point including any of Seller's costs to deliver to Buyer via PJM's Internal Bilateral Transaction mechanism and including and any transmission costs, scheduling costs, imbalance costs, congestion costs and the cost of firm transmission rights. Buyer shall arrange, schedule with PJM and be responsible for transmission of Energy from the Delivery Point and shall, as between the Parties, be solely responsible for any and all costs and charges (including penalties) incurred in connection therewith, whether imposed pursuant to standards or provisions established by FERC, any other Governmental Authority, PJM or any Transmitting Utility, including transmission costs, scheduling costs, imbalance costs, congestion costs and the cost of firm transmission rights.

5.2 Delivery of Environmental Attributes. Subject to Section 6.9, Seller shall: (a) take all actions necessary to register, certify and transfer Environmental Attributes from Seller to Buyer in accordance with GATS and the RPS Act, including making all filing and applications required for accreditation of the Facility in GATS and for the registration, origination and transfer of

Environmental Attributes from the Facility; and (b) bear all costs associated therewith, including program fees and registration fees. Seller shall comply with the RPS Act and RPS Rules in connection with Seller's transfer of RECs to Buyer hereunder.

5.3 Title and Risk of Loss.

- (a) Title to, and risk of loss (including risks and costs associated with any transmission outages or curtailment up to and at the Delivery Point) related to, Energy sold by Seller to Buyer pursuant to this Agreement shall pass and transfer from Seller to Buyer upon delivery thereof for Buyer's account at the Delivery Point. Seller covenants that it shall have good and marketable title to all Energy delivered to Buyer at the Delivery Point and that it has the right to, and will, sell and deliver such Energy and Ancillary Services to Buyer free and clear of all Liens.
- (b) Title to, and risk of loss related to, Environmental Attributes sold by Seller to Buyer pursuant to this Agreement shall pass and transfer from Seller to Buyer upon the completion of the recordation of transfer and physical or electronic delivery of such Environmental Attributes to Buyer in definitive form in accordance with GATS Operating Rules or other applicable Law. Seller shall transfer certificates into Buyer's GATS account(s) as necessary to transfer Environmental Attributes to Buyer under GATS. Seller covenants that it shall have good and marketable title to all Environmental Attributes delivered to Buyer and that it has the right to, and will, sell and deliver such Environmental Attributes to Buyer free and clear of all Liens.

5.4 PJM E-Accounts. Each of Buyer and Seller shall establish and maintain for the duration of the Services Term separate PJM E-Accounts for Seller to provide and Buyer to receive the Products. PJM's Internal Bilateral Transaction mechanism, or successor, will settle the physical delivery of Energy between the Seller and Buyer in the Real-Time Energy Market.

**ARTICLE 6  
SELLER COVENANTS**

6.1 Compliance with Law and Utility Requirements. Seller shall in all material respects comply with, and cause the Facility to comply with: (a) Good Utility Practice; (b) all applicable requirements of Law; and (c) all applicable rules, procedures, operating policies, criteria, guidelines and requirements imposed by the DCPSC, any other Governmental Authority, any Transmitting Utility, NERC and/or any Regional Reliability Entity, including, in each case, all practices, requirements, rules, procedures and standards related to Seller's construction, ownership, operation and maintenance of the Facility and its performance of its obligations under this Agreement (including obligations related to the generation, scheduling and transmission of Energy), whether such requirements were imposed prior to or after the Effective Date. Seller shall be solely responsible for registering as the "Generator Operator" of the Facility with NERC and any applicable Regional Reliability Entity.

6.2 Permits. Seller shall maintain in full force and effect all Permits necessary for it to perform its obligations under this Agreement, including all Permits necessary to operate and maintain the Facility.

6.3 Maintenance of Facility. At all times during the Services Term, Seller shall maintain the Facility in accordance with Good Utility Practice.

6.4 Interconnection Agreement. Seller shall comply with the terms and conditions of the Interconnection Agreement.

6.5 Planned Outages. Seller shall not schedule a planned outage of the Facility or any portion thereof between June 15 and September 15 during any Contract Year, unless such outage (i) is required to avoid damage to the Facility, (ii) is necessary to maintain equipment warranties and cannot be scheduled outside the months of June 15 to September 15, (iii) is required in accordance with Good Utility Practice that is agreed to by the Parties in writing, (iv) is occurring during non-daylight hours, (v) affects no more than ten percent (10%) of the Facility Nameplate Rating; or (vi) is otherwise agreed to by the Parties in writing. No later than thirty (30) days prior to the Services Term, Seller shall deliver to Buyer a schedule of planned maintenance for the Facility for the following twelve (12) month period, which schedule shall: (a) be updated by Seller by each March 31 and September 30 to cover the twelve (12) month period following such update; (b) be consistent with the requirements of Good Utility Practice and the Interconnection Agreement; (c) indicate the planned commencement and completion dates for each planned maintenance during the period covered thereby, as well as the affected portion(s) of the Facility; and (d) be in form and substance reasonably acceptable to Buyer. To the extent Seller is required by any Transmitting Utility to provide information regarding maintenance, outages or availability of the Facility, Seller shall, simultaneous with the submission thereof to such Transmitting Utility, deliver a copy thereof to Buyer.

6.6 PJM Membership. Seller shall, at all times during the Services Term, either: (a) be a member in good standing of PJM and be qualified as a PJM “Market Seller” pursuant to the PJM Agreements; or (b) have entered into an agreement with a Market Participant that will perform all of Seller’s PJM-related obligations in connection with the Facility and this Agreement.

6.7 Market-Based Rate Authority. Seller shall, at all times during the Services Term, maintain all necessary authorization from FERC to sell Energy at market-based rates as contemplated by this Agreement.

6.8 Forecasts. Commencing thirty (30) days prior to the Services Term, Seller shall prepare and deliver to Buyer on a monthly basis and in a form reasonably acceptable to Buyer, twelve (12) month rolling forecasts of Energy production by the Facility, which forecasts shall be prepared in good faith and in accordance with Good Utility Practice based on historical performance, maintenance schedules, Seller’s generation projections and other relevant data and considerations.

6.9 Tier One Renewable Source. To the extent that the requirements for certification as a Tier One Renewable Source are unchanged since the Effective Date, Seller shall be solely responsible for certifying the Facility as a Tier One Renewable Source under the RPS Act and

maintaining such certification during the Services Term. Buyer shall have no responsibility for certification of the Facility as a Tier One Renewable Source.

6.10 Compliance Reporting. To the extent Buyer is subject to any certification or compliance reporting requirement with respect to the Products produced by Seller and delivered to Buyer hereunder, Seller shall use commercially reasonable efforts to provide any information in its possession (or, if not in Seller's possession, available to it and not reasonably available to Buyer) reasonably necessary to permit Buyer to comply with any such reporting requirement.

6.11 Facility Guarantees. Seller guarantees that the Facility shall maintain the Availability Percentage required under Schedule 6.11, and shall pay Availability Damages, if any are due pursuant to Schedule 6.11.

6.12 Facility Costs. As between Buyer and Seller, Seller (including its contractors and subcontractors) is solely responsible for all Facility costs associated with financing, operating, maintaining and, to the extent applicable, removing the Facility from the Facility Site. Nothing in this Agreement or the Buyer's review of Seller's reports shall be construed as any express or implied warranty as to the performance, safety, durability, or reliability of the Facility.

6.13 No Interference with Buyer's Products. Unless Buyer has agreed in writing, and except as allowed by Seller in Section 4.3, Seller shall not monetize or otherwise secure the benefits of the Energy and Environmental Attributes or any other products of the Facility on behalf of any other Person if such action interferes in any material respect, with the qualification, scheduling or transfer of the Products to Buyer as provided in this Agreement.

6.14 Insurance. Seller shall maintain at its sole expense, commencing with the Effective Date and continuing through the Contract Term, insurance for the Facility (including commercial general liability insurance) customarily maintained for facilities of similar type and size in the state in which the Facility is located, but no less than a commercially reasonable business would obtain for a facility of similar value and operation. Seller shall provide certificates of insurance or other reasonable evidence of such insurance coverage acceptable to Buyer upon request. Failure to obtain and maintain the required insurance shall constitute a breach of this Agreement and Seller will be liable for any and all costs, liabilities, damages, and penalties (including attorneys' fees, court, and settlement expenses) resulting to Buyer from such breach, unless a written waiver of the specific insurance requirement is provided to Seller by Buyer and such failure may constitute an Event of Default in accordance with Section 12.2. Failure of Seller to provide insurance as herein required or failure of Buyer to require evidence of insurance or to notify Seller of any breach by Seller of the requirements of this Section shall not be deemed to be a waiver by Buyer of any of the terms and conditions of this Agreement, nor shall they be deemed to be a waiver of the obligation of Seller to defend, indemnify, and hold harmless Buyer as required herein. The obligation to procure and maintain any insurance required is a separate responsibility of Seller and independent of the duty to furnish a copy or certificate of such insurance policies. Notwithstanding any provision of this Agreement, none of the requirements contained herein as to insurance coverage to be maintained by Seller are intended to and shall not in any manner limit, qualify, or quantify the liabilities and obligations assumed by Seller under this Agreement, any other agreement with Buyer or its Affiliates, or otherwise provided by Law.

6.15 Ownership of Renewable Assets. At all times during the Contract Term, Seller shall remain a Qualified Operator or contract for operational services with an entity that is a Qualified Operator.

6.16 Facility Site Visits; Publicity. During the Contract Term, Buyer may request permission from Seller to visit the Facility Site during normal business hours to monitor the operation of the Facility at the Facility Site and to verify compliance with this Agreement. Seller shall accommodate Buyer's reasonable requests for such visits, *provided that* Buyer shall during any such visit to the Facility comply with Seller's safety policies, instructions, and any other generally applicable restrictions applicable to site access required by Seller and communicated to Buyer. No Party shall issue any press release or make any public announcement relating to the subject matter of this Agreement without the prior written approval of the other Party, which approval shall not be unreasonably withheld. The preceding sentence shall not apply to communications or other filings with Governmental Authorities by Buyer, including any filings with the DCPSC or FERC.

## **ARTICLE 7 METERING**

7.1 Metering. All electric metering associated with the Facility, including the Facility Meter and any other real-time meters, billing meters and back-up meters, shall be installed, operated, maintained and tested in accordance with Good Utility Practice and any applicable requirements and standards issued by NERC, the Transmitting Utility in whose territory the Interconnection Point is located and any applicable Regional Reliability Entity. The Facility Meter shall be used for the registration, recording and transmission of information regarding the Energy output of the Facility. As between the Parties, Seller shall be responsible for the operation, maintenance, and calibration of the Facility Meter and any other real-time meters, billing meters and back-up meters at the Facility in accordance with the Interconnection Agreement, Good Utility Practice and any applicable requirements and standards issued by NERC, the Transmitting Utility in whose territory the Interconnection Point is located and any applicable Regional Reliability Entity. Seller shall provide Buyer with a copy of all metering, testing and calibration information and documents regarding the Facility Meter and any other real-time meters, billing meters and back-up meters at the Facility promptly following receipt thereof by Seller.

7.2 Measurements. Readings of the Facility Meter and any other real-time meters, billing meters and back-up meters at the Facility by the Transmitting Utility in whose territory the Facility is located (or an independent Person mutually acceptable to the Parties) shall be conclusive as to the amount of Energy generated by the Facility; *provided, however,* that Seller, at the direction of Buyer at Buyer's expense and subject to any applicable limits in the Interconnection Agreement and the PJM Agreements, shall cause the Facility Meter to be tested by the Transmitting Utility in whose territory the Facility is located, and if the Facility Meter is out of service or is determined to be registering inaccurately by more than two percent (2%): (a) measurement of Energy produced by the Facility shall be adjusted in accordance with the filed tariff of such Transmitting Utility; and (b) Seller shall reimburse Buyer for the cost of such test of the Facility Meter.

7.3 Notice of Malfunction. Seller shall provide Buyer with prompt notice upon becoming aware of any material malfunction or other failure of the Facility Meter or other telemetry equipment necessary to accurately report the quantity of Energy being produced by the Facility.

7.4 Telemetry. The Facility Meter shall be capable of sending meter telemetry into the PJM Power Meter system and Seller shall provide Buyer with access to such Power Meter data. Seller shall transmit to Buyer, via a virtual private network (VPN), all telemetry data measured by the Facility Meter, including MW, MVAR, MWh, MVARh, isolation breaker open/closed status, interconnection bus voltage and amp flow. Without limiting the foregoing, all such telemetry equipment shall comply with PJM requirements for PJM transmission owners.

## **ARTICLE 8 BILLING AND PAYMENT**

8.1 Price for Energy and RECs. Buyer shall pay the Contract Price for all Energy delivered to the Delivery Point for Buyer's account in accordance with Section 5.1, all RECs transferred to Buyer in accordance with Section 5.2, *provided, however*, that if, for any period when Seller is delivering Energy to Buyer pursuant to this Agreement, the Locational Marginal Price at the Delivery Point is negative (*i.e.*, a value less than zero) and Buyer is obligated to pay or incur such negative Locational Marginal Price, the applicable Contract Price for Energy purchased from Seller during such period shall be reduced by the absolute value of such negative Locational Marginal Price.

8.2 Billing. Unless otherwise agreed to by the Parties, on or before the fifteenth (15th) day of each month (or the first Business Day thereafter), Seller shall deliver to Buyer, via electronic transmission or other means agreed to by the Parties, an invoice ("Invoice") that sets forth: (a) the net amount due from one Party to the other for all Products delivered by Seller to Buyer pursuant to the terms of this Agreement as of the end of the immediately preceding calendar month; and (b) any other credits, charges and liabilities due pursuant to the terms of this Agreement, including any adjustments and outstanding amounts due pursuant to prior Invoices. All Invoices to Buyer shall include the supporting documentation reasonably necessary to demonstrate how the Invoice amounts were calculated, including information from PJM to substantiate all calculations of the Energy delivered by Seller to the Delivery Point and GATS documentation of REC transfers to Buyer, and any additional information reasonably requested by Buyer. Buyer shall pay to Seller or Seller shall pay to Buyer, as the case may be, the total amount due pursuant to such Invoice no later than the final Business Day of the month during which such Invoice is issued (such day, the "Monthly Settlement Date").

8.3 Payment. All payments shall be made by "Electronic Funds Transfer" (EFT) via "Automated Clearing House" (ACH), to a bank designated in writing by the Party to which payment is owed, by 11:59:59 pm EPT on the Monthly Settlement Date. Payment of an Invoice shall not be deemed an admission or waiver with respect to any matter related to such Invoice or the charges reflected therein.

8.4 Interest. Interest on delinquent amounts (including amounts determined to be owed as a result of the resolution of a billing dispute) shall be calculated at the Interest Rate (a) from the

original due date (or, for amounts not properly invoiced, the date that would have been the due date if such amounts were properly invoiced) to the date of payment; or (b) in the case of reimbursement obligations, from the date an overpayment was received until the date of reimbursement.

8.5 Set-Off. Each of Buyer and Seller shall have the right to set off any undisputed amounts owed by the other Party pursuant to this Agreement against any undisputed amounts that it owes to such Party pursuant to this Agreement.

8.6 Billing Disputes. Either Party may, in good faith, dispute any amount charged or paid pursuant to an Invoice within twelve (12) months of the date of such Invoice by providing a written statement setting forth the basis of such dispute. Each Party shall remain obligated to pay any undisputed amounts pending resolution of a billing dispute. Failure by a Party to deliver notice of a billing dispute within the time period set forth herein shall be deemed a waiver of such Party's right to dispute such Invoice. The Parties shall continue to perform under this Agreement during the period of any billing dispute but shall not be precluded from exercising any other remedy available under this Agreement. A billing dispute shall be subject to the provisions of Article 13. Any amount determined to be owed as a result of the resolution of a billing dispute shall be paid within fifteen (15) days of such resolution, along with accrued interest in accordance with Section 8.4.

8.7 PJM Accounting Procedures. Each of Buyer and Seller shall comply with all applicable PJM accounting procedures in connection with invoicing and settlement for amounts due under this Agreement.

8.8 Contract Price Adjustment. Upon each five-year anniversary of the Commercial Operation Date, each Party shall have the right to propose an adjustment to the Contract Price. A Party seeking to propose an adjustment to the Contract Price (the "Reopening Party") shall provide notice to the other Party, which shall include (i) the Reopening Party's proposed Contract Price, and (ii) the basis for the Reopening Party's belief that the existing Contract Price is more than fifteen percent (15%) greater or less than the prevailing market price in PJM for Energy and RECs from Tier One Renewable Source under the same terms of this Agreement and in the same quantity available to Buyer from the Facility. If the Parties agree to adjust the Contract Price, the Parties shall amend this Agreement to reflect the new Contract Price and file a copy of the amendment with the Commission, which may be confidential. If the Parties do not agree, the Reopening Party may petition the Commission for approval of an amendment to this Agreement to establish a new Contract Price equal to the Reopening Party's proposed Contract Price, and the other Party shall have an opportunity to respond to the Reopening Party's petition. If the Commission approves the Reopening Party's proposed Contract Price, the Parties shall amend this Agreement consistent with the Commission's approval. A Party's failure to agree to amend the Agreement after approval of a new Contract Price by the Commission shall constitute an Event of Default by that Party.

## **ARTICLE 9 TAXES**

9.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize taxes, so long as neither Party is materially adversely affected by such efforts.

9.2 Regulatory Charges. Seller shall pay or cause to be paid all taxes, fees and other charges imposed by any Governmental Authority (“Regulatory Charges”) on or with respect to the Products arising before and at delivery thereof in accordance with this Agreement, including ad valorem taxes, taxes related to the operation or maintenance of the Facility, and other taxes attributable to the Facility or interests in land associated with the Facility. Buyer shall pay or cause to be paid all Regulatory Charges on or with respect to the Products being delivered to Buyer hereunder after delivery thereof in accordance with this Agreement (other than ad valorem, franchise or income taxes related to the sale of the Products, which shall be the responsibility of Seller). In the event a Party is required by Law to pay Regulatory Charges which are the other Party’s responsibility hereunder: (a) the Party that is assessed such Regulatory Charges shall notify the Party responsible for payment (which notice shall include supporting documentation) of such assessment; (b) the assessed Party shall timely pay such Regulatory Charges; and (c) the responsible Party shall reimburse the assessed Party in full no later than the next Monthly Settlement Date, with interest at the Interest Rate from and including the date on which the assessed Party paid such Regulatory Charges until (but excluding) the date on which the responsible Party reimburses the assessed Party. Nothing herein shall obligate or cause a Party to pay or be liable to pay any Regulatory Charges from which it is exempt under the Law; *provided, however*, that an exempt Party shall bear the responsibility of proving upon request its exemption as necessary to avoid the unjust imposition of Regulatory Charges on the other Party.

## **ARTICLE 10 INDEMNIFICATION**

10.1 Seller’s Indemnification. Seller shall indemnify, hold harmless and defend Buyer, its Affiliates and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, “Buyer’s Indemnitees”) from and against any and all claims, liabilities, costs, losses, damages and expenses, including reasonable attorney and expert fees and disbursements, actually incurred for: (a) damage to property or injury to, or death of, any person; and (b) any penalties or fines imposed by Governmental Authorities, in the case of either clause (a) or (b), to the extent directly caused by the gross negligence or willful misconduct of Seller and/or its officers, directors, employees, agents, contractors, subcontractors or invitees, and arising out of, or connected with, Seller’s performance under this Agreement, Seller’s exercise of rights under this Agreement or Seller’s breach of this Agreement.

10.2 Buyer’s Indemnification. Buyer shall indemnify, hold harmless and defend Seller, its Affiliates and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, “Seller’s Indemnitees”) from and against any and all claims, liabilities, costs, losses, damages and expenses, including reasonable attorney and expert fees and disbursements, actually incurred for: (a) damage

to property or injury to, or death of, any person; and (b) any penalties or fines imposed by Governmental Authorities, in the case of either clause (a) or (b), to the extent directly caused by the gross negligence or willful misconduct of Buyer and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Buyer's performance under this Agreement, Buyer's exercise of rights under this Agreement or Buyer's breach of this Agreement.

### 10.3 Defense of Indemnified Claims.

- (a) Within a reasonable time after receipt by a Person (the "Indemnified Person") of any claim as to which the indemnification provided for in Section 10.1 or 10.2 may apply, such Indemnified Person shall notify the indemnifying Party (the "Indemnifying Party") in writing of such fact; *provided, however*, that delay in notifying the Indemnifying Party shall not relieve such Indemnifying Party of its indemnification obligations except to the extent that it is materially prejudiced by such delay.
- (b) The Indemnifying Party shall diligently, competently and in good faith control and conduct the defense, with counsel reasonably satisfactory to the Indemnified Person, of any claim as to which the indemnification provided for in Section 10.1 or 10.2 applies; *provided, however*, that the Indemnifying Party may not settle or compromise any such claim without the Indemnified Person's consent, unless the terms of such settlement or compromise unconditionally release the Indemnified Person(s) from any and all liability with respect thereto and do not impose any obligations on any Indemnified Person.
- (c) An Indemnified Person shall have the right, at its option (but not the obligation), to be represented by advisory counsel of its own selection and at its own expense and to monitor the progress and handling of an indemnified claim. An Indemnified Person shall also have the right, at its option (but not the obligation), to assume the defense of any such claim with counsel of its own choosing at its sole cost and expense; *provided, however*, that an Indemnified Person shall have the right to assume the defense of, and to settle or compromise, any such indemnified claim at the Indemnifying Party's expense if: (i) the Indemnifying Party fails to acknowledge, in writing, its responsibility to assume the defense of such claim; (ii) the Indemnifying Party fails to diligently, competently and in good faith control and conduct the defense of such claim; (iii) there is an apparent conflict of interest between the Indemnifying Party and the Indemnified Person with respect to such claim; or (iv) there are legal defenses available to it which are different from, additional to, or inconsistent with, those available to the Indemnifying Party.
- (d) The Indemnifying Party's obligations to indemnify, defend and hold each Indemnified Person harmless shall not be reduced or limited by reason of any limitation on the amount or type of damages, compensation or benefits

payable by or for the Indemnifying Party or any of its subcontractors under workers' compensation acts, disability benefit acts or other employee benefit acts; *provided*, that the Indemnifying Party's obligations shall in no event exceed the Indemnified Person's actual out-of-pocket costs or losses.

## **ARTICLE 11 FORCE MAJEURE EVENTS**

11.1 Excused Performance. Notwithstanding anything in this Agreement to the contrary, a Party shall be excused from performing its obligations under this Agreement (other than the obligation to make payments when due) and shall not be liable for damages due to its failure to perform such obligations during any period that such Party is unable to perform due to a Force Majeure Event; *provided, however*, that the Party claiming a Force Majeure Event shall (a) have the burden of proving the existence and consequences of such Force Majeure Event; and (b) act expeditiously to resume performance. The suspension of performance due to a Force Majeure Event shall be of no greater scope and of no longer duration than is required by the Force Majeure Event.

11.2 Notification. A Party unable to perform under this Agreement due to a Force Majeure Event shall: (a) provide verbal notice of such Force Majeure Event to the other Party as soon as reasonably practicable after the Party has knowledge of the occurrence of the Force Majeure Event, provide written notice to the other Party, which shall include a description of the Force Majeure Event and its effect on performance under this Agreement, and an estimate of the expected duration of such Party's inability to perform due to the Force Majeure Event; and (b) provide prompt notice to the other Party when performance resumes; *provided, however*, that a Party's failure to provide verbal or written notice of a Force Majeure Event in accordance with this Section 11.2 shall not preclude such Party from claiming the Force Majeure Event so long as such failure does not have a material adverse effect on the affected Party.

11.3 No Extension of Term. In no event will any delay or failure of performance caused by any Force Majeure Event extend this Agreement beyond the Services Term.

11.4 Right to Terminate. In the event that any delay or failure of performance caused by either (i) a Force Majeure Event claimed by either Party or (ii) any other event listed in clauses (a)(ii) or (a)(iii) of the definition of Guaranteed Initial Delivery Date continues for an uninterrupted period of three hundred sixty five (365) days or longer, either Party may, upon not less than thirty (30) days' advance written notice to the other Party, terminate this Agreement without liability to the other Party.

## **ARTICLE 12 EVENTS OF DEFAULT; REMEDIES**

12.1 Events of Default. An "Event of Default" shall mean, with respect to a Party ("Defaulting Party"), the occurrence of any of the following:

- (a) the failure to make, when due, any undisputed payment required to be made pursuant to this Agreement if such failure is not remedied within ten (10) Business Days after written notice thereof is received;

- (b) any representation or warranty made by such Party herein shall be false in any material respect and shall remain uncured for a period of thirty (30) days after written notice thereof is received; *provided that* if such Party cannot cure the default within thirty (30) days in spite of a diligent, good faith effort to do so, then such Party shall have a longer cure period not to exceed ninety (90) days in the aggregate to effect such cure;
- (c) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied within thirty (30) days after written notice thereof is received; *provided that* if such Party cannot cure the default within thirty (30) days in spite of a diligent, good faith effort to do so, then such Party shall have a longer cure period not to exceed one hundred twenty (120) days in the aggregate to effect such cure;
- (d) such Party becomes Bankrupt;
- (e) the failure by such Party to provide Performance Assurance in accordance with Article 14; and
- (f) such Party assigns this Agreement or any rights, interests or obligations hereunder without the prior written consent of the other Party when such consent is required.

12.2 Additional Seller Events of Default. Any of the following events shall constitute an Event of Default of Seller:

- (a) **[For new projects only]** the failure by Seller to achieve the Initial Delivery Date no later than one hundred eighty (180) days after the Guaranteed Initial Delivery Date, as extended as provided by such definition, which, in the aggregate, shall not exceed three hundred and sixty-five (365) days;
- (b) the failure by Seller to begin to provide all Products produced by or associated with the facility by the Commencement Date;
- (c) the delivery or sale of any such Products to any Person other than Buyer if not expressly permitted under this Agreement and such failure is not remedied within five (5) Business Days after written notice thereof is received;
- (d) the failure by Seller to comply with Section 6.6 if such failure is not remedied as soon as practicable (and no more than thirty (30) days) after Seller becomes aware of such failure;
- (e) the failure by Seller to obtain and maintain insurance as required under Section 6.14 if such failure is not remedied within ten (10) Business Days after written notice thereof is received; and

- (f) the failure by Seller to maintain the Availability Requirement, as required under Section 6.11.

12.3 General Remedies. If an Event of Default has occurred and is continuing with respect to a Defaulting Party, the other Party (the “Non-Defaulting Party”) shall have the right to (a) suspend performance under this Agreement, and/or (b) exercise any remedies available at law or in equity, including termination of this Agreement. Without limiting the generality of the foregoing, upon an Event of Default, the Non-Defaulting Party shall have the right to exercise its remedies under any Performance Assurance.

12.4 Damages on Termination.

- (a) Upon a termination of this Agreement by Buyer based on a Seller Event of Default other than an Event of Default under Section 12.2(a), Buyer shall be entitled to recover the Termination Payment plus any other amounts previously accrued under this Agreement. In the event of a termination of this Agreement by Buyer pursuant to Section 12.2(a), Buyer shall be entitled to recover the amount of the Performance Assurance posted at the time of such termination, less any Delay Damages paid by Seller up until such termination date.
- (b) Upon a termination of this Agreement by Seller based on a Buyer Event of Default, Seller shall be entitled to recover the Termination Payment plus any other amounts previously accrued under this Agreement.
- (c) All calculations of the Replacement Costs, Resale Costs, and Termination Payment under the definitions of each of the foregoing, shall be determined in a commercially reasonable manner, and may include reference to one or more third parties, which shall exclude Affiliates of the Non-Defaulting Party, including quotations (either firm or indicative) of relevant rates, prices, yields, yield curves, volatilities, spreads or other relevant market data in the relevant markets, comparable transactions, forward price curves based on economic analysis of the relevant markets, settlement prices for comparable transactions at liquid trading hubs, all of which should be calculated for the remaining Services Term and include the value Environmental Attributes, and any lost or repaid investment tax credit. For the avoidance of doubt, (i) in no event shall the Non-Defaulting Party owe any damages to the Defaulting Party, and (ii) the Non-Defaulting Party shall not be required to enter into a replacement transaction in order to establish the amounts owed under this Agreement.
- (d) The Parties acknowledge and agree that: (i) the inherent value of Energy supplied from a [wind][solar] energy generating resource is a primary reason Buyer is entering into this Agreement; (ii) in the event of termination of this Agreement based on a Seller Event of Default, Buyer will likely be required to replace the Energy that would have been provided hereunder with Energy supplied from another solar energy generating resource; and

(iii) in the event of termination of this Agreement by Seller based on a Buyer Event of Default, Seller will likely sell the Energy that would have been sold hereunder to a Party seeking Energy supplied from a solar energy generating resource.

12.5 Facility Lender's Right to Cure. In connection with any financing or refinancing of the Facility by Seller, Buyer shall use good faith efforts to work with Seller and the Facility Lender to (1) agree upon a Financing Assignment of this Agreement, including with respect to: (i) Buyer's notice of any Seller Event of Default to such Facility Lender; and (ii) Buyer's acceptance of a cure of any Seller Event of Default by the Facility Lender, so long as the cure is accomplished within the applicable cure periods set forth in this Agreement or the Financing Assignment; and (2) execute and deliver any estoppels or other documents that may be reasonably required for Seller to finance or refinance the Facility. Seller shall promptly reimburse Buyer for its reasonable fees, including attorneys' fees, to review and prepare documents in connection with Seller's financing or refinancing of the Facility.

12.6 Exclusion of Consequential Damages. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT, CONTRACT OR OTHERWISE, PROVIDED THAT THE FOREGOING EXCLUSION SHALL NOT PRECLUDE RECOVERY BY A PARTY OF ANY LIQUIDATED DAMAGES EXPRESSLY PROVIDED HEREIN, NOR SHALL IT BE CONSTRUED TO LIMIT RECOVERY BY AN INDEMNIFIED PERSON UNDER ANY INDEMNITY PROVISION IN RESPECT OF A THIRD PARTY CLAIM OR WITH RESPECT TO THE GROSS NEGLIGENCE, FRAUD OR WILLFUL MISCONDUCT OF A PARTY.

12.7 Liquidated Damages. The Parties acknowledge and agree that: (a) Buyer shall be damaged by Seller's failure to meet its obligations as specified in Sections 3.2 and 3.3; (b) it would be impracticable or extremely difficult to fix the actual damages resulting therefrom; (c) any sums that would be creditable or payable under those sections are in the nature of liquidated damages, and not a penalty, and are fair and reasonable; and (d) each payment represents a reasonable estimate of fair compensation for the losses that may reasonably be anticipated from each such failure.

## **ARTICLE 13 DISPUTE RESOLUTION**

13.1 Informal Dispute Resolution. Before initiating legal action pursuant to Section 13.2, a Party aggrieved by a dispute hereunder shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts determined to be owed as a result of informal dispute resolution pursuant to this Section 13.1 shall be paid within fifteen (15) days of such resolution.

13.2 Formal Dispute Resolution. After the requirements of Section 13.1 have been satisfied, either Party may initiate legal action in accordance with Sections 17.11 and 17.13.

## **ARTICLE 14**

### **CREDIT AND COLLATERAL REQUIREMENTS**

#### 14.1 Credit Support.

- (a) Seller's Credit Support. Upon the later of the date that is (i) fifteen (15) Business Days after Seller has received written notice that PSC Approval has been obtained and (ii) eight (8) months after the Effective Date (except to the extent Seller has exercised its termination option in accordance with Section 2.3), Seller will post or issue, or cause to be posted or issued, Performance Assurance equal to the Performance Assurance Amount.
- (b) Buyer's Credit Support. In the event that Buyer is no longer Investment Grade, it shall provide Performance Assurance equal to the Performance Assurance Amount within ten (10) Business Days of the applicable downgrade event.

14.2 Grant of Security Interest. To secure its obligations under this Agreement, the Party providing Performance Assurance (the "Security Obligor") hereby grants to the other Party (the "Security Beneficiary") a present and continuing security interest in, and lien on (and right of set-off against), and assignment of, all Performance Assurance that is in the form of cash collateral and cash equivalent collateral and any and all proceeds resulting therefrom or the liquidation thereof, whether now or hereafter held by, on behalf of, or for the benefit of, the Security Beneficiary, *provided, however*, if Seller is the Security Obligor, that such interest may be junior to an interest granted by Seller in such collateral or proceeds for purposes of financing the development, construction or operation of the Facility. The Security Obligor agrees to take such action as reasonably required to perfect in favor of the Security Beneficiary such security interest in, and lien on (and right of set-off against), such collateral and any and all proceeds resulting therefrom or from the liquidation thereof.

14.3 Remedies. Upon or any time after the occurrence of an Event of Default caused by the Security Obligor under Section 12.1(a), the Security Beneficiary may do any one or more of the following: (i) exercise any of the rights and remedies of the Security Beneficiary with respect to all Performance Assurance, including any such rights and remedies under Law then in effect; (ii) exercise its rights of set-off against any and all Performance Assurance of the Security Obligor issued in favor of the Security Beneficiary; (iii) draw on any outstanding Performance Assurance issued for the Security Beneficiary's benefit; and (iv) liquidate any Performance Assurance held by or for the benefit of the Security Beneficiary free from any claim or right of any nature whatsoever of the Security Obligor, including any equity or right of purchase or redemption by the Security Obligor. The Security Obligor shall apply the proceeds of any Performance Assurance realized upon the exercise of such rights or remedies to reduce the Security Obligor's obligation under this Agreement (the Security Obligor remaining liable for any amounts owing to the Security Beneficiary after such application), subject to the Security Beneficiary's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

14.4 Forms of Performance Assurance. At the Security Obligor's choice, the following are deemed to be acceptable methods for posting Performance Assurance, if required:

- (a) Cash. The Security Beneficiary shall not be entitled to hold Performance Assurance in the form of cash; rather, Performance Assurance in the form of cash shall be held in any financial institution that is a Qualified Institution, the Security Beneficiary will pay to the Security Obligor on the first Business Day of each calendar quarter the amount of interest it receives based upon the applicable overnight repurchase interest rate from the issuing financial institution on any Performance Assurance in the form of cash posted by the Security Obligor.
- (b) Letter of Credit. A Letter of Credit shall state that it shall renew automatically for successive one (1) year periods unless the Security Beneficiary receives written notice from the issuing financial institution at least ninety (90) days prior to the expiration date stated in the Letter of Credit that the issuing financial institution elects not to extend the Letter of Credit. If the Security Beneficiary receives notice from the issuing financial institution that the Letter of Credit will not be extended, the Security Obligor will be required to provide a substitute Letter of Credit from an alternative bank or financial institution that is a Qualified Institution. The receipt of the substitute Letter of Credit must be effective on or before the expiration date of the expiring Letter of Credit and delivered to the Security Beneficiary at least ten (10) Business Days before the expiration date of the original Letter of Credit. If the Security Obligor fails to supply a substitute Letter of Credit as required herein, then the Security Beneficiary the Security Beneficiary will have the right to draw on the expiring Letter of Credit and to hold the amount as collateral. the Security Obligor shall have the right to amend its Letter of Credit to reflect any reduction of Performance Assurance under this Agreement.
- (c) Guaranty. A Guaranty meeting the requirements of the definition of such term as provided in this Agreement.

14.5 Calling on Security.

- (a) If an Event of Default of the Security Obligor has occurred pursuant to Article 12 and is not remedied within the ten (10) Business Day cure period set forth in Article 12, the Security Beneficiary may call upon any Performance Assurance posted by the Security Obligor.
- (b) Within thirty (30) days of the Initial Delivery Date or the Commencement Date, as applicable, the Security Obligor shall replenish the Performance Assurance to the extent reduced by the amount of any draws prior to the Facility Commercial Operation Date and thereafter shall have no obligation to replenish the Performance Assurance.

14.6 Release of Security. Promptly following the step down of any Performance Assurance in accordance with Schedule 14.1, Security Beneficiary shall promptly release any Performance Assurance held by it to the Security Obligor. Promptly following the end of the Contract Term or the earlier termination of this Agreement and the satisfaction of all of the Security Obligor's obligations under this Agreement, the Security Beneficiary shall promptly release any Performance Assurance held by it to the Security Obligor.

14.7 Credit Support Is Not a Limit of Liability. Except to the extent expressly stated in this Agreement including the last sentence of Section 3.3 (regarding Seller's liability prior to the Facility Commercial Operation Date) and the last sentence of Section 12.4(a) (regarding the Termination Payment), the required amounts of any cash or Letters of Credit shall not be deemed to be a limitation of Seller's liability.

## **ARTICLE 15 REPRESENTATIONS AND WARRANTIES**

15.1 Representations and Warranties. Each Party hereby represents and warrants to the other Party as of the Effective Date that:

- (a) it is duly organized, validly existing and in good standing under the Laws of the jurisdiction of its formation and is qualified to transact business in each jurisdiction in which its operations or the ownership of its properties require it to be qualified;
- (b) it has all Permits necessary for it to legally perform its obligations under this Agreement except: (i) in the case of Buyer, PSC Approval; and (ii) those Permits which Seller anticipates will be obtained by Seller in the ordinary course of its development and construction of the Facility;
- (c) the execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms or conditions in its governing documents, any contracts to which it is a party or any Law, rule, regulation or order applicable to it, the violation of which could reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Agreement;
- (d) it has full power and authority to carry on its business as now conducted and to enter into, and carry out its obligations under, this Agreement;
- (e) the execution and delivery of this Agreement and performance or compliance with any provision hereof will not result in the creation or imposition of any Lien upon its properties (except as expressly contemplated in favor of Buyer pursuant to this Agreement), the creation or imposition of which could reasonably be expected to have a material adverse effect on its ability to perform its obligations under this Agreement;
- (f) this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms, subject only to

applicable bankruptcy, insolvency or other similar laws relating to or affecting the enforcement of creditors' rights generally and general equitable principles (regardless of whether such enforceability is considered in a proceeding at law or in equity);

- (g) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (h) except as set forth in Schedule 15.1(h), there are no pending or, to its knowledge threatened actions, suits or proceedings against it or any of its Affiliates before any court or Governmental Authority that could reasonably be expected to materially adversely affect its ability to perform its obligations under this Agreement;
- (i) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance will occur as a result of its entering into or performing its obligations under this Agreement; and
- (j) it is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement and its rights and obligations hereunder, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement.

15.2 Disclaimer of Implied Warranties. EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT, THERE ARE NO WARRANTIES OF ANY KIND, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

## **ARTICLE 16 CONFIDENTIALITY**

16.1 Non-Disclosure of Confidential Information. Neither Party (a "Receiving Party") shall disclose any Confidential Information of the other Party (the "Disclosing Party") obtained pursuant to, or in connection with, the execution or performance of this Agreement to any Person other than an officer, director, employee, agent, lender, equity investor, representative or consultant of the Receiving Party without the express prior written consent of the Disclosing Party.

16.2 Designation of Confidential Information. A Party seeking to classify any material as Confidential Information must specifically designate such material as confidential prior to disclosing it to the Receiving Party, *provided that* prior to the Facility Commercial Operation Date, this Agreement and anything contained herein or learned from Seller about the Facility shall be considered Confidential Information, except the facts that the Facility shall utilize solar photovoltaic technology and that the Facility is located in Ohio. A Disclosing Party may not seek confidential treatment of any material unless such material was designated as confidential at the time of disclosure to the Receiving Party.

16.3 Disclosure to DCPSC. The Parties acknowledge and understand that all or portions of this Agreement may be made public by the DCPSC in connection with the DCPSC's review of this Agreement. The Parties further acknowledge that materials deemed confidential may be provided to the DCPSC at any time. The Parties shall use reasonable efforts in cooperation with each other to seek confidential treatment of any portion of this Agreement, consistent with the provisions of this Article 16.

16.4 Other Permitted Disclosures. Notwithstanding Section 16.1, either Party may:

- (a) produce Confidential Information in response to a subpoena, discovery request or other compulsory process issued by a Governmental Authority upon reasonable prior notice to the Disclosing Party; *provided, however*, that prior to such disclosure the Receiving Party must use reasonable efforts in cooperation with the Disclosing Party to seek confidential treatment of such Confidential Information;
- (b) disclose whatever information FERC requires it to disclose in connection with obtaining and maintaining market-based rate authorization and the filing of quarterly or annual reports and may make such disclosure without notification to the Disclosing Party; and/or
- (c) disclose Confidential Information to its Affiliates and their officers, directors, employees, agents, lenders, equity investors, representatives and consultants; *provided, however*, that such Affiliates, officers, directors, employees, agents, lenders, equity investors, representatives and consultants must be bound by the confidentiality obligations set forth in this Article 16; *and provided further*, that in no event shall a document or information be disclosed in violation of the FERC Code of Conduct or Standards of Conduct requirements.

16.5 Audits. Any independent auditor performing an audit on behalf of a Party pursuant to Section 17.7 shall be required to execute a confidentiality agreement with the Party being audited requiring that any Confidential Information disclosed in connection with such audit be treated as confidential pursuant to this Article 16.

16.6 Equitable Relief. The Parties agree that monetary damages may be inadequate to compensate a Disclosing Party for a Receiving Party's breach of its obligations under this Article 16. Each Receiving Party accordingly agrees that a Disclosing Party may be entitled to equitable relief, by way of injunction or otherwise, if the Receiving Party breaches or threatens to breach its obligations under this Article 16.

16.7 Survival. The confidentiality provisions of this Article 16 shall survive any termination of this Agreement for a period of three (3) years.

**ARTICLE 17**  
**MISCELLANEOUS**

17.1 Notices. Whenever this Agreement requires or permits delivery of a notice or requires a Party to notify the other Party, all notices, requests, statements or payments shall be made to the Parties in writing using the contact information set out in Schedule 17.1, as updated from time to time by each Party by providing written notice to the other Party. Notices required to be in writing shall be delivered by letter, facsimile or other documentary form. Notice by facsimile or hand delivery shall be deemed to have been received by the close of the Business Day during which the notice is sent by facsimile (and confirmed) or hand delivered. Notice by overnight mail or courier shall be deemed to have been received upon delivery as evidenced by the delivery receipt. Notices sent by electronic messaging system will be deemed received on the date the electronic message is received (it being agreed that the burden of proving receipt will be on the sender and will not be met by automatic out-of-office or similar replies).

17.2 Joint Preparation. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, negotiation or drafting hereof.

17.3 No Third-Party Beneficiaries. Nothing in this Agreement shall be construed to create any duty to, any standard of care with reference to, or any liability to any Person not a Party to this Agreement. This Agreement shall not impart any rights enforceable by any Person other than a Party or a permitted successor or assignee thereof.

17.4 Severability. If any provision in this Agreement is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void or make unenforceable any other provision, agreement or covenant of this Agreement and the Parties shall use their best efforts to modify this Agreement to give effect to the original intention of the Parties.

17.5 Headings. The headings used in this Agreement are for convenience and reference purposes only and shall have no bearing on the interpretation hereof.

17.6 Records. Each Party shall keep and maintain all books and records as may be necessary or useful in performing or verifying any calculations made pursuant to this Agreement or in verifying such Party's performance hereunder, including operating logs, Facility output data, meter readings and financial records, all in accordance with Good Utility Practice. Each Party shall provide such books and records to the other Party within fifteen (15) Business Days of a written request for such information. All records shall be retained by each Party for at least three (3) years following the year in which such records were created.

17.7 Audit. Each Party shall have the right, upon at least three (3) Business Days' prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement, including records necessary to verify that Buyer has received and is receiving Buyer's Percentage of Products produced by the Facility. If any such

examination reveals any inaccuracy in any Invoice, the necessary adjustments in such Invoice and the payments thereof will be made in accordance with Sections 8.1 and 8.6.

17.8 Successors. This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

17.9 No Dedication. No undertaking by one Party to the other under any provision of this Agreement shall constitute the dedication of that Party's property or any portion thereof to the other Party or the public, nor affect the status of Buyer as an independent public utility corporation or Seller as an independent Person.

17.10 Assignment; Change in Control.

- (a) Party shall assign this Agreement or delegate its rights or obligations hereunder without the prior written consent of the other Party; *provided, however*, that:
  - (i) a Party may collaterally assign this Agreement or any accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements; and
  - (ii) a Party may transfer or assign this Agreement to an Affiliate so long as such assignee has agreed in writing to comply with all obligations of the assignor hereunder and has complied with the obligations of the assigning Party to provide Performance Assurance in accordance with Article 14.
- (b) Any consent required by Section 17.10(a) shall not be unreasonably withheld, conditioned or delayed; *provided, however*, that subject to Section 12.5, neither Party shall be required to consent to any assignment or transfer that would require it to accept any limitation of its rights under this Agreement or expansion of the liability, risks or obligations imposed on it under this Agreement.
- (c) It shall be a condition of any assignment, transfer, delegation or other disposition of this Agreement that: (a) all Letters of Credit and Guaranties required pursuant to Article 14 shall remain in place in favor of Buyer notwithstanding such assignment, transfer, delegation or disposition; or (b) replacement Letters of Credit and Guaranties in form and substance acceptable to Buyer shall have been provided prior to such assignment, transfer, delegation or disposition.
- (d) A Change in Control of Seller will be subject to the prior written consent of Buyer, such consent not to be unreasonably withheld.

17.11 Governing Law. This Agreement and the rights and obligations of the Parties shall be governed by and construed, enforced and performed in accordance with the laws of the State of

New York, without regard to principles of conflicts of law, or, if and to the extent applicable, federal law.

17.12 No Partnership or Joint Venture. This Agreement is not intended to create, nor shall it be construed to create, any partnership or joint venture relationship between Buyer and Seller, and neither Party hereto shall have the power to bind or obligate the other Party. Neither Party hereto shall be liable for the payment or performance of any debts, obligations, or liabilities of the other Party, unless expressly assumed in writing herein or otherwise. Each Party retains full control over the employment, direction, compensation and discharge of its employees, and will be solely responsible for all compensation of such employees, including social security, withholding and worker's compensation responsibilities.

17.13 Jurisdiction and Venue. Except for matters subject to the exclusive or primary jurisdiction of FERC, the DCPSC or the appellate courts having jurisdiction over the DCPSC or FERC matters, all disputes hereunder shall be resolved in the federal or state courts of the State of New York. Each Party hereby irrevocably submits to the *in personam* jurisdiction of such courts for such purpose. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.

17.14 Amendments and Future Treatment. Each Party agrees that it will not assert or defend itself on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not be amended, modified, terminated, discharged or supplemented, nor shall any provision hereof be waived, unless mutually agreed, in writing, by the Parties. Furthermore, the Parties expressly agree that no amendment of this Agreement that imposes costs for which Buyer may seek recovery from its ratepayers shall be enforceable absent specific DCPSC approval of such amendment and Buyer's right to recover such costs through its rates. The rates, terms and conditions contained in this Agreement are not subject to change under Section 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of the Parties to the proposed change, the standard of review for any avoidance, breach, rejection, termination or other cessation of performance of, or changes to, any portion of this Agreement over which FERC has jurisdiction, whether proposed by a Party, a non-Party or FERC acting sua sponte, shall be the "public interest" standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U.S. 348 (1956), as such standard may be subsequently clarified by the Supreme Court of the United States or inferior courts.

17.15 Modification of PJM Agreements. Notwithstanding Section 1.2(i):

- (a) if the PJM Agreements are amended or modified so that any Schedule or Section reference herein to such agreement is changed, such Schedule or Section reference shall be deemed to automatically (and without any action by the Parties) refer to the new or successive Schedule or Section in such PJM Agreement that replaces the provision originally referred to in this Agreement; and
- (b) if any provision of any of the PJM Agreements referenced herein, or any other PJM rule relating to the implementation of this Agreement, is changed

materially from that in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement; *provided, however*, that neither Party shall be obligated to agree to any change that diminishes the benefits of this Agreement to such Party.

17.16 Bankruptcy Considerations. The Parties acknowledge and agree that this Agreement constitutes a “forward contract” within the meaning of the United States Bankruptcy Code and that each of Seller and Buyer is a “forward contract merchant” within the meaning of the United States Bankruptcy Code.

17.17 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to a Party upon any breach or default by the other Party shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, and any waiver of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

17.18 Further Assurances. Each Party shall deliver or cause to be delivered to the other Party such instruments, documents, statements, certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested.

17.19 Entire Agreement. This Agreement, including the Exhibits and Schedules hereto, embodies the entire agreement and understanding of the Parties in respect of the subject matter hereof. There are no restrictions, promises, representations, warranties, covenants or undertakings other than those expressly set forth or referred to herein. This Agreement supersedes all prior agreements and understandings between the Parties with respect to the matters contemplated by this Agreement.

17.20 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which shall be deemed one and the same Agreement. The Parties agree that this Agreement may be executed by electronic signature.

17.21 Obligation of Good Faith. In carrying out its rights, obligations and duties under this Agreement, each Party shall act reasonably and in accordance with the principles of good faith and fair dealing.

*[remainder of page intentionally left blank]*

IN WITNESS WHEREOF, this Agreement is executed by the respective Parties on the dates set forth below and shall be effective as of the date first written above.

**Seller**

**Buyer**

**By:**

**By:**

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**Name:**

**Name:**

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---

**Title:**

**Title:**

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**EXHIBIT A**

**FACILITY DESCRIPTION**

**Facility Nameplate:**

**Point of Interconnection:**

**Facility Site:**

**Major equipment and components comprising the Facility:**

**Interconnection Facilities comprising the Facility:**

**EXHIBIT B**  
**DELIVERY POINT**

**EXHIBIT C**

**GUARANTEED INITIAL DELIVERY DATE / COMMENCEMENT DATE**

Facility: [\_\_\_\_\_]

Guaranteed Initial Delivery Date: [\_\_\_\_\_]

or

Commencement Date: [\_\_\_\_\_]

## SCHEDULE 3.6

### MILESTONE SCHEDULE

Milestone	Expected Completion Date
Commencement of Construction	
Substantial Completion	
Commercial Operation	

## SCHEDULE 6.11

### SOLAR PROJECT AVAILABILITY CALCULATIONS

1. Availability Damages. For any Period in which Seller does not maintain the Guaranteed Availability Percentage, Seller shall pay to Buyer liquidated damages (“Availability Damages”) in an amount equal to (a) the Contract Price multiplied by (b) the resulting difference of the Guaranteed Availability Percentage minus the Availability Percentage for such Period; *provided however*, that the first determination of the Availability Percentage of the Facility shall be calculated twenty-four (24) months after the Initial Delivery Date (the “First Availability Calculation Date”). Commencing on the First Availability Calculation Date (or the first Business Day thereafter) and continuing on or before the fifteenth (15th) day of each Period (or the first Business Day thereafter) thereafter during the Services Term, Seller shall provide Buyer with the Availability Percentage calculated for the preceding Period along with any supporting documentation reasonably required for Buyer to independently confirm Seller’s Availability Percentage calculation.
2. Availability Requirement. Pursuant to Section 12.2(g) of the Agreement, it shall be an Event of Default if Seller fails to maintain an Availability Percentage equal to or greater than 80% over each Period (as defined below) (the “Availability Requirement”).
3. Definitions. Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. For purposes of this Schedule 6.113, the following capitalized terms shall be defined as follows.

The “Availability Percentage” of the Facility shall be calculated as follows:

$$AP = 100 * \sum (\text{of all Units}) [(TPM - TOM) / TPM]$$

Where:

AP = Availability Percentage

TOM = Total Outage Minutes

TPM = Total Period Minutes

“Availability Damages” shall have the meaning set forth in Section 1 of this Schedule 6.113.

“Daylight Hours” shall be those hours during which average plane of array irradiance is at least 100 W/m<sup>2</sup>.

“Equivalent Forced Outage Minutes” means the total number of minutes during (a) a reduction in output or capacity or removal from service, in whole or in part, of a Unit by reason of an emergency or threatened emergency, unanticipated failure or other cause beyond the control of Seller, (b) Instructed Operation, (c) a reduction in output of the Facility caused by the action or inaction of Buyer, or (d) a failure of the main Facility substation transformer; *provided, however*, that any Force Majeure Event Minutes shall not be counted as Equivalent Forced Outage Minutes. A reduction in output or removal from service of a Unit or the Facility in response to changes in market conditions shall not constitute Equivalent Forced Outage Minutes.

“Equivalent Maintenance Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit in order to perform necessary repairs on specific components of the Unit, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“Equivalent Planned Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit for inspection, maintenance or repair, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“First Availability Calculation Date” shall have the meaning set forth above in Section 1 of this Schedule 6.113.

“Force Majeure Event Minutes” means a minute during which either Seller or Buyer has declared a Force Majeure Event for one or more Units. Force Majeure Event Minutes shall include the minutes during which one or more Units is not operating due to a Serial Defect.

“Guaranteed Availability Percentage” shall mean ninety percent (90%).

“Period” means, beginning at the end of the third Contract Year, the immediately preceding period of two (2) Contract Year non-rolling block periods for which the Availability Percentage is being calculated.

“Serial Defect” shall mean a manufacturing, material or design defect of a substantially identical nature that has occurred to fifteen percent (15%) or more of the Units of the Facility.

“Total Outage Minutes” means the sum of Equivalent Maintenance Outage Minutes and Equivalent Planned Outage Minutes for a Period.

“Total Period Minutes” means the total number of minutes in a Period.

“Unit” means each solar generation inverter included in the Facility, as described in Exhibit A.

## SCHEDULE 6.11

### WIND PROJECT AVAILABILITY CALCULATIONS

1. Availability Damages. For any Period in which Seller does not maintain the Guaranteed Availability Percentage, Seller shall pay to Buyer liquidated damages (“Availability Damages”) in an amount equal to (a) the Contract Price multiplied by (b) the resulting difference of the Guaranteed Availability Percentage minus the Availability Percentage for such Period; *provided however*, that the first determination of the Availability Percentage of the Facility shall be calculated twenty-four (24) months after the Initial Delivery Date (the “First Availability Calculation Date”). Commencing on the First Availability Calculation Date (or the first Business Day thereafter) and continuing on or before the fifteenth (15th) day of each Period (or the first Business Day thereafter) thereafter during the Services Term, Seller shall provide Buyer with the Availability Percentage calculated for the preceding Period along with any supporting documentation reasonably required for Buyer to independently confirm Seller’s Availability Percentage calculation.
2. Availability Requirement. Pursuant to Section 12.2(g) of the Agreement, it shall be an Event of Default if Seller fails to maintain an Availability Percentage equal to or greater than 80% over each Period (as defined below) (the “Availability Requirement”).
3. Definitions. Capitalized terms not defined herein shall have the meaning ascribed to them in the Agreement. For purposes of this Schedule 6.12, the following capitalized terms shall be defined as follows.

The “Availability Percentage” of the Facility shall be calculated as follows:

$$AP = 100 * \sum (\text{of all Units}) [(TPM - TOM) / TPM]$$

Where:

AP   ≡ Availability Percentage

TOM  ≡ Total Outage Minutes

TPM  ≡ Total Period Minutes

“Availability Damages” shall have the meaning set forth in Section 1 of this Schedule 6.12.

“Equivalent Forced Outage Minutes” means the total number of minutes during (a) a reduction in output or capacity or removal from service, in whole or in part, of a Unit by reason of an emergency or threatened emergency, unanticipated failure or other cause beyond the control of Seller, (b) Instructed Operation, (c) a reduction in output of the Facility caused by the action or inaction of Buyer, or (d) a failure of the main Facility substation transformer; provided, however, that any Force Majeure Event Minutes shall not be counted as Equivalent Forced Outage Minutes. A reduction in output or removal from service of a Unit or the Facility in response to changes in market conditions shall not constitute Equivalent Forced Outage Minutes.

“Equivalent Maintenance Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit in order to perform necessary repairs on specific components of the Unit, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“Equivalent Planned Outage Minutes” means the total number of minutes during Daylight Hours in a Period that represents the removal from service, in whole or in part, of a Unit for inspection, maintenance or repair, except to the extent such minute is an Equivalent Forced Outage Minute or a Force Majeure Event Minute.

“First Availability Calculation Date” shall have the meaning set forth above in Section 1 of this Schedule 6.12.

“Force Majeure Event Minutes” means a minute during which either Seller or Buyer has declared a Force Majeure Event for one or more Units. Force Majeure Event Minutes shall include the minutes during which one or more Units is not operating due to a Serial Defect.

“Guaranteed Availability Percentage” shall mean ninety percent (90%).

“Period” means, beginning at the end of the third Contract Year, the immediately preceding period of two (2) Contract Year non-rolling block periods for which the Availability Percentage is being calculated.

“Serial Defect” shall mean a manufacturing, material or design defect of a substantially identical nature that has occurred to fifteen percent (15%) or more of the Units of the Facility.

“Total Outage Minutes” means the sum of Equivalent Maintenance Outage Minutes and Equivalent Planned Outage Minutes for a Period.

“Total Period Minutes” means the total number of minutes in a Period.

“Unit” means each wind generation turbine included in the Facility, as described in Exhibit A.

## SAMPLE CALCULATION FOR SOLAR PROJECT

### Assumptions:

1. Facility consists of 75 Units.
2. Relevant period is 24 months (with no leap year).
3. No Force Majeure during event period.
4. Each Unit of the facility experienced 1,750 Total Outage Minutes during the Period.

$$\text{AP} = 100 * [(1,051,200 - 131,250) / 1,051,200 = 87.5\%]$$

## SAMPLE CALCULATION FOR WIND PROJECT

### Assumptions:

1. Facility consists of 10 Units.
2. Relevant period is 24 months (with no leap year).
3. No Force Majeure during event period.
4. Each Unit of the facility experienced 2,500 Total Outage Minutes during the Period.

$$\text{AP} = 100 * [(1,051,200 - 25,000) / 1,051,200 = 97.6\%]$$

**SCHEDULE 8.1**  
**CONTRACT PRICE**

Contract Price:

## SCHEDULE 14.1

### PERFORMANCE ASSURANCE AMOUNTS

The amount of Performance Assurance (the “Performance Assurance Amount”) provided by the Security Obligor during the Contract Term shall be equal to the dollar amount specified in the following table for the number of years and the applicable year of the Services Term:

15-year Services Term: [Note: Table will be expanded for 20-year Services Term]

Upon the date required pursuant to <u>Section 14.1</u>	
14 Years Remaining	
13 Years Remaining	
12 Years Remaining	
11 Years Remaining	
10 Years Remaining	
9 Years Remaining	
8 Years Remaining	
7 Years Remaining	
6 Years Remaining	
5 Years Remaining	
4 Years Remaining	
3 Years Remaining	
2 Years Remaining	
1 Years Remaining	

**SCHEDULE 14.4(b)**

**FORM OF LETTER OF CREDIT**

Irrevocable Letter of Credit No.: \_\_\_\_\_ Issue Date: \_\_\_\_\_

Expiry Date: \_\_\_\_\_ (the “Expiry Date”)

Beneficiary: \_\_\_\_\_  
 (“Beneficiary”)

\_\_\_\_\_

\_\_\_\_\_

Amount: US\$ \_\_\_\_\_

We hereby issue in your favor our Irrevocable Letter of Credit No:\_(the “Letter” of Credit”) for the account of\_\_\_\_\_ (“Applicant”) for an amount or amounts not to exceed in the aggregate\_\_\_\_\_ Dollars (US\$\_\_\_\_\_) available by your draft(s) at sight on the bank of \_\_ (“Issuer”) located at \_\_[ADDRESS], effective \_\_\_\_\_[DATE] and initially expiring at our counters on \_\_\_\_\_[DATE] or any automatically extended expiry date, as provided herein (the “Expiry Date”). This Letter of Credit is available in one or more drawings up to the aggregate amount set forth herein.

This Letter of Credit is presentable and payable at our counters, and we hereby engage with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be honored with sight payment on presentation if accompanied by the required documents pursuant to the terms of this Letter of Credit.

The below mentioned document(s) must be presented on or before the Expiry Date of this Letter of Credit in accordance with the terms and conditions of this Letter of Credit.

1. Your signed and dated certification by an authorized officer, reading as follows: “The amount of this drawing, US\$ [AMOUNT], being made under the bank of \_\_\_\_\_[ISSUER NAME], Letter of Credit number \_\_, represents an amount due and payable to Beneficiary from Applicant pursuant to Section \_ of \_\_\_\_\_ the Renewable Energy Purchase Agreement dated as of \_\_\_\_\_ between Beneficiary and \_.”
2. The original of this Letter of Credit and any amendments.

If presentation of any drawing is made on a Business Day (as herein defined) and such presentation is made on or before 10:00 am New York time, Issuer shall satisfy such drawing request on the next Business Day. If the drawing is received after 10:00 am New York time, Issuer will satisfy such drawing request on the second following Business Day.

It is a condition of this Letter of Credit that it will be automatically extended without amendment for one year from the initial expiration date hereof, or any future expiration date

occurring thereafter, unless at least ninety (90) days prior to any expiration date we notify you at the above address by registered mail, or overnight courier that we elect not to consider this Letter of Credit extended for any such period.

This Letter of Credit may be terminated upon the earlier of (a) Issuer's receipt of Beneficiary's written certification that they have received payment in full of all sums owing to Beneficiary under the Renewable Energy Purchase Agreement dated\_\_\_\_, 2022 between Beneficiary and\_\_\_\_, and that Issuer is subsequently authorized to cancel this Letter of Credit, accompanied by a copy of the original Letter of Credit and any and all amendments thereto; (b) Issuer's receipt of a written release from Beneficiary releasing Issuer from its obligations under this Letter of Credit, accompanied by a copy of the original Letter of Credit and any and all amendments thereto; or (c) the Expiry Date, or any automatically extended expiry date, provided notice has been given as set forth in the immediately preceding paragraph.

The term "Business Day" as used herein means any day other than a Saturday, a Sunday or a day on which banking institutions located in the City of New York are required or authorized by law to be closed.

Applicant's filing of a bankruptcy, receivership or other debtor-relief petition, and/or Applicant's discharge thereunder, shall in no way affect the liability of Issuer under this Letter of Credit and, notwithstanding any such filing by, or on behalf of, Applicant or any resultant discharge thereunder, Issuer shall remain liable to Beneficiary for the full amount of Issuer's obligations herein to Beneficiary, not to exceed the available undrawn amount of this Letter of Credit.

Additional terms and conditions:

1. All commissions and other banking charges will be borne by Applicant.
2. This Letter of Credit may not be transferred or assigned.
3. This Letter of Credit is subject to the International Standby Practices of the International Chamber of Commerce Publication No. 590 ("ISP98") or such later revision(s) of ISP98 as may be hereafter adopted. As to matters not governed by ISP98, this Letter of Credit shall be governed by, and construed in accordance with, the laws of the State of New York, including, to the extent not inconsistent with ISP98, the Uniform Commercial Code as in effect in the State of New York. This Letter of Credit may not be amended, changed or modified without the express written consent of Beneficiary and Issuer.
4. This Letter of Credit is irrevocable and any rights granted to Beneficiary hereunder cannot be deemed to be waived, modified or revoked prior to its expiration without the prior written consent of Beneficiary.
5. A failure to make any partial drawings at any time shall not impair or reduce the availability of this Letter of Credit in any subsequent period or our obligation to honor your subsequent demands for payment made in accordance with the terms of

this Letter of Credit, as long as the combined amount of all partial drawings does not exceed the aggregate amount of this Letter of Credit.

**SPECIAL TERMS AND CONDITIONS:**

1. PARTIAL DRAWINGS ALLOWED.
2. DRAFT(S) MUST STATE DRAWN UNDER [ISSUER] IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER [\_\_\_\_\_] DATED [\_\_\_\_\_].
3. THE DRAFT AND DOCUMENTS MUST BE PRESENTED AT OUR OFFICES AT [ISSUER ADDRESS].
4. PRESENTATION BY FACSIMILE TO THE FOLLOWING NUMBER IS ACCEPTABLE (212) \_\_\_\_\_. [WITH ORIGINAL(S) THEREOF TO FOLLOW BY OVERNIGHT COURIER FOR DELIVERY ON THE NEXT BUSINESS DAY TO THE ADDRESS SPECIFIED IN THE PRECEDING PARAGRAPH 3.]
5. IN THE EVENT OF ANY DRAWING IN FULL OR A DRAWING OF THE ENTIRE REMAINING AVAILABLE AMOUNT, THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS THERETO, IF ANY, MUST BE DELIVERED TO THE ADDRESS SPECIFIED IN PARAGRAPH 3 OF THESE SPECIAL TERMS AND CONDITIONS, BY OVERNIGHT COURIER OR BY HAND DELIVERY, FOR DELIVERY NOT LATER THAN THE FIRST BUSINESS DAY FOLLOWING THE SUBMISSION OF THE DRAW CERTIFICATE.
6. COMMUNICATIONS WITH RESPECT TO THIS LETTER OF CREDIT SHALL BE IN WRITING AND SHALL BE ADDRESSED TO US AT THE ABOVE ADDRESS, SPECIFICALLY REFERRING TO “THE [ISSUER] IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER [\_\_\_\_\_] DATED [\_\_\_\_\_]”, ATTENTION: [ ], EMAIL: [ ], TELEPHONE: [ ] OR FACSIMILE [ ].
7. WITH RESPECT TO ANY CLAIM YOU MAY HAVE WITH RESPECT TO THIS LETTER OF CREDIT, WE AND YOU CONSENT AND SUBMIT TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN NEW YORK COUNTY, IN THE STATE OF NEW YORK, AND WAIVE ANY OBJECTION TO VENUE OR ANY CLAIM OF FORUM NON CONVENIENS WITH RESPECT TO ANY ACTION OR PROCEEDING IN ANY SUCH COURT WITH RESPECT TO ANY SUCH CLAIM.

Authorized Signature:  
[NAME AND TITLE]

**SCHEDULE 14.4(c)**

**FORM OF GUARANTY**

**[Form of Guaranty attached on the following page]**

## SELLER GUARANTY

This SELLER GUARANTY, dated as of [●], is made by [●], a [Delaware limited liability company] (“Guarantor”), to [ ] (“Counterparty”).

### RECITALS:

WHEREAS, Counterparty, a Delaware limited liability company (“Obligor”), as seller, and Counterparty, as buyer, have entered into the Renewable Energy Purchase Agreement, dated as of [●], 2022 (the “REPA,” capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the REPA) pursuant to which Counterparty has agreed to enter into certain transactions with respect to energy and environmental attributes generated by the renewable project owned by Obligor;

WHEREAS, as a condition precedent to Counterparty’s obligations under the REPA, Counterparty is requiring this Guaranty to be executed and delivered by Guarantor; and

WHEREAS, Guarantor is the [in]direct parent company of Obligor.

NOW, THEREFORE, in consideration of the premises and in order to induce Counterparty to enter into the REPA, Guarantor hereby agrees as follows:

### AGREEMENT:

1. Guaranty.

(a) Subject to Section 1(b) below, Guarantor hereby absolutely, irrevocably and unconditionally guarantees the punctual payment and performance when due of all obligations of Obligor now or hereafter existing under the REPA (collectively, the “Guaranteed Obligations”). This is a guaranty of payment and performance, not of collection. For purposes hereof, the phrase “when due” shall include when any such obligations of Obligor under the REPA would be due or are required to be performed (giving effect to any grace or cure periods under the REPA), whether at maturity, upon demand, by acceleration or otherwise, in accordance with the REPA. In the event Obligor shall fail to pay any Guaranteed Obligations owed to Counterparty under the REPA, Guarantor shall, upon written demand from Counterparty of such failure, pay or cause to be paid the amount owed within ten (10) Business Days of receipt of such notice.

(b) Notwithstanding anything to the contrary herein, Guarantor’s aggregate obligation to Counterparty under this Guaranty shall not in any event exceed \$[●] (the “Maximum Guaranteed Amount”).

(c) Guarantor guarantees that the obligations of Guarantor under this Guaranty are independent of the obligations of Obligor under the REPA, and a separate action or actions may be brought against Guarantor to enforce this Guaranty, irrespective of whether any action is brought against Obligor or whether Obligor is joined in any such action or actions. Subject to the notice requirement set forth in Section 1(a) above, Counterparty shall have the right to proceed first and directly against Guarantor under this Guaranty without first proceeding against Obligor or exhausting any other remedies that it may have.

(d) If any amount paid by Guarantor in respect of the Guaranteed Obligations hereunder is required to be repaid by Counterparty to Guarantor pursuant to a court order in any bankruptcy or similar legal proceeding, Guarantor's obligations hereunder shall be restored as if such payment by Guarantor had never been made.

(e) This Guaranty shall automatically terminate upon the earlier of (i) the termination or expiration of the REPA and (ii) Guarantor's payment of amounts hereunder in aggregate amount equal to the Maximum Guaranteed Amount.

2. Obligations Unconditional; Waiver.

(a) The obligations of Guarantor hereunder shall be absolute, irrevocable and unconditional and shall in no way be affected or impaired by reason of the happening from time to time of any of the following:

(i) the release or waiver, by operation of applicable law or order or by Counterparty, of any guarantor of any of the Guaranteed Obligations or any security for any Guaranteed Obligations;

(ii) the extension of time for the payment or performance by Obligor of all or any portion of the Guaranteed Obligations or the extension of time for the performance of any other obligation under, arising out of, or in connection with, the REPA;

(iii) any failure, omission, delay or lack of diligence on the part of Counterparty to enforce, assert or exercise any right, privilege, power or remedy conferred on Counterparty pursuant to the terms hereof or of the REPA;

(iv) the voluntary or involuntary liquidation, dissolution, sale of any collateral, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition or readjustment of debt of, or other similar proceedings affecting, Obligor or any of the assets of Obligor;

(v) any invalidity or unenforceability of, or defect or deficiency in, the REPA or any of the Guaranteed Obligations;

(vi) the settlement or compromise of any obligation Guaranteed Obligation; or

(vii) any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(b) Guarantor hereby waives notice of acceptance of this Guaranty and of any liability to which it applies or may apply, presentment, demand for payment (except as provided in Section 1(a) above), any right to require a proceeding first against Obligor or any other person before proceeding against Guarantor, protest, notice of nonpayment, notice of dishonor, notice of redemption and all other notices and demands (except as provided in Section 1(a) above). Guarantor further waives notice of, and hereby consents to, any change in, amendment to, waiver of or consent to a deviation from, any of the terms and provisions of the REPA or any renewal,

extension, increase, acceleration or other alteration of any of the Guaranteed Obligations or the taking of any security for the Guaranteed Obligations or any release thereof.

3. Subrogation. Guarantor shall be subrogated to all rights of Counterparty against Obligor in respect of any amounts paid by Guarantor pursuant to this Guaranty, *provided that* Guarantor will not exercise any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise, until this all Guaranteed Obligations have been paid in full. If any amount shall be paid to Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of Counterparty and shall forthwith be paid to Counterparty to be applied to the Guaranteed Obligations. If (a) Guarantor shall perform and shall make payment to Counterparty of all or any part of the Guaranteed Obligations and (b) all Guaranteed Obligations shall have been paid in full, Counterparty shall, at Guarantor's request, execute and deliver to Guarantor appropriate documents necessary to evidence the transfer by subrogation to Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.

4. Amendments; Assignments.

(a) No amendment, waiver, supplement or other modification of any provision of this Guaranty, and no consent to any departure by Guarantor herefrom, shall be effective unless the same shall be in writing and signed by both Guarantor and Counterparty.

(b) Neither Guarantor nor Counterparty may assign its rights, interests or obligations hereunder to any other person without the prior written consent of Guarantor or Counterparty, as the case may be; *provided that* Counterparty may transfer all or any portion of its rights, interests or obligations under this Guaranty without the consent of Guarantor to any permitted transferee under the REPA. The provisions of this Guaranty will bind and benefit the successors and permitted assigns of Guarantor and Counterparty. The term "Obligor" means Obligor and its successors and permitted assigns pursuant to the REPA, and the term "Counterparty" means Counterparty and its successors and permitted assigns pursuant to the REPA.

5. No Consequential Damages. Except as expressly payable by Obligor pursuant to the REPA, in no event shall Guarantor be subject to any consequential, exemplary, equitable, loss of profits, punitive or tort damages.

6. Governing Law. This Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York without regard to its principles of conflicts of laws that would result in the application of the laws of a State other than the State of New York.

7. Notices. Any notice or other communication in respect of this Guaranty must be sent via (a) certified or registered mail or (b) e-mail as set forth below; *provided that*, if sent by certified or registered mail, then a copy must also be sent via e-mail, to Counterparty at the address in Exhibit 10 to the REPA (unless otherwise notified in writing by Counterparty to Guarantor) or to Guarantor at the following address (unless otherwise notified in writing by Guarantor to Counterparty):

*[insert Guarantor notice information]*

Such notice will be deemed effective: (a) if in writing and delivered in person or by courier, on the date it is delivered, (b) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted, or (c) if sent by e-mail, on the date that it is received, unless, in each case, the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that communication will be deemed given and effective on the first following day that is a Business Day.

8. Severability. The invalidity or unenforceability of any provision of this Guaranty shall not affect the remaining provisions that shall be liberally construed in order to carry out the intentions of Guarantor and Counterparty in respect of and including any provision which is invalid or unenforceable as nearly as possible.

9. Entire Agreement. This Guaranty constitutes the entire agreement between the parties and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof.

\* \* \*

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed by its duly authorized officer as of the day first above written.

[GUARANTOR]

By: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE 15.1(h)**  
**GOVERNMENTAL ACTIONS**

**SCHEDULE 17.1**

**NOTICE INFORMATION**

Any notices required under this Agreement shall be made as follows (as updated by the Parties from time to time):

<p>Buyer:</p> <p><b>All Notices:</b></p> <p>Potomac Electric Power Company C/O Pepco Holdings, Inc. 701 Ninth Street, EP6412 Washington, DC 20068 Attn: _____ E-mail: _____ Telephone: _____ Duns: _____ Federal Tax ID Number: 53-0127880</p> <p><b>Invoices:</b></p> <p>Attn: _____ Phone: _____ E-mail: _____</p> <p><b>Electronic Funds Transfer:</b></p> <p>BNK: Wells Fargo Bank, San Francisco, CA FED ABA: _____ ACH ABA: FOR ACCT: Potomac Electric ppa Power Co. ACCT: _____</p> <p><b>With additional Notices of an Event of Default to:</b></p> <p>Pepco Holdings, Inc. Attn: Anne Bancroft, General Counsel 701 Ninth St., NW Washington, DC 20068 Phone: 215 841 4774 Email: Anne.Bancroft@exeloncorp.com</p>	<p>Seller:</p> <p><b>All Notices:</b></p> <p><b>Invoices:</b></p> <p><b>Electronic Funds Transfer:</b></p> <p>[To be updated by Seller in accordance with <u>Section 17.1</u>]</p> <p>BNK: Fed-ABA: ACH-ABA ACCT Name: ACCT No:</p>
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## CERTIFICATE OF SERVICE

I hereby certify a copy of Potomac Electric Power Company's clean and redlined versions of the Request for Proposals (RFP) and Power Purchase Agreement (PPA) was served this April 11, 2024 on all parties in Formal Case No. 1017 by electronic mail.

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