nationalgrid

Jennifer B. Hutchinson
Senior Counsel

September 3, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Review of Power Purchase Agreement – Champlain Wind, LLC
Pursuant to RI General Laws § 39-26.1 *et seq.*
Docket No. _______

Dear Ms. Massaro:

Enclosed for filing with the Rhode Island Public Utilities Commission (the "Commission") is the pre-filed testimony of Corinne M. Abrams, along with a copy of a power purchase agreement ("PPA") for the potential purchase of renewable power from Champlain Wind, LLC ("Champlain Wind"), which National Grid[1] has executed with Champlain Wind pursuant to R.I.G.L. § 39-26.1 *et seq*., as amended (the "Long-Term Contracting Standard")[2] and the Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (the "Regulations") promulgated by the Commission.

The enclosed PPA follows the Company's August 29, 2013 filing of its summary report on the results of the third solicitation conducted by the Company pursuant to the Long-Term Contracting Standard and the Regulations. In that filing, the Company indicated to the Commission that it had selected one proposal for a 48 MW land-based wind project located in Maine. The Company and Champlain Wind executed the PPA as of August 2, 2013. National Grid is pleased to submit the enclosed PPA to the Commission for its review and approval.

The Company supports approval of the agreement for several reasons. First, as explained in the testimony being filed with the PPA, the project, referred to as the "Bowers Wind Project," represented the best value in terms of price out of the sixteen bids that the Company received in the third solicitation. The project ranked number one out of the four lowest bids received and was the highest scoring proposal. Also, the Bowers Wind Project is appropriately sized to meet the targeted requirement in the Company's third solicitation, and adding it will achieve an

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[1] The Narragansett Electric Company d/b/a National Grid (hereinafter referred to as "National Grid" or the "Company").
[2] See S 0641 Sub B (July 11, 2013).

aggregate balance of 73.5 percent of the 90 MW of long-term contracting capacity that National Grid must satisfy under the Long-Term Contracting Standard.

Second, the pricing under the PPA is for a fixed bundled energy price of $78 per megawatt-hour based on the ISO New England ("ISO-NE") Maine zone. There is no annual escalation. This pricing is anticipated to be below the projected market prices on a net present value basis over the fifteen-year term of the contract.

Third, as the first land-based wind project to be selected pursuant to the Long-Term Contracting Standard, the Bowers Wind Project adds diversity to the Company's current portfolio of renewable energy resources. The project will consist of 16 Siemens turbines at 3 MW each. The expected annual output for the 48 MW facility is 159,149 MWh, which represents a capacity factor of approximately 37.8 percent. The PPA also includes the flexibility for the project to include 15 Vestas turbines at 3.3 MW each for a total nameplate capacity of 49.5 MW. The Bowers Wind Project will be interconnected via an existing 38-mile 115 kV generator lead. Keene Road Substation is the location for the 115 kV interconnection to the ISO-NE Pool Transmission Facilities. The project is in an advanced stage of development in that Champlain Wind has full site control to the project area and point of interconnection, and no incremental transmission is required.

Last, National Grid believes that the Champlain Wind PPA will benefit Rhode Island customers and the State of Rhode Island. The pricing structure is favorable relative to the market and is very similar to the pricing structure in the Company's PPA with Black Bear Development Holdings, LLC that the Commission approved on May 11, 2012 in Docket No. 4319. In addition, the Bowers Wind Project will contribute to the State of Rhode Island in the form of a grant and scholarship money to the University of Rhode Island.

The Company is also enclosing a draft notice that will be published in *The Providence Journal* to notify the public of the filing in accordance with Section 4.10 of the Regulations. The Company will publish this notice after receiving a docket number for this filing from the Commission.

Please be advised that the Company is seeking protective treatment of a confidential exhibit, identified as Exhibit 2, provided in Ms. Abrams' testimony, as permitted by Commission Rule 1.2(g) and by R.I.G.L. § 38-2-2(4)(B). The Company has submitted a Motion for Protective Treatment along with a confidential Exhibit 2 to the Commission pending a determination on the Company's Motion.

For the reasons set forth above, National Grid recommends that the Commission approve the enclosed PPA. National Grid looks forward to participating in the proceedings and assisting the Commission in its review of the agreement.

Thank you for your attention to this transmittal. If you have any questions, please contact me at (401) 784-7288.

Very truly yours,

Jennifer Brooks Hutchinson

Enclosures

cc: Leo Wold, Esq.
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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RHODE ISLAND PUBLIC UTILITIES COMMISSION

Review of Champlain Wind, LLC
Power Purchase Agreement **Docket No. ______**
Pursuant to R.I.G.L. § 39-26.1 *et seq.*

NATIONAL GRID'S REQUEST
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

National Grid[1] hereby requests that the Rhode Island Public Utilities Commission ("Commission") provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(B). National Grid also hereby requests that, pending entry of that finding, the Commission preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On September 3, 2013, National Grid is filing with the Commission a signed power purchase agreement ("PPA") that it negotiated with Champlain Wind, LLC ("Champlain Wind"), pursuant to the requirements of R.I.G.L. § 39-26.1 *et seq.* Also on September 3, 2013, the Company is submitting testimony in this proceeding. As an exhibit (Exhibit 2) to the testimony of National Grid's witness, Ms. Corinne M. Abrams,

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[1] The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

the Company is submitting redacted and un-redacted versions of a confidential spreadsheet that illustrates a comparison of the Champlain Wind PPA pricing to the market price forecasts for energy, capacity and renewable energy credits ("RECs") prepared by Energy Security Analysis, Inc. ("ESAI"). ESAI prepared this forecast acting as consultant to National Grid and at National Grid's request. Under National Grid's arrangement with ESAI, the energy, capacity and REC forecasts are considered proprietary. Therefore, National Grid requests that the Commission give the information contained in the un-redacted version of Exhibit 2 confidential treatment.

II. LEGAL STANDARD

The Commission's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1 *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(B) provides that the following types of records shall not be deemed public:

> Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely either (1) to impair the Government's ability to obtain necessary information in the future; or (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. Providence Journal Company v. Convention Center Authority, 774 A.2d 40 (R.I. 2001).

The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47.

II. BASIS FOR CONFIDENTIALITY

The information regarding the ESAI forecast contained in the un-redacted version of Exhibit 2 was developed by ESAI through its proprietary methods of analysis and was provided to National Grid on a confidential basis. National Grid is providing the un-redacted version of Exhibit 2 to the Commission on a voluntary basis to assist the Commission with its decision-making in this proceeding. Disclosure of this information could adversely affect ESAI's competitive position and would tend to make it less likely that such information would be provided voluntarily in the future. Moreover, such disclosure would impede National Grid's future ability to obtain this type of proprietary information from third-party consultants or would increase the cost at which that information could be obtained.

III. CONCLUSION

Accordingly, the Company requests that the Commission grant protective treatment to the confidential version of Exhibit 2 to the testimony of Ms. Corinne M. Abrams.

WHEREFORE, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

NATIONAL GRID

By its attorney,

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Jennifer Brooks Hutchinson (RI Bar #6176)
National Grid
280 Melrose Street
Providence, RI 02907
(401) 784-7288

Dated: September 3, 2013

PRE-FILED DIRECT TESTIMONY

OF

CORINNE M. ABRAMS

September 3, 2013

TABLE OF CONTENTS

I. <u>Introduction</u>

Q. Ms. Abrams, please state your name and business address.

A. My name is Corinne M. Abrams, and my business address is 100 East Old Country Road, Hicksville, New York 11801.

Q. Ms. Abrams, by whom are you employed and in what position?

A. I am the Manager of Environmental Transactions for the Energy Procurement organization at National Grid.[1] In this role, I am involved with the competitive solicitations for renewable energy projects, negotiations for power purchase agreements for renewable energy projects, and the development of National Grid's policies on renewable energy. For the Company, these activities include competitive solicitations under the Long-Term Contracting Standard for Renewable Energy Act, R.I.G.L. § 39-26.1.1 *et seq.*, as amended ("Long-Term Contracting Standard")[2] and enrollments under the Distributed Generation Standard Contracts Act, R.I.G.L . § 39-26.2.1 *et seq.*

[1] Throughout this testimony, I will refer to National Grid USA and its subsidiaries as "National Grid." The term "Company" refers to The Narragansett Electric Company d/b/a National Grid.
[2] <u>See</u> S 0641 Sub B (July 11, 2013).

Q. Ms. Abrams, please describe your educational background and professional experience.

A. I graduated from Drexel University in 2005 with a Bachelor of Science Degree in Civil Engineering. I received a Masters in Business Administration in Finance and Investments from Baruch College in May 2013. In July 2005, I joined KeySpan Corporation as an Engineer in Generation Operations. I was accepted into the Engineering Rotation Program and held various positions in Power Engineering, Generating Plant (Steam and Gas Turbine) Operations, and Maintenance Services. In November 2009, as part of a management development initiative, I joined Energy Portfolio Management as the technical advisor to the Senior Vice President. I was named to my current position in June 2011. Beginning in January 2011, I began working with others in the Company on long-term contracting for renewable energy resources under the Massachusetts Green Communities Act and the Rhode Island Long-Term Contracting Standard. I was involved in the Company's first, second, and third solicitations under the Long-Term Contracting Standard. Following the enactment of the Distributed Generation Standard Contracts Act, I participated in the development of the rules and enrollment process and the standard contracts, and conducted four enrollments since December 2011.

Q. Have you previously testified before the Rhode Island Public Utilities Commission ("Commission")?

A. Yes. I provided direct testimony in Docket 4319 in connection with the Company's March 19, 2012 filing of its Power Purchase Agreement with Black Bear Development Holdings, LLC, as amended by a First Amendment to Power Purchase Agreement filed on May 9, 2012 (collectively, the "Black Bear PPA"), which the Commission approved on May 11, 2012. In addition, I have participated in technical sessions at the Commission in Dockets 4277 and 4288, which involved the enrollment rules and process, ceiling prices, and standard contracts under the Distributed Generation Standard Contacts Act, R.I.G.L. § 39-26.2.1 *et seq.*

Q. What is the purpose of your testimony?

A. The purpose of my testimony is to (1) describe the Company's selection of the Bowers Wind project ("Bowers Wind Project") in the third competitive solicitation pursuant to the provisions of the Long-Term Contracting Standard and the Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (the "Regulations"); and (2) explain the pricing and other key provisions of the Power Purchase Agreement the Company negotiated with Champlain Wind, LLC ("Champlain Wind"), the developer of the Bowers Wind Project.

Q. Please provide an overview of your involvement with this project?

A. I was responsible for the third competitive solicitation ("Third Solicitation") process, evaluating the bids the Company received, developing recommendations to the Company's management regarding those bids, and negotiating the Power Purchase Agreement between the Company and Champlain Wind dated as of August 2, 2013 ("Champlain Wind PPA" or "PPA").

Q. Are you sponsoring attachments to your testimony?

A. Yes. I am sponsoring the following Exhibits, which are included with my testimony:

1. Champlain Wind PPA (Exhibit 1);
2. Comparison of Champlain Wind PPA Pricing to Energy Security Analysis, Inc. ("ESAI") Forecast of Market Prices (Exhibit 2); and
3. Redacted Summary Report of the Company's Third Solicitation for Long-Term Contracts for Renewable Energy Projects (Exhibit 3).

II. The Company's Selection of the Bowers Wind Project

Q. Why did the Company select the Bowers Wind Project for negotiation of a PPA?

A. Under the Long-Term Contracting Standard, the Company is required to contract for 90 MW of long-term contracting capacity on a five-year phased schedule with 100 percent of such capacity reached by December 30, 2014.[3] Through the execution of the Rhode

[3] See R.I.G.L. § 39-26.1-2(c)(2), as amended by S0641B (July 11, 2013).

Island LFG Genco Power Purchase Agreement for the Town of Johnston Project, the Power Purchase Agreement with Deepwater Wind, the Power Purchase Agreement with Orbit Energy following the first annual solicitation, and the Black Bear PPA following the second solicitation, the Company executed contracts for 53 percent of the 90 MW requirement. The Bowers Wind Project will enable the Company to achieve 73.5 percent of the 90 MW of long-term contracting capacity.

The Company selected the Bowers Wind Project, which is equivalent to 18.3 MW of net contract capacity, for several reasons. First, of the 16 bids received in the Third Solicitation, the Bowers Wind Project represented the best value in terms of price because it ranked number one out of the four lowest bids received and was the highest scoring proposal. Second, as further discussed below, the Bowers Wind pricing is favorable relative to a forecast of the market value of capacity, energy, and renewable energy credits ("RECs") prepared by ESAI. Third, Champlain Wind has rights to 100 percent of the Bowers Wind Project site, no incremental transmission is required, the development of the project is mature, and the pricing is not contingent on the project's eligibility and qualification for the federal Production Tax Credit ("PTC"). The PTC is a corporate tax credit for eligible facilities that, with respect to wind facilities, applies to energy production during the first ten years of operation on a per kilowatt-hour basis. Fourth, the Bowers Wind Project would be the first land-based wind project for which the

Company has entered into a long-term power purchase agreement (other than in the distributed generation program), adding diversity to its portfolio of projects under the Long-Term Contracting Standard.

Finally, although not included in the bid criteria for the Third Solicitation, the Bowers Wind Project will contribute an additional benefit to the State of Rhode Island in the form of a $50,000 grant to the University of Rhode Island for every year of the 15-year contract term and a one-time payment of $25,000 in scholarships to the University of Rhode Island.

Q. Please describe the solicitation process and the bid evaluation process.

A. Exhibit 3 to this testimony includes a redacted copy of the Company's summary report on the Third Solicitation that was filed with the Commission on August 29, 2013.[4] That report describes the Third Solicitation process and the evaluation of the bids the Company received. Appendix A of the confidential version of that report summarizes the 16 bids received in terms of technology, location, capacity, estimated capacity factor, and pricing. Appendix A also summarizes the results of the evaluation and ranking process.

[4] The Company filed the confidential version of the summary report for the Third Solicitation with the Commission on August 29, 2013, subject to a Motion for Protective Treatment. That motion is currently pending with the Commission.

The Bowers Wind Project was one of the four highest ranked projects and represented the best value in terms of price.

Q. Does the project provide economic benefit to Rhode Island?

A. Yes. There is a projected cost benefit. This contract is forecasted over the entire term to result in the Company paying less than the market price, based on the Company's current market price forecast. Thus, there is a projected cost savings to customers in Rhode Island.

III. <u>The Bowers Wind Project</u>

Q. Please describe the Bowers Wind Project.

A. The Bowers Wind Project is currently planned as a 48 MW land-based wind project that will be located in Carroll Plantation and Kossuth Township, Maine. The 48 MW project would consist of 16 Siemens turbines at 3 MW each. The expected annual output for the 48 MW facility is 159,149 MWh, which represents a capacity factor of approximately 37.8 percent. The 115 kV interconnection to the ISO-NE Pool Transmission Facilities ("PTF") is located at Keene Road Substation. The Champlain Wind PPA provides for the flexibility for the project to include 15 Vestas turbines at 3.3 MW each, for a total nameplate capacity of 49.5 MW.

Q. Please describe the current status of project development.

A. The Bowers Wind Project is in an advanced stage of development. Champlain Wind has full site control of both the project area and interconnection. The Bowers Wind Project will be interconnected via an existing 38-mile 115 kV generator lead. This line has sufficient capacity for the addition of this project, thus there is no need for incremental transmission.

Q. When is the project scheduled for commercial operation?

A. The project has a projected commercial operation date of March 31, 2017, which the Company considers reasonable based on certain critical milestones for the construction of the project and achievement of commercial operation that are more particularly set forth in Section 3.1(a) of the PPA.

Q. Are there any other critical milestone dates that would affect the Project's development that you want to highlight?

A. Yes. Pursuant to Section 3.1(a) of the PPA, Champlain Wind is required to obtain a Maine Department of Environmental Protection ("DEP") permit by December 31, 2015.[5]

[5] On July 24, 2013, the Maine DEP issued a draft decision denying a permit to Champlain Wind. It is the Company's understanding that Champlain Wind intends to file an appeal to the Maine Bureau of Environmental Protection. Champlain Wind expects to receive a final decision on the appeal by the critical milestone date set forth in the Champlain Wind PPA.

If Champlain Wind fails to obtain the Maine DEP Permit by this date, then Champlain Wind is required to pay delay damages (as set forth in the PPA) plus $1,485,000.

IV. Champlain Wind PPA Pricing

Q. Please generally describe the Champlain Wind PPA.

A. The Champlain Wind PPA is "unit contingent," meaning that Champlain Wind is only obligated to sell energy and RECs to the extent that they are generated by the Bowers Wind Project.

Q. Please describe the pricing in the Champlain Wind PPA.

A. The pricing in the Champlain Wind PPA is for "bundled renewable energy" (i.e. capacity, energy, and RECs) at the fixed price of $78 per megawatt-hour commencing on the Commercial Operation Date. This price is fixed for the entire 15-year term of the PPA. The basis for the energy pricing is the ISO New England ("ISO-NE") Maine Zone. This means that the Company will sell the power into the wholesale electricity spot market at the delivery point in Maine. The Company has also reserved the option to deliver the power to Rhode Island at some point in the future if the Company deems that this structure is beneficial to customers, or that such a structure does not adversely affect customers. In such event, the fixed price will be adjusted to reflect the price separation between the Rhode Island load zone and the generator node in Maine. This structure is identical to the pricing structure in the Black Bear PPA that was approved by the Commission in Docket No. 4319.

Q. Please describe the negative pricing rule changes at ISO- NE.

A. Certainly. On July 1, 2013, ISO-NE filed with the Federal Energy Regulatory Commission various changes to its Transmission, Markets, and Services Tariff, including a revision to the ISO-NE market rules that would reduce the minimum bid in the spot wholesale energy market operated by ISO-NE from $0/MWh to negative $150/MWh. The projected effective date for this change is December 2014.

Q. Please explain what is meant by negative energy pricing.

A. Currently, the lowest bid price in the market is $0.00 per MWh. Even with the energy bid price at $0.00/MWh, some generators prefer to run instead of shutting down because they might incur costs in shutting down that exceed their costs of operating when the energy bid price is at $0.00/MWh, or because they could still receive the economic benefit of production-based subsidies, such as the PTC. When more generators are willing to run at $0.00/MWh than the system either needs or can accept, the ISO-NE currently uses administrative protocols to decide which generators must curtail their production and to what extent. When the negative pricing rule becomes effective, the proposed lowest bid price in the market will become negative $150/MWh. This means that generators will be allowed to continue producing energy in any hour that prices are negative, but will have to pay ISO-NE to continue delivering power to the grid in those hours.

Q. How do negative energy prices affect the pricing under the PPA?

A. The possibility of negative energy prices in the ISO-NE markets could increase the relative cost to the Company's customers for power under the Champlain Wind PPA as compared to the market price for that power. Currently, customers are exposed to market prices as low as $0.00/MWh, so the difference between the contract price and the market price for energy in any hour will not exceed the fixed price under the PPA (i.e. $78 per MWh). As noted above, if the negative pricing rule takes effect, customers will be exposed to market prices as low as negative $150/MWh. In other words, the above-market cost to customers of the PPA would be the fixed price of the energy under the PPA *plus* the amount by which the price is negative in that hour (i.e. $78 + $150 = $228).

Q. How did the Company address this rule change in its PPA negotiations with Champlain Wind?

A. Initially, the Company proposed certain changes to the Champlain Wind PPA, which would, in effect, reduce the PPA price by any amount by which the market price for energy is below $0.00/MWh in any hour, thus placing the negative pricing risk on the power seller. However, Champlain Wind responded with a higher price to account for taking additional market risk related to the negative pricing. While the Company believes either approach could be reasonable depending upon the circumstances, the Company decided against including an adjustment in the fixed price to shift the risk to the developer in this case. There were two primary reasons. First, the bid process in the Third Solicitation did not contemplate the developer assuming the risk of negative pricing and the Company recognized the importance of maintaining the integrity of that process. Second, the Company consulted with the Division, and the Division expressed its preference that the Company stay with the original pricing in the contract without the upward price adjustment.

Q. How does this approach compare to what other jurisdictions are doing?

A. Connecticut and Massachusetts have recently dealt with the issue of negative pricing. Connecticut issued a request for proposal ("RFP") that places the risk of negative pricing on the developers. In addition, as part of the RFP process in Massachusetts, the electric utilities in Massachusetts, including National Grid, placed the risk of negative pricing on bidders after the ISO-NE announced its rule change. There are advantages and disadvantages to asking developers to bear the risk of negative prices. When the risk is identified to all bidders at the same time and an opportunity is provided for all bidders to take it into account in a timely way, the Company believes it can be beneficial for customers to have the risk borne by the power sellers in an open competitive bidding process. In this case, however, the bidding process had long been completed and negotiations were at its conclusion when the rule change was announced. Thus, the circumstances were quite different than what was encountered in Massachusetts and Connecticut. The Company intends to revisit this issue in its next solicitation for Rhode Island. At that time, the Company also will have the benefit of information to share from the experience of its Massachusetts affiliate, as well as data from the Connecticut process.

Q. Please describe how capacity is treated in the Champlain Wind PPA pricing.

A. The Champlain Wind PPA pricing addresses the value of capacity in the ISO-NE Forward Capacity Market ("FCM"). Those capacity revenues that are received, or should have been received, from ISO-NE in the FCM are deducted from the bundled energy price in the monthly settlement process. However, as a result of recent rule changes that introduce a minimum offer price in the FCM that varies by generating technology, certain renewable generators may no longer be able to participate in the FCM because the price in a particular FCM auction could settle below that minimum offer price for the renewable technology. In addition, the Bowers Wind Project is located in an area in Maine with transmission constraints that would also prevent the project from qualifying in the FCM at this time. For these reasons, the Champlain Wind PPA includes a provision that Champlain Wind has no obligation to either qualify for the FCM or to construct network upgrades required to qualify for the FCM until these transmission constraints are resolved, at which point Champlain Wind's expenses to qualify for the FCM will be capped at $150,000. Even without capacity revenue, however, the Bowers Wind Project was still the most favorable project compared to the market.

Q. Please describe the ESAI market forecasts discussed above.

A. National Grid retained ESAI, as it has done in the past, to develop independent market forecasts as a basis for evaluating renewable energy projects. An updated energy forecast for all ISO-NE zones was provided in August 2012. The REC forecast is based on the same methodology employed by ESAI to develop the forecasts used in the Company's prior solicitations. The Company used this forecast to rank all bids that were submitted in response to the Company's Third Solicitation.

Q. Please explain how the pricing under the PPA compares to the ESAI market forecasts.

A. Exhibit 2 of this testimony includes a comparison of the Champlain Wind PPA pricing to the August 2012 ESAI market forecast. The comparison shows that over the 15-year contract term, the PPA pricing is projected to be approximately $62 million below the market forecast on a net present value basis.

V. Other PPA Provisions

Q. Are there any other provisions of the Champlain Wind PPA that you wish to highlight?

A. Yes. Consistent with the provisions in the Regulations, Section 3.1(e) of the Champlain Wind PPA provides that the Company may terminate the Champlain Wind PPA after three years from the date of execution should either the Company or the Commission determine that material progress on the project is not being made.

Regarding assignment rights, the assignment provisions in the Champlain Wind PPA (see Section 14 of PPA) are consistent with the assignment provisions in the PPAs for other Rhode Island projects, except that, similar to the Black Bear PPA, the Company incorporated an additional provision in the Champlain Wind PPA that allows Champlain Wind to assign the contract to an affiliate, as long as Champlain Wind also assigns the interconnection agreement and remains liable for all obligations under the Champlain Wind PPA

Q. Are there any differences between the provisions in the Black Bear PPA that was approved by the Commission in Docket 4319 and the Champlain Wind PPA that you wish to highlight?

A. Yes. As discussed above, Section 3.1(a) of the Champlain Wind PPA includes a requirement to obtain the Maine DEP Permit as a separate critical milestone. The Champlain Wind PPA also treats the obligation to qualify for the FCM differently than the Black Bear PPA for the reasons discussed in Section IV of my testimony above. I would also like to highlight the following material differences between the Black Bear PPA and the Champlain Wind PPA:

- **Development Period Security & Reinstatement of PPA (Sections 6.2(a), 9.3(b)(i) of PPA:**

The Champlain Wind PPA provides for development period security of $4,500,000, which is three times the amount of the operating period security. This development period security was increased over the Black Bear PPA in response to Champlain Wind's request for a lesser amount of damages in the event that Champlain Wind defaults prior to the commercial operation date, triggering termination by National Grid. Following consultation with the Division, the Company agreed to limit damages in this instance to delay damages plus any undrawn amount of the development period security (these damages are less if the default is caused by a failure to obtain the Maine DEP Permit, as discussed above). In addition, the Champlain Wind PPA extends the period for reinstatement from one year to three years if commercial operation is achieved after termination by National Grid for reason of Champlain Wind's failure to obtain the Maine DEP Permit (subject to possible renegotiation of price if the project design changes). These changes were made to address Champlain Wind's concerns over the denial of the Maine DEP Permit and the fact that typical damages (based upon the difference between the market price of energy and RECs, and the contract price) upon a termination could be significant. The higher development period security and the extended reinstatement period were negotiated to provide a disincentive for Champlain Wind to default in order to bid the project to another buyer.

- **Extension of the Critical Milestone Dates (Sections 3.1(c) and 8.3 of PPA):**

Black Bear Development Holdings, LLC ("Black Bear Hydro") had a right to extend the critical milestones if it did not receive approval from the Commission within 105 days. It also had a right to terminate the PPA if it did not receive approval from the Commission within 180 days. These provisions were specific to certain economic and timing concerns of Black Bear Hydro and were not applicable to Champlain Wind.

- **Timing of Notice from National Grid Requesting a 60-Day Extension of the PPA (Section 2.2(d) of PPA):**

The time for notice from National Grid requesting a 60-day negotiation of the extension of the PPA has been changed from 180 days before the end of the Services Term (as defined in the PPA) for the Black Bear PPA to 24 months in the Champlain Wind PPA, with negotiations to begin 23 months, rather than 150 days, before the end of the Services Term. This change was made to accommodate Champlain Wind's timing for refinancing of the project prior to the end of the PPA term. Moving back this negotiation period permits it to find another buyer before the end of the term if National Grid does not elect to extend the PPA.

- **Generator Planned Outages (Section 3.4(c) of PPA):**

The Champlain Wind PPA includes changes to when the generator may schedule planned outages and also permits them to change planned outage schedules. These changes were appropriate and necessary for a land-based wind developer in order to enable them to schedule maintenance during the lowest production periods, and to respond to changes in wind forecasts.

- **Most Favored Nation Clause (Section 4.1(e) of PPA):**

The Company revised the most favored nation clause in the Champlain Wind PPA to apply to the Bowers Wind Project and to any other affiliated generating facility within a five-mile radius. This change was made because applying the most favored nation clause to affiliated projects within a defined radius is more appropriate for this land-based wind project based on its particular siting concerns.

- **Scheduling in Day-Ahead Market (Section 4.2(a) of the PPA):**

Scheduling in the Day-Ahead Market will only be required under the PPA if it is required under ISO-NE Rules or applicable law, and any allocation of funds from the marginal loss revenue fund resulting from an Internal Bilateral Transaction will not be paid to

Champlain Wind. This change was made because scheduling in the Day-Ahead Market is difficult for a wind project in light of its unpredictable generation.

The Champlain Wind PPA also contains certain other differences from the Black Bear PPA that the Company does not consider to be material, but that came about in the usual course of negotiations. These include changing the required rating for a "Qualified Institution" issuing a letter of credit from A2/A to A3/A (Section 1 of the PPA); changing the allocation of the purchase price between energy and RECs (Section 2 and Exhibit E of the PPA); providing for a 30-day cure period for the failure to obtain or maintain a permit (Section 9.1(e) of the PPA); and providing for a 60-day notice requirement for termination for a force majeure lasting longer than twelve months (Section 10.1(c) of the PPA).

Q. Why does the Company support Commission approval of the Champlain Wind PPA?

A. The Company has concluded that the Champlain Wind PPA will benefit customers and the State of Rhode Island for the following reasons: (1) the PPA pricing is favorable relative to that of all other bids the Company received and to the ESAI market forecasts as discussed above; (2) the Bowers Wind Project is appropriately sized to meet the targeted requirement in the Company's Third Solicitation; and (3) the project has favorable attributes in terms of its development progress, contributions to the State of Rhode Island, and the diversity it brings to the Company's current portfolio of resources under the Long Term Contracting Standard.

Q. Does this conclude your testimony?

A. Yes.

POWER PURCHASE AGREEMENT

BETWEEN

THE NARRAGANSETT ELECTRIC COMPANY, D/B/A NATIONAL GRID, AS BUYER

AND

**CHAMPLAIN WIND, LLC
AS SELLER**

As of August 2, 2013

TABLE OF CONTENTS

Page

TABLE OF CONTENTS (CONT.)

TABLE OF CONTENTS (CONT.)

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT (this "**Agreement**") is entered into as of August 2, 2013 (the "**Agreement Date**"), by and between The Narragansett Electric Company, d/b/a National Grid, a Rhode Island corporation ("**Buyer**"), and Champlain Wind, LLC, a Delaware limited liability company ("**Seller**"). Buyer and Seller are individually referred to herein as a "**Party**" and are collectively referred to herein as the "**Parties**."

WHEREAS, Seller is developing the Bowers Wind generating facility located in Carroll Plantation and Kossuth Township, Maine, which is more fully described in Exhibit A hereto (the "**Facility**"), which shall qualify as a Newly Developed Renewable Energy Resource (hereafter defined); and

WHEREAS, Buyer is authorized under R.I.G.L. ch. 39-26.1 to enter into long-term contracts for the purchase of energy, capacity and renewable energy certificates from a renewable generator meeting the requirements of that statute; and

WHEREAS, Buyer and Seller desire to enter into this Agreement whereby Buyer shall purchase from Seller all Products (as defined herein) generated by or associated with the Facility;

NOW, THEREFORE, in consideration of the premises and of the mutual agreements contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS

In addition to terms defined in the recitals hereto, the following terms shall have the meanings set forth below. Any capitalized terms used in this Agreement and not defined herein shall have the same meaning as ascribed to such terms under the ISO-NE Practices and ISO-NE Rules.

"**Affiliate**" shall mean, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with, such first Person.

"**Agreement**" shall have the meaning set forth in the first paragraph of this Agreement.

"**Agreement Date**" shall have the meaning set forth in the first paragraph hereof.

"**Bundled Price**" shall have the meaning set forth in Exhibit E hereof.

"**Business Day**" shall mean a day on which Federal Reserve member banks in New York, New York are open for business; and a Business Day shall start at 8:00 a.m. and end at 5:00 p.m. Eastern Prevailing Time. Notwithstanding the foregoing, with respect to notices only, a Business Day shall not include the Friday immediately following the U.S. Thanksgiving holiday.

"**Buyer's Taxes**" shall have the meaning set forth in Section 5.4(a) hereof.

"**Capacity**" shall mean all capacity from the Facility as determined by ISO-NE's Seasonal Claimed Capability rating (or successor or replacement rating used to measure capability) as defined in the ISO-NE Rules that is obligated to deliver and receive payments in the Forward Capacity Market (or its successor market) as set forth in the ISO-NE Rules, including without limitation as both a "New" and an "Existing" Capacity Resource as those terms are used in the ISO-NE Rules.

"**Capacity Commitment Period**" shall have the meaning set forth in the ISO-NE Rules.

"**Capacity Supply Obligations**" shall have the meaning set forth in the ISO-NE Rules.

"**Cash**" shall mean U.S. dollars held by or on behalf of a Party as Posted Collateral hereunder.

"**Certificates**" shall mean an electronic certificate created pursuant to the Operating Rules of the GIS or any successor thereto to represent the generation attributes of each MWh of Energy generated within the ISO-NE control area and the generation attributes of certain Energy imported into the ISO-NE control area.

"**Code**" shall mean the U.S. Internal Revenue Code of 1986, as amended from time to time or any successor law, and regulations issued pursuant thereto.

"**Collateral Account**" shall have the meaning specified in Section 6.5(a)(iii)(B) hereof.

"**Collateral Interest Rate**" shall mean the rate published in *The Wall Street Journal* as the "Prime Rate" from time to time (or, if more than one such rate is published, the arithmetic mean of such rates), or, if such rate is no longer published, a successor rate agreed to by Buyer and Seller, in each case determined as of the date the obligation to pay interest arises, but in no event more than the maximum rate permitted by applicable Law in transactions involving entities having the same characteristics as the Parties.

"**Collateral Requirement**" shall mean at any time the amount of Development Period Security or Operating Period Security required under this Agreement at such time.

"**Commercial Operation Date**" shall mean the date on which the conditions set forth in Section 3.3(b) have been satisfied, as set out in a written notice from Seller to Buyer.

"**Congestion Point**" shall have the meaning specified in Section 4.8(b) hereof.

"**Contract Capacity**" shall mean the Seasonal Claimed Capability of the Facility for the applicable month, as determined in accordance with the ISO-NE Rules.

"**Contract Maximum Amount**" shall mean 49.5 MWh per hour of Energy and a corresponding amount of all other Products.

"**Contract Year**" shall mean the twelve (12) consecutive calendar months starting on the first day of the calendar month following the Commercial Operation Date and each subsequent twelve (12) consecutive calendar month period.

"**Contract Value**" shall have the meaning set forth in Section 9.3(b) hereof.

"**Control**" shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"**Cover Damages**" shall mean, with respect to any Delivery Shortfall, an amount equal to (a) the positive net amount, if, any, by which the Replacement Price exceeds the applicable Price that would have been paid pursuant to Section 5.1 and Exhibit E hereof, multiplied by the quantity of that Delivery Shortfall, plus (b) any applicable penalties and other costs assessed by ISO-NE or any other Person against Buyer as a result of Seller's failure to deliver such Products in accordance with the terms of this Agreement. Buyer shall provide a statement for the applicable period explaining in reasonable detail the calculation of any Cover Damages.

"**Credit Support**" shall have the meaning specified in Section 6.2(d) hereof.

"**Credit Support Delivery Amount**" shall have the meaning specified in Section 6.3 hereof.

"**Credit Support Return Amount**" shall have the meaning specified in Section 6.4 hereof.

"**Critical Milestones**" shall have the meaning set forth in Section 3.1 hereof.

"**Custodian**" shall have the meaning specified in Section 6.5(a)(i) hereof.

"**Day Ahead Energy Market**" shall have the meaning set forth in the ISO-NE Rules.

"**Default**" shall mean any event or condition which, with the giving of notice or passage of time or both, could become an Event of Default.

"**Defaulting Party**" shall mean the Party with respect to which a Default or Event of Default has occurred.

"**Delay Damages**" shall have the meaning specified in Section 3.6 hereof.

"**Deliver**" or "**Delivery**" shall mean with respect to (i) Energy, to supply Energy into Buyer's ISO-NE account at the Delivery Point in accordance with the terms of this Agreement and the ISO-NE Rules, (ii) RECs, to supply RECs in accordance with Section 4.7(e) and (iii) Capacity, delivery consistent with Section 4.8.

"**Delivery Point**" shall mean the specific Node on the Pool Transmission Facilities, as determined by ISO-NE, where Seller shall transmit its Energy to Buyer, as shown in Exhibit F.

"**Delivery Shortfall**" shall have the meaning set forth in Section 4.3 hereof.

"**Development Period Security**" shall have the meaning set forth in Section 6.2(a) hereof.

"**Disputing Party**" shall have the meaning set forth in Section 6.6(a) hereof.

"**Eastern Prevailing Time**" shall mean either Eastern Standard Time or Eastern Daylight Savings Time, as in effect from time to time.

"**Effective Date**" shall have the meaning set forth in Section 2.1 hereof.

"**Eligible Renewable Energy Resource**" shall have the meaning set forth in Section 5.0 of the Code of Rhode Island Rules 90-060-015 (as amended from time to time).

"**Energy**" shall mean electric "energy," as such term is defined in the ISO-NE Tariff, generated by the Facility as measured in kWh (unless otherwise noted) in Eastern Prevailing Time, less such Facility's station service use, generator lead losses and transformer losses, which quantity for purposes of this Agreement will never be less than zero.

"**Environmental Attributes**" shall mean any and all generation attributes under the Renewable Energy Standard and/or under any and all other international, federal, regional, state or other law, rule, regulation, bylaw, treaty or other intergovernmental compact, decision, administrative decision, program (including any voluntary compliance or membership program), competitive market or business method (including all credits, certificates, benefits, and emission measurements, reductions, offsets and allowances related thereto) that are attributable, now or in the future, to the favorable generation or environmental attributes of the Facility or the Products produced by the Facility, up to and including the Contract Maximum Amount, during the Services Term, including but not limited to: (a) any such credits, certificates, benefits, offsets and allowances computed on the basis of the Facility's generation using renewable technology or displacement of fossil-fuel derived or other conventional energy generation; (b) any Certificates issued pursuant to the GIS in connection with Energy generated by the Facility; and (c) any voluntary emission reduction credits obtained by Seller in accordance with the terms of this Agreement in connection with the generation of Energy by the Facility; provided, however, that Environmental Attributes shall not include: (i) any production tax credits; (ii) any investment tax credits or other tax credits associated with the construction or ownership of the Facility; (iii) any cash payments or grants made in lieu of such tax credits; (iv) any tax credit or cash grant introduced after the date of this Agreement intended to supplement, replace or enhance the tax credits described in the foregoing clauses (i) , (ii) or (iii); (v) any depreciation deductions permitted under the Code with respect to the Facility (including any bonus or accelerated depreciation); or (vi) any Financing, grants, guarantees or other credit support relating to the development, construction, ownership, operation or maintenance of the Facility.

"Event of Default" shall have the meaning set forth in Section 9.1 hereof and shall include the events and conditions described in Section 9.1 and Section 9.2 hereof.

"EWG" shall mean an exempt wholesale generator under 15 U.S.C. § 79z-5a, as amended from time to time.

"Facility" shall have the meaning set forth in the Recitals.

"FERC" shall mean the United States Federal Energy Regulatory Commission, and shall include its successors.

"Financial Closing Date" shall mean the date of signing of the initial agreements for any Financing of the Facility.

"Financing" shall mean indebtedness, whether secured or unsecured, loans, guarantees, notes, equity, convertible debt, sale-leaseback or other tax-equity transactions, bond issuances, recapitalizations and all similar financing or refinancing.

"Force Majeure" shall have the meaning set forth in Section 10.1(a) hereof.

"Forward Capacity Auction" shall have the meaning set forth in the ISO-NE Rules.

"**Forward Capacity Market**" shall have the meaning set forth in the ISO-NE Rules.

"Generator Maintenance Outages" shall have the meaning set forth in the ISO-NE Rules.

"Generator Planned Outages" shall have the meaning set forth in the ISO-NE Rules.

"Generation Unit" shall mean a facility that converts a fuel or an energy resource into electrical energy.

"GIS" shall mean the New England Power Pool Generation Information System or any successor thereto, which includes a generation information database and certificate system, operated by NEPOOL, its designee or successor entity, that accounts for generation attributes of electricity generated or consumed within New England.

"Good Utility Practice" shall mean compliance with all applicable laws, codes and regulations, all ISO-NE Rules and ISO-NE Practices, and any practices, methods and acts engaged in or approved by a significant portion of the electric industry in New England during the relevant time period, or 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 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 electric industry in New England.

"Governmental Entity" shall mean any federal, state or local governmental agency, authority, department, instrumentality or regulatory body, and any court or tribunal, with jurisdiction over Seller, Buyer or the Facility.

"Interconnecting Utility" shall mean the utility providing interconnection service for the Facility to the transmission or distribution system of that utility.

"Interconnection Agreement" shall mean an agreement between Seller and the Interconnecting Utility regarding the interconnection of the Facility to the transmission or distribution system of the Interconnecting Utility, as the case may be, as the same may be amended from time to time.

"Interconnection Point" shall have the meaning set forth in the Interconnection Agreement.

"**Interest Amount**" shall mean with respect to a Party and an Interest Period, the sum of the daily interest amounts for all days in such Interest Period; each daily interest amount to be determined by such Party as follows: (a) the amount of Cash held by such Party on that day (but excluding any interest previously earned on such Cash); multiplied by (b) the Collateral Interest Rate for that day; divided by (c) 360.

"**Interest Period**" shall mean the period from (and including) the last Business Day on which an Interest Amount was Transferred by Buyer (or if no Interest Amount has yet been Transferred by Buyer, the Business Day on which Cash was Transferred to Seller) to (but excluding) the Business Day on which the current Interest Amount is to be Transferred.

"Internal Bilateral Transaction" means the purchase or sale of electric energy or regulation obligations between two market participants internal to NEPOOL.

"ISO" or **"ISO-NE"** shall mean ISO New England Inc., the independent system operator established in accordance with the RTO arrangements for New England, or its successor.

"ISO-NE Practices" shall mean the ISO-NE practices and procedures for delivery and transmission of energy and capacity and capacity testing in effect from time to time and shall include, without limitation, applicable requirements of the NEPOOL Agreement, and any applicable successor practices and procedures.

"**ISO-NE Rules**" shall mean all rules and procedures adopted by NEPOOL, ISO-NE, or the RTO, and governing wholesale power markets and transmission in New England, as such rules may be amended from time to time, including but not limited to, the ISO-NE Tariff, the Market Rules (as defined in the ISO-NE Tariff), the ISO-NE Operating Procedures (as defined in the ISO-NE Tariff), the ISO-NE Planning Procedures (as defined in the ISO-NE Tariff), the Transmission Operating Agreement (as defined in the ISO-NE Tariff), the Participants Agreement, the manuals, procedures and business process documents published by ISO-NE via its web site and/or by its e-mail distribution to appropriate NEPOOL participants and/or NEPOOL committees, as amended, superseded or restated from time to time.

"**ISO-NE Tariff**" shall mean ISO-NE's Transmission, Markets and Services Tariff, FERC Electric Tariff No. 3, as amended from time to time.

"**ISO-NE Settlement Market System**" shall have the meaning as set forth in the ISO-NE Tariff.

"**kW**" shall mean a kilowatt.

"**kWh**" shall mean a kilowatt-hour.

"**Late Payment Rate**" shall have the meaning set forth in Section 5.3 hereof.

"**Law**" shall mean all federal, state and local statutes, regulations, rules, orders, executive orders, decrees, policies, judicial decisions and notifications, including without limitation those pertaining to public health, pollution, natural resources or the environment.

"**Lender**" shall mean any party providing debt Financing for the development, construction, and ownership of the Facility, or any refinancing of that Financing, and shall include any assignee or transferee of such a party and any trustee, collateral agent or similar entity acting on behalf of such a party.

"**Letter of Credit**" shall mean an irrevocable, non-transferable, standby letter of credit, issued by a Qualified Institution utilizing a form acceptable to the Party in whose favor such letter of credit is issued. All costs relating to any Letter of Credit shall be for the account of the Party providing that Letter of Credit.

"**Letter of Credit Default**" shall mean with respect to an outstanding Letter of Credit, the occurrence of any of the following events (a) the issuer of such Letter of Credit shall fail to be a Qualified Institution; (b) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit if such failure shall be continuing after the lapse of any applicable grace period; (c) the issuer of the Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; or (d) the Letter of Credit shall expire or terminate or have a Value of $0 at any time the Party on whose account that Letter of Credit is issued is required to provide Credit Support hereunder and that Party has not Transferred replacement Credit Support meeting the requirements of this Agreement; provided, however, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be cancelled or returned in accordance with the terms of this Agreement.

"**LMP**" shall mean the Locational Marginal Price, as defined in the ISO-NE Rules and the ISO-NE Tariff.

"**Maine DEP Permit**" shall mean the principal permit required for the construction and operation of the Facility from the Maine Department of Environmental Protection pursuant to the Maine Site Location of Development Act and the Maine Natural Resources Protection Act.

"**Market Participant**" shall have the meaning set forth in the ISO-NE Rules.

"**Meters**" shall have the meaning set forth in Section 4.6(a) hereof.

"**Moody's**" shall mean Moody's Investors Service, Inc., and any successor thereto.

"**MW**" shall mean a megawatt.

"**MWh**" shall mean a megawatt-hour (one MWh shall equal 1,000 kWh).

"**NEPOOL**" shall mean the New England Power Pool and any successor organization.

"**NEPOOL Agreement**" shall mean the Second Amended and Restated New England Power Pool Agreement dated as of February 1, 2005, as amended and/or restated from time to time.

"**NERC**" shall mean the North American Electric Reliability Council and shall include any successor thereto.

"**Network Upgrades**" shall mean any upgrades to the Pool Transmission Facilities and the Interconnecting Utility's transmission and distribution systems, including any System Modifications under the Interconnection Agreement, necessary for Delivery of the Energy to the Delivery Point, including those that are necessary for the Facility's Capacity to be recognized as a Capacity Resource pursuant to the ISO-NE Rules, as determined and identified in the interconnection study approved in connection with construction of the Facility.

"**Newly Developed Renewable Energy Resource**" shall mean, pursuant to R.I.G.L. § 39-26.1-2(6), an electrical generation unit that uses exclusively an Eligible Renewable Energy Resource, and either (x) has neither begun operation, nor have the developers of the unit implemented investment or lending agreements necessary to finance the construction of the unit or (y) is located within the state of Rhode Island and obtained project financing on or after January 1, 2009.

"Node" shall have the meaning set forth in the ISO-NE Rules.

"Non-Defaulting Party" shall mean the Party with respect to which a Default or Event of Default has not occurred.

"Non-Peak Months" shall mean the months of September, October, April and May.

"**Notification Time**" shall mean 1:00 p.m. Eastern Prevailing Time on a Business Day.

"**Obligations**" shall have the meaning specified in Section 6.1 hereof.

"Operating Period Security" shall have the meaning set forth in Section 6.2(b) hereof.

"Operational Limitations" of the Facility are the parameters set forth in Exhibit A describing the physical limitations of the Facility, including the minimum operating limit(s) for the Facility.

"Party" and **"Parties"** shall have the meaning set forth in the first paragraph of this Agreement.

"Permits" shall mean 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 Entity 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" shall mean an individual, partnership, corporation, limited liability company, limited liability partnership, limited partnership, association, trust, unincorporated organization, or a government authority or agency or political subdivision thereof.

"Pool Transmission Facilities" has the meaning given that term in the ISO-NE Rules.

"**Posted Collateral**" shall mean all Credit Support and all proceeds thereof that have been Transferred to or received by a Party under this Agreement and not Transferred to the Party providing the Credit Support or released by the Party holding the Credit Support. Any Interest Amount or portion thereof not Transferred will constitute Posted Collateral in the form of Cash.

"Price" shall mean the purchase price(s) for Products referenced in Section 5.1 hereof and Exhibit E hereto.

"**<u>Products</u>**" shall mean Energy, Capacity and RECs; provided, however, that Energy, Capacity and RECs generated by the Facility in excess of the Contract Maximum Amount or prior to the Commercial Operation Date shall not be deemed Products.

"**<u>Projected Annual Energy Output</u>**" shall mean the historic average of actual generation of the Facility since the Commercial Operation Date or, solely for the period up to and including the Contract Year immediately after the Contract Year in which the Commercial Operation Date occurred, 159,149 MWh, in each case in MWh per Contract Year.

"**<u>PUC</u>**" shall mean the Rhode Island Public Utilities Commission and shall include its successors.

"**<u>QF</u>**" shall mean a cogeneration or small power production facility which meets the criteria as defined in Title 18, Code of Federal Regulations, §§ 292.201 through 292.207, as amended from time to time.

"**<u>Qualified Institution</u>**" shall mean a major U.S. commercial bank or trust company, the U.S. branch office of a foreign bank, or another financial institution, in any case, organized under the laws of the United States or a political subdivision thereof having assets of at least $10 billion and a credit rating of at least (A) "A3" from Moody's or "A-" from S&P, if such entity is rated by both S&P and Moody's or (B) "A-" by S&P or "A3" by Moody's, if such entity is rated by either S&P or Moody's but not both.

"**<u>Real-Time Energy Market</u>**" shall have the meaning as set forth in the ISO-NE Rules.

"**<u>Reference Market-Maker</u>**" shall mean a leading dealer in the relevant market that is selected in a commercially reasonable manner and is not an affiliate of either party.

"**<u>Regulatory Approval</u>**" shall mean the PUC's approval of this Agreement without material modification or conditions pursuant to R.I.G.L. §§ 39-26.1-3 through 39-26.1-5 and the regulations promulgated thereunder, including the recovery by Buyer of its costs incurred under this Agreement and remuneration equal to two and three-quarters percent (2.75%) of Buyer's actual annual payments under this Agreement pursuant to R.I.G.L. § 39-26.1-4, which approval shall be final and not subject to appeal or rehearing and shall be acceptable to Buyer in its sole discretion.

"**<u>Rejected Purchase</u>**" shall have the meaning set forth in Section 4.4 hereof.

"**<u>Renewable Energy Certificates</u>**" or "**<u>RECs</u>**" shall mean all of the Certificates and any and all other Environmental Attributes associated with the Products or otherwise produced by the Facility which conform with the eligibility criteria set forth in the applicable Rhode Island regulations and are eligible to satisfy the Renewable Energy Standard, and shall represent title to and claim over all Environmental Attributes associated with the specified MWh of generation from such Newly Developed Renewable Energy Resource.

"**Renewable Energy Standard**" shall mean the requirements established pursuant to R.I.G.L. § 39-26-1 et seq. and the regulations promulgated thereunder that requires all retail electricity sellers in Rhode Island (except Block Island Power Company and Pascoag Utility District) to provide a minimum percentage of electricity from Eligible Renewable Energy Resources, and such successor laws and regulations as may be in effect from time to time.

"Replacement Energy" shall mean Energy purchased by Buyer as replacement for any Delivery Shortfall.

"Replacement Price" shall mean the price at which Buyer, acting in a commercially reasonable manner, purchases Replacement Energy and Replacement RECs plus (i) transaction and other out-of-pocket costs reasonably incurred by Buyer in purchasing such Replacement Energy and Replacement RECs and (ii) additional transmission charges, if any, reasonably incurred by Buyer to transmit Replacement Energy to the Delivery Point; provided, however, that (a) in no event shall Buyer be required to utilize or change its utilization of its owned or controlled assets, contracts or market positions to minimize Seller's liability, (b) Buyer shall have no obligation to purchase Replacement Energy and/or Replacement RECs, and (c) if Buyer does not purchase Replacement Energy and/or Replacement RECs, the market value of Energy and/or RECs at the time of the Delivery Shortfall (as reasonably determined by Buyer) will replace the price at which Buyer purchases Energy and/or Replacement RECs in the calculation of the Replacement Price.

"Replacement RECs" shall mean any generation or environmental attributes, including any Certificates or other certificates or credits related thereto reflecting generation by a Newly Developed Renewable Energy Resource that are purchased by Buyer as replacement for any Delivery Shortfall.

"Request Date" shall have the meaning set forth in Section 6.6(a) hereof.

"**Requesting Party**" shall have the meaning set forth in Section 6.6(a) hereof.

"Resale Damages" shall mean, with respect to any Rejected Purchase, an amount equal to (a) the positive net amount, if any, by which the applicable Price that would have been paid pursuant to Section 4.4 hereof for such Rejected Purchase, had it been accepted, exceeds the Resale Price multiplied by the quantity of that Rejected Purchase, plus (b) any applicable penalties assessed by ISO-NE or any other Person against Seller as a result of Buyer's failure to accept such Products. Seller shall provide a written statement explaining in reasonable detail the calculation of any Resale Damages.

"**Resale Price**" shall mean the price at which Seller, acting in a commercially reasonable manner, sells or is paid for a Rejected Purchase, plus transaction and other out-of-pocket costs reasonably incurred by Seller in re-selling such Rejected Purchase; provided, however, that in no event shall Seller be required to utilize or change its utilization of the Facility or its other assets, contracts or market positions in order to minimize Buyer's liability for such Rejected Purchase.

"**Rounding Amount**" shall have the meaning specified in Section 6.2(c) hereof.

"**RTO**" shall mean ISO-NE and any successor organization or entity to ISO-NE, as authorized by FERC to exercise the functions pursuant to the FERC's Order No. 2000 and FERC's corresponding regulations, or any successor organization, or any other entity authorized to exercise comparable functions in subsequent orders or regulations of FERC.

"**S&P**" shall mean Standard & Poor's Financial Services LLC, and any successor thereto.

"**Schedule**" **or** "**Scheduling**" shall mean the actions of Seller and/or its designated representatives pursuant to Section 4.2, the ISO-NE Rules and the ISO-NE Practices of dispatching the Facility's Energy into the ISO-NE administered markets during the Services Term at the Delivery Point.

"**Seasonal Claimed Capability**" shall mean the maximum dependable load carrying ability of the Facility in the summer or winter, excluding capacity required for use by the Facility, as determined by ISO-NE pursuant to the ISO-NE Rules.

"**Seller's Taxes**" shall have the meaning set forth in Section 5.4(a) hereof.

"**Services Term**" shall have the meaning set forth in Section 2.2(b) hereof.

"**Substitute Credit Support**" shall have the meaning set forth in Section 6.5(f) hereof.

"**Supply Forecast**" shall have the meaning set forth in Section 9.3(b) hereof.

"**Term**" shall have the meaning set forth in Section 2.2(a) hereof.

"**Termination Payment**" shall have the meaning set forth in Section 9.3(b) hereof.

"**Transfer**" shall mean, with respect to any Posted Collateral or Interest Amount, and in accordance with the instructions of the Party entitled thereto:

(a) in the case of Cash, payment or transfer by wire transfer into one or more bank accounts specified by the Party to whom such Cash is being delivered; and

(b) in the case of Letters of Credit, delivery of the Letter of Credit or an amendment thereto to the Party to whom such Letter of Credit is being delivered.

"**Transmission Provider**" shall mean (a) ISO-NE, its respective successor or Affiliates; (b) the Interconnecting Utility; or (c) such other third parties from whom transmission services are necessary for Seller to fulfill its performance obligations to Buyer hereunder, as the context requires.

"**Unit Contingent**" means that Seller is obligated to deliver Products only to the extent that the Facility operates, generates and delivers Products to the Delivery Point.

"**Valuation Agent**" means the Requesting Party; provided, however, that that in all cases, if an Event of Default has occurred and is continuing with respect to the Party designated as the Valuation Agent, then in such case, and for so long as the Event of Default continues, the other Party shall be the Valuation Agent.

"**Valuation Date**" shall mean each Business Day.

"**Valuation Percentage**" shall have the meaning specified in Section 6.2(d) hereof.

"**Valuation Time**" shall mean the close of business on the Business Day before the Valuation Date or date of calculation, as applicable.

"**Value**" shall mean, with respect to Posted Collateral or Credit Support, the Valuation Percentage multiplied by the amount then available under the Letter of Credit to be unconditionally drawn by Buyer.

"**Zonal Price Separation**" shall mean, in any hour, the LMP for the Rhode Island Load Zone in that hour *minus* the LMP for the Node on the Pool Transmission Facilities to which the Facility is interconnected in that hour.

2. EFFECTIVE DATE; CONDITIONS; TERM

2.1 Effective Date. The "**Effective Date**" shall be the date that the conditions described in Section 8.1 hereof has been satisfied or waived by Buyer (unless this Agreement is terminated prior to that date in accordance with its terms).

2.2 Term.

(a) The "**Term**" of this Agreement is the period beginning on the Agreement Date and ending upon the final settlement of all obligations hereunder after the expiration of the Services Term or the earlier termination of this Agreement in accordance with its terms.

(b) The "**Services Term**" is the period during which Buyer is obligated to purchase Products Delivered to Buyer by Seller, commencing on the Commercial Operation

Date and continuing for a period of fifteen (15) years from the Commercial Operation Date, unless this Agreement is earlier terminated in accordance with the provisions hereof.

(c) At the expiration of the Services Term under Section 2.2(b), the Parties shall no longer be bound by the terms and provisions hereof (including, without limitation, any payment obligation hereunder), except (i) to the extent necessary to provide invoices and make payments or refunds with respect to Products delivered prior to such expiration or termination, (ii) to the extent necessary to enforce the rights and the obligations of the Parties arising under this Agreement before such expiration or termination, (iii) as set forth in Section 2.2(d) and (iv) the obligations of the Parties hereunder with respect to confidentiality and indemnification shall survive the expiration or termination of this Agreement.

(d) Buyer shall have the right, exercisable in Buyer's sole discretion, to negotiate in good faith with Seller for no more than sixty (60) days, the terms of the sale by Buyer of such Energy, Capacity and/or RECs generated by the Facility (or a portion thereof, as selected by Buyer) to Buyer or its designee on an exclusive basis for a term of years beginning immediately after the expiration of the Services Term. If Buyer wishes to enter into such negotiation, Buyer shall notify Seller of such decision at least twenty four (24) months prior to the expiration of the Services Term, and such negotiations shall commence at least twenty three (23) months prior to the expiration of the Services Term. Seller shall supply in a timely manner, information regarding the Facility which is customary to allow Buyer to perform due diligence and to negotiate in good faith for the purchase of such Energy, Capacity and RECs.

3. FACILITY DEVELOPMENT AND OPERATION

3.1 Critical Milestones.

(a) Subject to the provisions of Section 3.1(c), commencing on the Effective Date, Seller shall develop the Facility in order to achieve the following milestones ("**Critical Milestones**") on or before the following dates:

(i) receipt of the Maine DEP Permit, in final, unappealable form, by December 31, 2015;

(ii) receipt of all other Permits necessary to construct the Facility, as set forth in Exhibit B, in final, unappealable form by December 31, 2015;

(iii) acquisition of all required real property and other site control rights necessary for construction and operation of the Facility, interconnection of the Facility to the Interconnecting Utility, construction of any Network Upgrades (not including those Network Upgrades required solely to permit the Facility's Capacity to be recognized as a Capacity Resource pursuant to the ISO-NE Rules) and performance of Seller's obligations under this Agreement as set forth on Exhibit B by December 31, 2015;

(iv) closing of Financing required in order for Seller to proceed with the construction of the Facility, including, as applicable, Seller's financial obligations with respect to interconnection of the Facility to the Interconnecting Utility and construction of any Network Upgrades (not including those Network Upgrades required solely to permit the Facility's Capacity to be recognized as a Capacity Resource pursuant to the ISO-NE Rules) by February 29, 2016;

(v) issuance of a full notice to proceed by Seller to its general construction contractor and commencement of construction of the Facility by March 31, 2016; and

(vi) achievement of the Commercial Operation Date by March 31, 2017.

(b) Seller shall provide Buyer with written notice of the achievement of each Critical Milestone within seven (7) days after that achievement, which notice shall include information demonstrating with reasonable specificity that such Critical Milestone has been achieved. Seller acknowledges that Buyer requires such written notice solely for monitoring purposes, and that nothing set forth in this Agreement shall create or impose upon Buyer any responsibility or liability for the development, construction, operation or maintenance of the Facility.

(c) In addition to any extension of a date for a Critical Milestone as a result of a Force Majeure under Section 10.1, Seller may elect to extend the dates for the Critical Milestones not yet achieved (i) by one year without posting additional Development Period Security and, (ii) after such initial one-year extension, by up to two additional six-month periods by posting additional Development Period Security of $250,000 for each such six-month period. In no event may Seller exercise the right to extend the Critical Milestone date under this Section 3.1(c) by more than two (2) years in total, and in no event shall any extension of the Critical Milestone dates as a result of one or more Force Majeure events exceed a cumulative total of twelve (12) months in addition to any extensions under this Section 3.1(c). Any such election under this Section 3.1(c) shall be made in a written notice delivered to Buyer on or prior to the date for a Critical Milestones that has not yet been achieved (as such date may have previously been extended).

(d) The Parties agree that time is of the essence with respect to the dates for the Critical Milestones (as the same may be extended pursuant to Section 3.1(c)) and is part of the consideration to Buyer in entering into this Agreement.

(e) If Seller fails to make material progress toward the Commercial Operation Date, as reasonably determined by either Buyer or the PUC based on Seller's progress with respect to the milestones set forth in Section 3.1(a), within three (3) years after the Agreement Date, Buyer may terminate this Agreement by written notice to Seller delivered within sixty (60) days after the third anniversary of the Agreement Date (which termination shall be effective upon delivery of such notice), and upon such termination neither Party will have any further liability to the other hereunder except for obligations arising under Article 12.

3.2 Construction.

(a) Progress Reports. At the end of each calendar quarter after the Effective Date and until the Commercial Operation Date, Seller shall provide Buyer with a progress report regarding Critical Milestones not yet achieved, including projected time to completion of the Facility, in accordance with the form attached hereto as Exhibit C, and shall provide, upon Buyer's request, such supporting documents regarding the same as is produced during the normal course of developing and constructing the Facility or is requested from Buyer by any Governmental Entity. Seller shall permit Buyer and its advisors and consultants to review and discuss with Seller and its advisors and consultants such progress reports during business hours and upon reasonable notice to Seller.

(b) Site Access. Buyer and its representatives shall have the right but not the obligation, during business hours and upon reasonable notice to Seller, to inspect the Facility site and monitor the construction of the Facility.

3.3 Commercial Operation.

(a) Seller's obligation to Deliver the Products and Buyer's obligation to pay Seller for such Products commences on the Commercial Operation Date; provided that Energy, Capacity and RECs generated prior to the Commercial Operation Date shall not be deemed Products.

(b) The Commercial Operation Date shall occur on the date on which the Facility is substantially completed as described in Exhibit A and capable of regular commercial operation in accordance with Good Utility Practice, the manufacturer's guidelines for all material components of the Facility, all requirements of the ISO-NE Rules and ISO-NE Practices for the delivery of the Products to Seller have been satisfied, and all performance testing for the Facility has been successfully completed, provided Seller has also satisfied, and continues to satisfy, the following conditions precedent as of such date:

(i) completion of all transmission and interconnection facilities and any Network Upgrades (not including those Network Upgrades required solely to permit the Facility's Capacity to be recognized as a Capacity Resource pursuant to the ISO-NE Rules), including final acceptance and authorization to interconnect the Facility from the ISO-NE in accordance with the Interconnection Agreement;

(ii) Seller has obtained and demonstrated possession of all Permits required for the lawful construction and operation of the Facility, for the interconnection of the Facility to the Interconnecting Utility (including any Network Upgrades required for such interconnection) and for Seller to perform its obligations under this Agreement, including but not limited to Permits related to environmental matters, all as set forth on Exhibit B;

(iii) Seller has (i) qualified the Facility as an Eligible Renewable Energy Resource pursuant to and (ii) otherwise satisfied the requirements for the Facility to be a Newly Developed Renewable Energy Resource;

(iv) Seller has acquired all real property rights and other site control rights needed to construct and operate the Facility, to interconnect the Facility to the Interconnecting Utility, to construct any Network Upgrades (not including those Network Upgrades required solely to permit the Facility's Capacity to be recognized as a Capacity Resource pursuant to the ISO-NE Rules) and to perform Seller's obligations under this Agreement;

(v) Seller has established all ISO-NE-related accounts and entered into all ISO-NE-related 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, including the registration of the Facility in the GIS;

(vi) Seller has provided to Buyer I.3.9 confirmation from ISO-NE regarding approval of generation entry, has submitted the Asset Registration Form (as defined in ISO-NE Practices) for the Facility to ISO-NE and has taken such other actions as are necessary to effect the transfer of the Energy to Buyer in the ISO-NE Settlement Market System;

(vii) Seller has successfully completed all pre-operational testing and commissioning for the Facility in accordance with manufacturer guidelines;

(viii) Seller has satisfied and continues to satisfy all Critical Milestones as the same may be extended pursuant to Section 3.1(c);

(ix) no Default or Event of Default by Seller shall have occurred and remain uncured except as waived by Buyer;

(x) Seller has obtained any and all necessary authorizations from FERC to sell Energy and Capacity from the Facility at market-based rates and shall be in compliance with such authorization; and

(xi) the Facility, as constructed to date, is owned by and under the sole control of Seller (including without limitation with respect to the operation, maintenance and management of the Facility), and Seller is a party to all material contracts relating to the construction, operation, management and maintenance of the Facility.

3.4 Operation of the Facility.

(a) Compliance With Utility Requirements. Seller shall comply with, and cause the Facility to comply with: (i) Good Utility Practice and (ii) all applicable rules, procedures, operating policies, criteria, guidelines and requirements lawfully imposed by ISO-NE, any Transmission Provider, the Interconnecting 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 or leasing, operation and maintenance of the Facility and its performance of its obligations under this Agreement (including obligations related to the generation, Scheduling, interconnection and transmission of Energy, the sale of Capacity and the transfer of RECs), whether such requirements were imposed prior to or after the Agreement Date or the Effective Date. Seller shall be solely responsible for registering, to the extent required, as the "Generator Owner" and "Generator Operator" of the Facility with NERC and any applicable regional reliability entities (other than solely as the Asset Owner for the Facility under the ISO-NE Rules).

(b) 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.

(c) Maintenance and Operation of Facility; Outages. Seller shall, at all times during the Term, construct, maintain and operate the Facility, or cause the Facility to be constructed, maintained and operated, in accordance with Good Utility Practice and in accordance with Exhibit A to this Agreement. Seller shall bear all costs related thereto. Seller may contract with other Persons to provide discrete construction, operation and maintenance functions, so long as Seller maintains sole ownership of or the sole leasehold interest in, and overall control over the construction, operation and maintenance of, the Facility throughout the Term. Seller shall use commercially reasonable efforts, consistent with Good Utility Practice, to schedule all Generator Planned Outages resulting in the unavailability of more than three (3) of the Facility's wind turbines during Non-Peak Months, provided that there shall be no restriction on Seller's ability to conduct Generator Planned Outages at times during which Seller's most current forecasts under Section 3.4(f) project average Energy Delivery, absent such Generator Planned Outages, of less than 10 MW. Seller shall provide Buyer with a schedule setting forth all Generator Planned Outages that will result in unavailability of more than three (3) of the Facility's wind turbines for the next twelve (12) months no later than January 15th of each calendar year of the Services Term, and shall provide Buyer with notice of any Generator Maintenance Outage that involves an outage of more than three (3) of the Facility's wind turbines within twenty-four (24) hours after Seller schedules such Generator Maintenance Outage. Seller shall have the right to modify its schedule of Generator Planned Outages upon reasonable advance notice to Buyer, in order to respond to changes in wind forecasts.

(d) Interconnection Agreement. Seller shall comply with the terms and conditions of the Interconnection Agreement.

(e) ISO-NE Status. Seller shall, at all times during the Services Term, either: (i) be an ISO-NE "Market Participant" pursuant to the ISO-NE Rules; or (ii) have entered into an agreement with an ISO-NE Market Participant that shall perform all of Seller's ISO-NE-related obligations in connection with the Facility and this Agreement.

(f) Forecasts. Commencing at least thirty (30) days prior to the Commercial Operation Date and continuing throughout on a monthly basis during the Services Term, and at such other times upon the reasonable written request of Buyer, Seller shall update and deliver to Buyer in a form reasonably acceptable to Buyer, a rolling twelve (12) month forecast (diurnal matrix) 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. Any notable changes from prior forecasts or historical energy delivery shall be noted and an explanation provided. The provisions of this section are in addition to Seller's requirements under ISO-NE Rules and ISO-NE Practices, including ISO-NE Operating Procedure No. 5, and the Transmission Provider's rules and regulations.

(g) Eligible Renewable Energy Resource. Seller shall be solely responsible for certifying the Facility with the PUC as an Eligible Renewable Energy Resource pursuant to Section 6.0 of the Code of Rhode Island Rules 90-060-015 (as amended from time to time) and maintaining such certification throughout the Services Term; provided, however, that if the Facility ceases to qualify as an Eligible Renewable Energy Resource solely as a result of a change in Law, Seller shall only be required to use commercially reasonable efforts to maintain such certification after that change in Law.

(h) Compliance Reporting. If Buyer is subject to any certification or compliance reporting requirement with respect to the Products delivered to Buyer hereunder, then Seller shall provide any information in its possession (or, if not in Seller's possession, available to it and not reasonably available to Buyer) requested by Buyer to permit Buyer to comply with any such reporting requirement.

(i) Insurance. Throughout the Term, and without limiting any liabilities or any other obligations of Seller hereunder, Seller shall secure and continuously carry the insurance coverage specified on Exhibit D. Within thirty (30) days prior to the start of each Contract Year, Seller shall provide Buyer with a certificate of insurance which (i) shall include Buyer as an additional insured on each policy (except worker's compensation/employer's liability policies), (ii) shall not include the legend "certificate is not evidence of coverage" or any statement with similar effect, and (iii) if any coverage is written on a "claims-made" basis, the certification accompanying the policy shall conspicuously state that the policy is "claims made." Seller shall provide Buyer with thirty (30) days prior written notice of any cancellation or diminution of coverage with respect to any insurance policy.

(j) Contacts. Each Party shall identify a principal contact or contacts, which contact(s) shall have adequate authority and expertise to make day-to-day decisions with respect to the administration of this Agreement.

(k) Compliance with Law. Without limiting the generality of any other provision of this Agreement, Seller shall be responsible for complying with all applicable requirements of Law, including all applicable rules, procedures, operating policies, criteria, guidelines and requirements imposed by FERC and any other Governmental Entity, whether imposed pursuant to existing Law or procedures or pursuant to changes enacted or implemented during the Term, including all risks of environmental matters relating to the Facility or the Facility site. Seller shall indemnify Buyer against any and all claims arising out of or related to such environmental matters and against any costs imposed on Buyer as a result of Seller's violation of any applicable Law, or ISO-NE or NERC requirements. For the avoidance of doubt, Seller shall be responsible for procuring, at its expense, all Permits and governmental approvals required for the construction and operation of the Facility in compliance with Law.

(l) FERC Status. Seller shall maintain the Facility's status as a QF or EWG at all times after the Commercial Operation Date and shall obtain and maintain any requisite authority to sell the output, including Energy and Capacity, of the Facility at market-based rates or an exemption from the requirement that it have such authority.

3.5 Interconnection and Delivery Services.

(a) Seller shall be responsible for all costs associated with interconnection of the Facility at the Interconnection Point, including the costs of any Network Upgrades required hereunder, consistent with all standards and requirements set forth by any applicable Governmental Entity and ISO-NE.

(b) Seller shall defend, indemnify and hold Buyer harmless against any liability of Seller arising due to Seller's performance or failure to perform under the Interconnection Agreement.

3.6 Delay Damages.

(a) If the Commercial Operation Date is not achieved by the date set forth therefor in Section 3.1(a) (as extended pursuant to Sections 3.1(c) and 10.1, if applicable), Seller shall pay to Buyer damages for each month from and after such date until the Commercial Operation Date at the rate of $49,500 per month up to a maximum of twelve (12) months of delay, pro rated for partial months (**"Delay Damages"**). Delay Damages shall be due under this Section 3.6(a) without regard to whether Buyer exercises its right to terminate this Agreement pursuant to Section 9.3; provided, however, that if Buyer exercises its right to terminate this Agreement under Section 9.3, Delay Damages shall be due and owing to the extent that such Delay Damages were due and owing at the date of such termination.

(b) Each Party agrees and acknowledges that (i) the damages that Buyer would incur due to Seller's delay in achieving the Commercial Operation Date would be difficult or impossible to predict with certainty, and (ii) it is impractical and difficult to assess actual damages in the circumstances stated, and therefore the Delay Damages as agreed to by the Parties and set forth herein are a fair and reasonable calculation of such damages. Notwithstanding the foregoing, this Article shall not limit the amount of damages payable to Buyer if this Agreement is terminated as a result of Seller's failure to achieve the Commercial Operation Date. Any such termination damages shall be determined in accordance with Article 9.

(c) By the fifteenth (15th) day following the end of the calendar month in which Delay Damages first become due and continuing until the fifteenth (15th) day of each calendar month during the period in which Delay Damages accrue (and the following months if applicable), Buyer shall deliver to Seller an invoice showing Buyer's computation of such Delay Damages and any amount due Buyer in respect thereof for the preceding calendar month. Such invoices shall be payable in accordance with Section 5.2(b). If Seller fails to pay such amounts when due, Buyer may draw upon the Development Period Security for payment of such Delay Damages, and, subject to Article 9, Buyer may exercise any other remedies available for Seller's default hereunder.

4. DELIVERY OF PRODUCTS

4.1 Obligation to Sell and Purchase Products.

(a) During the Services Term and subject to Section 4.1(b), Seller shall sell and Deliver, and Buyer shall purchase and receive, all of the Products produced by the Facility and capable of being Delivered, up to and including the Contract Maximum Amount, in accordance with the terms and conditions of this Agreement. The aforementioned obligations for

Seller to sell and Deliver the Products and for Buyer to purchase and receive the same is Unit Contingent and shall be subject to the operation of the Facility.

(b) Buyer shall not be obligated to purchase or accept any Products to the extent that such Products exceed the Contract Maximum Amount in any hour.

(c) During the Services Term, Seller shall Deliver all of the Products produced by the Facility, up to and including the Contract Maximum Amount, exclusively to Buyer, and Seller shall not sell, divert, grant, transfer or assign such Products or any Certificate or other attribute associated with such Products to any Person other than Buyer during the Services Term. Seller shall not enter into any agreement or arrangement under which such Products can be claimed during the Services Term by any Person other than Buyer. Seller shall have the exclusive right, exercised in its sole discretion, to sell or convey the Products and any Energy, RECs or Capacity to any Person prior to the Services Term. Notwithstanding the foregoing, nothing herein shall limit or restrict the right of Seller to sell Products and receive payment thereof in connection with (x) Products in excess of the Contract Maximum Amount and/or (y) Resale Damages.

(d) In the event that ISO-NE no longer treats Capacity as a separate product and/or has discontinued or substantially altered the Forward Capacity Market (or any successor thereto) such that Capacity no longer has value in the New England bulk power market, the Parties agree that the Bundled Price of Energy as set forth in Exhibit E hereunder shall be adjusted to eliminate the adjustment to the Bundled Price under Section 4 of Exhibit E and to take into account any other revenue streams available to Seller as a result of the change in the treatment of Capacity, with corresponding revisions to this Agreement as appropriate.

(e) To the extent that during the Term Seller or any Affiliate of Seller plans to expand the Facility or to construct another wind generating facility within a five (5) mile radius of the Facility, prior to selling the energy, capacity or generation attributes from any such expansion or additional facility to another Person, Seller or such Affiliate shall give written notice thereof to Buyer. Upon Buyer's receipt of such notice, Buyer shall have the right to negotiate in good faith with Seller or such Affiliate for no more than sixty (60) days, unless otherwise agreed to by Seller or such Affiliate, the terms of the sale of such energy, capacity and/or generation attributes (or a portion thereof) to Buyer or its designee on an exclusive basis. If Buyer wishes to enter into such negotiation, Buyer shall notify Seller or such Affiliate of such decision within fifteen (15) days of receipt of Seller's or such Affiliate's notice. Seller or such Affiliate shall supply in a timely manner, information regarding such expansion(s) which is customary to allow Buyer to perform due diligence and to negotiate in good faith for the purchase of such energy, capacity and generation attributes. If Buyer and Seller or such Affiliate fail to reach agreement following such negotiation, prior to Seller or an Affiliate of Seller entering into a new agreement or an amendment to an existing agreement to sell any of the energy, capacity or generation attributes from any such expansion to another Person, Seller shall first take the actions set forth in this Section 4.1(e), as follows:

(i) Where the term of such agreement is one (1) year or more, Seller shall first offer to Buyer in writing to amend this Agreement to incorporate the terms and conditions of such other agreement or amendment. Buyer shall have twenty (20) days to either: (1) accept all of the terms and conditions of such other agreement or amendment; or (2) accept only the pricing and term provisions included in such other agreement or amendment; or (3) decline all of the terms and conditions of such other agreement or amendment. In the event Buyer chooses either option (1) or (2) above, Seller and Buyer shall amend this Agreement to reflect the accepted terms and conditions and, to the extent Buyer determines such amendment requires approval of or filing with the PUC or another Governmental Entity, Buyer shall use commercially reasonable efforts to apply for such approval or make such filing in accordance with, and subject to, Section 18. No amendment of this Agreement under this Section 4.1(e)(i) shall affect the quantity of Products to be received and purchased by Buyer under this Agreement.

(ii) Where the term of such agreement is less than one (1) year, Seller or such Affiliate of Seller shall first offer to enter into such agreement for such output with Buyer on the same terms and conditions. Buyer shall have twenty (20) days to either accept or reject such agreement. In the event Buyer chooses to enter into such agreement, Buyer and Seller or such Affiliate of Seller shall promptly execute such agreement. To the extent Buyer determines such agreement requires approval of or filing with the PUC or another Governmental Entity, Buyer will use commercially reasonable efforts to apply for such approval or make such filing consistent with Section 18, and such agreement shall not become effective unless and until such approval is obtained or such filing is made.

(iii) If Buyer fails to notify Seller of its choice within twenty (20) days after Buyer's receipt of the offer from Seller or an Affiliate of Seller under clause (i) or (ii) above, Buyer shall be deemed to have elected to decline all of the terms and conditions of such other agreement or amendment. If any required filing with or approval by the PUC or another Governmental Entity with respect to any amendment or agreement under this Section 4.1(e) as described above is not made or received within one hundred eighty (180) days after Buyer and Seller or an Affiliate of Seller enter into such amendment or agreement, then such amendment or agreement shall be void and of no further force and effect.

(iv) If Buyer declines to enter into a new agreement or an amendment to this Agreement under this Section 4.1(e) or the filing with or approval of the PUC or another Governmental Entity relating to such agreement or amendment is not received within one hundred eighty (180) days after Buyer and Seller or an Affiliate of Seller enter into such agreement or amendment, then Seller or such Affiliate of Seller may proceed with the proposed sale of such energy, capacity or generation attributes from such expansion to another Person under the terms and conditions offered to Buyer.

(v) This Section 4.1(e) shall only apply to bilateral agreements, and any transactions conducted in ISO-NE's Real-Time or Day Ahead markets shall not be subject to this Section 4.1(e).

4.2 Scheduling and Delivery of Energy.

(a) During the Services Term, Seller shall Schedule Deliveries of Energy hereunder with ISO-NE within the defined Operational Limitations of the Facility and in accordance with this Agreement, all ISO-NE Practices and ISO-NE Rules, as applicable. Seller shall transfer the Energy to Buyer in the Real Time Energy Market in such a manner that Buyer may resell such Energy in the Real Time Energy Market, and Buyer shall have no obligation to pay for any Energy not transferred to Buyer in the Real Time Energy Market or for which Buyer is not credited in the ISO-NE Settlement Market System (including, without limitation, as a result of an outage on any electric transmission or distribution system). As of the Effective Date, Delivery of the Energy is contemplated to occur at the Delivery Point and within the ISO-NE Settlement Market System. Seller will register the Facility as a generation asset and Seller will take all actions reasonably requested by Buyer in order to assign the Energy produced by the Facility during the Services Term to Buyer in the ISO-NE Settlement Market System. Buyer may, in its sole discretion and in conformity with ISO-NE Rules and ISO-NE Practices, direct Seller to (i) Schedule Delivery of the Energy in the Day Ahead Energy Market (but only if such Delivery of Energy in the Day Ahead Energy Market is required under the ISO-NE Rules or by any Law), and/or (ii) Deliver the Energy to Buyer or at Buyer's direction through Internal Bilateral Transactions executed through ISO-NE and settled at the Rhode Island Load Zone or at the Node on the Pool Transmission Facilities to which the Facility is interconnected, in each case in accordance with all ISO-NE Practices and ISO-NE Rules. Any such Internal Bilateral Transactions will specify hourly delivery of Energy and will be entered into daily, with any necessary adjustments being made pursuant to ISO-NE settlement protocols, and Seller will not receive any payment associated with a Marginal Loss Revenue Fund allocation in connection with such Internal Bilateral Transactions. Any such Internal Bilateral Transactions will be entered into the Real Time Energy Market or if required under the ISO-NE Rules or by any Law, the Day Ahead Energy Market. In the event (x) such an Internal Bilateral Transaction is used for Delivery of the Energy in any hour or (y) the ISO-NE Rules or ISO-NE Practices or settlement protocols with respect to the delivery of Energy in any hour are revised and, as a result of either clause (x) or (y), Seller's account in the ISO-NE Settlement Market System is debited or credited for the LMP in the Rhode Island Load Zone for that hour, the Price paid by Buyer to Seller under Section 5.1 and Exhibit E shall be adjusted, positively or negatively, by an amount equal to the

Zonal Price Separation for that hour in order to account for any such debit or credit to Seller's account in the ISO-NE Settlement Market System.

(b) The Parties agree to use commercially reasonable efforts to comply with all applicable ISO-NE Rules and ISO-NE Practices in connection with the Scheduling and Delivery of Energy hereunder. Penalties or similar charges assessed by a Transmission Provider and caused by noncompliance with the Scheduling obligations set forth in this Section 4.2 shall be the responsibility of Seller.

(c) Without limiting the generality of this Section 4.2, Seller or its agent or designee shall at all times during the Services Term be designated as the "Lead Market Participant" (or any successor designation) for the Facility and shall be solely responsible for any obligations and liabilities, including all charges, penalties and financial assurance obligations, imposed by ISO-NE or under the ISO-NE Rules and ISO-NE Practices with respect to the Facility.

(d) Notwithstanding the other provisions of this Section 4.2, Seller and Buyer may, by mutual agreement, determine that Buyer shall be designated as the "Asset Owner" for the Facility, or a similar designation, under the ISO-NE Rules and, in the event of such agreement, will use commercially reasonable efforts to cooperate to effect that designation.

4.3 Failure of Seller to Deliver Products. In the event that Seller fails to satisfy any of its obligations to Deliver any of the Products hereunder in accordance with Section 4.1 and Section 4.2, and such failure is not excused under the express terms of this Agreement (a "**Delivery Shortfall**"), Seller shall pay Buyer an amount for such Delivery Shortfall equal to the Cover Damages. Such payment shall be due no later than the date for Buyer's payment for the applicable month as set forth in Section 5.2 hereof. Each Party agrees and acknowledges that (i) the damages that Buyer would incur due to a Delivery Shortfall would be difficult or impossible to predict with certainty, and (ii) it is impractical and difficult to assess actual damages in the circumstances stated, and therefore the Cover Damages as agreed to by the Parties and set forth herein is a fair and reasonable calculation of such damages.

4.4 Failure by Buyer to Accept Delivery of Products. If Buyer fails to accept all or part of any of the Products to be purchased by Buyer hereunder and such failure to accept is not excused under the terms of this Agreement (a "**Rejected Purchase**"), then Buyer shall pay Seller, on the date payment would otherwise be due in respect of the month in which the failure occurred, an amount for such Rejected Purchase equal to the Resale Damages. Each Party agrees and acknowledges that (i) the damages that Seller would incur due to a Rejected Purchase would be difficult or impossible to predict with certainty, and (ii) it is impractical and difficult to assess actual damages in the circumstances stated, and therefore the Resale Damages as agreed to by the Parties and set forth herein is a fair and reasonable calculation of such damages.

4.5 Delivery Point.

(a) All Energy shall be Delivered hereunder by Seller to Buyer at the Delivery Point. Seller shall be responsible for the costs of delivering its Energy to the Delivery Point consistent with all standards and requirements set forth by the FERC, ISO-NE, the Interconnecting Utility and any other applicable Governmental Entity and any applicable tariff.

(b) Other than with respect to Zonal Price Separation for Internal Bilateral Transactions to the extent described in Section 4.2(a), Seller shall be responsible for all applicable congestion, losses and other charges associated with transmission and/or distribution interconnection, service and delivery charges, including all related Interconnecting Utility and ISO-NE fees and other charges, in connection with the Delivery of Energy to and at the Delivery Point.

(c) Buyer shall be responsible for all losses, transmission charges, ancillary service charges, line losses, congestion charges and other ISO-NE or applicable system costs or charges associated with transmission incurred, in each case, in connection with the transmission of Energy delivered under this Agreement from and after the Delivery Point.

4.6 Metering.

(a) Metering. All electric metering associated with the Facility, including the Facility meter and any other real-time meters, billing meters and back-up meters (collectively, the "**Meters**"), shall be installed, operated, maintained and tested at Seller's expense in accordance with Good Utility Practice and any applicable requirements and standards issued by NERC, the Interconnecting Utility, and ISO-NE; provided that each Meter shall be tested at Seller's expense once each Contract Year. The Meters shall be used for the registration, recording and transmission of information regarding the Energy output of the Facility. Seller shall provide Buyer with a copy of all metering and calibration information and documents regarding the Meters promptly following receipt thereof by Seller.

(b) Measurements. Readings of the Meters at the Facility by the Interconnecting Utility shall be conclusive as to the amount of Energy generated by the Facility; provided however, that Seller, upon request of Buyer and at Buyer's expense (if more frequently than annually as provided for in Section 4.6(a)), shall cause the Meters to be tested by the Interconnecting Utility in whose territory the Facility is located, and if any Meter is out of service or is determined to be registering inaccurately by more than two percent (2%), (i) the measurement of Energy produced by the Facility shall be adjusted as far back as can reasonably be ascertained, but in no event shall such period exceed six (6) months from the date that such inaccuracy was discovered, in accordance with the filed tariff of such Interconnecting Utility, and any adjustment shall be reflected in the next invoice provided by Seller to Buyer hereunder and (ii) Seller shall reimburse Buyer for the cost of such test of the Meters. Meter readings shall be adjusted to take into account the losses to Deliver the Energy to the Delivery Point. Seller shall make recorded meter data available monthly to Buyer at no cost.

(c) Inspection, Testing and Calibration. Buyer shall have the right to inspect and test any of the Meters at the Facility at reasonable times and upon reasonable notice from Buyer to Seller. Buyer shall have the right to have a representative present during any testing or calibration of the Meters at the Facility by Seller. Seller shall provide Buyer with timely notice of any such testing or calibration.

(d) Audit of Meters. Buyer shall have reasonable access to the Meters upon request and during normal business hours and the right to audit all information and test data related to such Meters.

(e) Notice of Malfunction. Seller shall provide Buyer with prompt notice of any malfunction or other failure of the Meters or other telemetry equipment necessary to accurately report the quantity of Energy being produced by the Facility. If any Meter is found to be inaccurate by more than two percent (2%), the meter readings shall be adjusted as far back as can reasonably be ascertained, but no event shall such period exceed six (6) months from the date that such inaccuracy was discovered, and any adjustment shall be reflected in the next invoice provided by Seller to Buyer hereunder.

(f) Telemetry. The Meters shall be capable of sending meter telemetry data, and Seller shall provide Buyer with simultaneous access to such data at no additional cost to Buyer. This provision is in addition to any requirements of Seller under ISO-NE Rules and Practices, including ISO-NE Operating Procedure No. 18.

4.7 RECs.

(a) Seller shall transfer to Buyer all of the right, title and interest in and to the Facility's Environmental Attributes, including the RECs, associated with the Facility's Energy Delivered during the Services Term in accordance with the terms of this Section 4.7.

(b) All Energy provided by Seller to Buyer from the Facility under this Agreement shall meet the requirements for eligibility pursuant to the Renewable Energy Standard; provided, however, that if the Facility ceases to qualify as a Newly Developed Renewable Energy Resource solely as a result of a change in Law, Seller shall only be required to use commercially reasonable efforts to ensure that all Energy provided by Seller to Buyer from the Facility under this Agreement meets the requirements for eligibility pursuant to the Renewable Energy Standard after that change in Law.

(c) At Buyer's request and at Seller's sole cost, Seller shall, to the extent possible under applicable Law seek qualification under the renewable portfolio standard or similar law of New York and/or one or more New England states (in addition to Rhode Island) and/or any federal renewable energy standard. Seller shall use commercially reasonable efforts, consistent with Good Utility Practice, to maintain such qualification at all times during the Services Term, or until Buyer indicates such qualification is no longer necessary. Seller shall also submit any information required by any state or federal agency (including without limitation the PUC) with regard to administration of its rules regarding Environmental Attributes or its renewable energy standard or renewable portfolio standard to Buyer or as directed by Buyer.

(d) Seller shall comply with all GIS Operating Rules relating to the creation and transfer of all RECs to be purchased by Buyer under this Agreement and all other GIS Operating Rules to the extent required for Buyer to achieve the full value of such RECs. In addition, at Buyer's request, Seller shall register with and comply with the rules and requirements of any other tracking system or program that tracks, monetizes or otherwise creates or enhances value for Environmental Attributes, which compliance shall be at Seller's sole cost if such registration and compliance is requested in connection with Section 4.7(c) above and shall be at Buyer's sole cost in other instances.

(e) Prior to the delivery of any Energy hereunder, either (i) Seller shall cause Buyer to be registered in the GIS as the initial owner of all Certificates to be Delivered hereunder to Buyer or (ii) Seller and Buyer shall effect an irrevocable forward transfer of the Certificates to be Delivered hereunder to Buyer in the GIS. The Parties agree that an irrevocable forward transfer of Certificates shall qualify as delivery entitling Seller to bill and receive payment for RECs on a monthly basis in accordance with Section 5.2 herein. In the event any Certificates associated with the RECs to be delivered to Buyer under this Agreement are not actually deposited in Buyer's GIS account (or in a GIS account designated by Buyer to Seller in writing) on the date such Certificates are created in the GIS, Buyer shall notify Seller accordingly in writing and Seller shall, within ten (10) Business Days of receipt of such notice, credit Buyer with the value of the RECs associated with those Certificates, calculated in accordance with Section 2 of Exhibit E provided that Seller has received or been credited with such value by Buyer. Notwithstanding the foregoing or any other provision of this Agreement (including without limitation Exhibit E) to the contrary, Buyer shall withhold from any payment due to Seller under Section 5.2 after either (x) the date that is seven (7) months prior to the end of the Services Term or (y) the date on which Buyer has exercised a right to terminate this Agreement prior to the expiration of the Services Term an amount equal to the value of the RECs (calculated in accordance with Section 2 of Exhibit E) that would otherwise be included in that payment, and such withheld amount shall be paid to Seller within fifteen (15) days after the Certificates associated with those RECs have been deposited in Buyer's GIS account (or in a GIS account designated by Buyer to Seller in writing).

(f) The Parties intend for the transactions entered into hereunder to be physically settled, meaning that the RECs are intended to be Delivered in the GIS account of Buyer or its designee as set forth in this Section 4.7.

4.8 Capacity.

(a) Seller's Delivery of Capacity and Buyer's purchase of Capacity under this Agreement shall be solely through financial settlement pursuant to Exhibit E. Buyer shall neither take title to any Capacity nor be responsible for any actions or conditions in the Forward Capacity Market with respect to such Capacity. Subject to all other terms of this Agreement, the actions of Seller in the Forward Capacity Market, as set forth in this Section 4.8, are for the economic benefit of Buyer, as set forth in Exhibit E.

(b) The Parties recognize that the Facility is not currently eligible for participation in the Forward Capacity Market as a result of constraints on the transmission system at Orrington, Maine (the "**Congestion Point**"). During the Term, if the said transmission system constraints at the Congestion Point are eliminated or if the Facility otherwise becomes eligible to participate in the Forward Capacity Market, Seller shall thereafter take commercially reasonable actions necessary (i) to qualify the Facility for participation in the Forward Capacity Auctions (or reconfiguration auctions) as a New Capacity Resource or an Existing Capacity Resource (as applicable) with the maximum Seasonal Claimed Capability available for the Facility, (ii) to bid and clear in the Forward Capacity Auctions, (iii) to secure a Capacity Supply Obligation equivalent to the Seasonal Claimed Capability of the Facility, (iv) to avoid being de-listed from the Forward Capacity Market, and (v) to participate in every Capacity Commitment Period in the Forward Capacity Market covered by the remainder of the Services Term; provided, however, that Seller will not be required to incur more than $150,000 in out-of-pocket costs for any Network Upgrades that are necessary in order for Seller to satisfy the requirements of this Section 4.8(b).

(c) In the event the transmission system constraints at the Congestion Point are eliminated or the Facility otherwise becoming eligible to participate in the Forward Capacity Market, within sixty (60) days after Seller is notified that the Facility is qualified for participation in the Forward Capacity Market, and annually thereafter at least two hundred seventy (270) days prior to the bid date for any subsequent Forward Capacity Auctions, Seller shall provide to Buyer a proposal as to the amount of Capacity it will bid into such Forward Capacity Auction and the price it will bid for such Capacity. Buyer will have forty-five (45) days after Buyer's receipt of such proposal to provide written comments to Seller. In the event that Buyer does not provide written comments to Seller within such forty-five (45) day period, Buyer shall be deemed to have accepted such proposal as submitted and Seller shall bid that amount of Capacity at that price in such Forward Capacity Auction. In the event that Buyer provides written comments to Seller within the forty-five (45) day period provided, for a period of forty-five (45) days after receipt of Buyer's comments, the Parties shall negotiate in good faith to establish the parameters of a mutually acceptable bid into such Forward Capacity Auction, subject to the provisions of this Section 4.8 and Section 4 of Exhibit E.

(d) Subject to the ISO-NE Rules relating to confidentiality of information provided by ISO-NE, Seller shall, upon Buyer's request, submit copies of all bidding documentation Seller provides to ISO-NE to Buyer to demonstrate compliance with the bidding requirements under this Section 4.8.

(e) During the Services Term, Seller shall be responsible for all performance requirements mandated by the ISO-NE Rules and ISO-NE Practices, including performance requirements (and payment of penalties, if any, other than Peak Energy Rents) associated with the Forward Capacity Market.

(f) Any failure of Seller to perform its obligations under this Section 4.8 shall not be a Default or Event of Default; provided that, in the event that the Project in the future is eligible for participation in the Forward Capacity Market, the Bundled Price paid by Buyer for the Products shall thereafter be adjusted as set forth in this Section 4.8 and in Section 4 of Exhibit E.

5. PRICE AND PAYMENTS FOR PRODUCTS

5.1 Price for Products. All Products Delivered to Buyer in accordance with this Agreement shall be purchased by Buyer at the Price specified in Exhibit E and in accordance with this Section 5.1. Other than the (i) payment for the Products under this Section 5.1, (ii) payments related to Meter testing under Section 4.6(b), (iii) payments related to Meter malfunctions under Section 4.6(e), (iv) payment of any Resale Damages under Section 4.4, (v) payment of interest on late payments under Section 5.3, (vi) payments for reimbursement of Buyer's Taxes under Section 5.4(a), (vii) return of any Credit Support under Section 6.4 or Section 6.5, and (viii) payment of any Termination Payment due from Buyer under Section 9.3, Buyer shall not be required to make any other payments to Seller under this Agreement, and Seller shall be solely responsible for all costs incurred by it in connection with the performance of its obligations under this Agreement.

5.2 Payment and Netting.

(a) Billing Period. The calendar month shall be the standard period for all payments under this Agreement. On or before the fifteenth (15th) day following the end of each month, Seller shall render to Buyer an invoice for the payment obligations incurred hereunder during the preceding month, and based on the Energy Delivered in the preceding month. Such invoice shall contain supporting detail for all charges reflected on the invoice, and Seller shall provide Buyer with additional supporting documentation and information as Buyer may reasonably request.

(b) Timeliness of Payment. Unless otherwise agreed to by the Parties, all invoices under this Agreement shall be due and payable in accordance with each Party's invoice instructions on or before the later of the twentieth (20th) day of each month, or the tenth (10th) day after receipt of the invoice, or if such day is not a Business Day, then on the next Business Day. Each Party shall make payments by electronic funds transfer, or by other mutually agreeable method(s), to the account designated by the other Party. Any undisputed amounts not paid by the due date shall be deemed delinquent and shall accrue interest at the Late Payment Rate, such interest to be calculated from and including the due date to but excluding the date the delinquent amount is paid in full.

(c) Disputes and Adjustments of Invoices.

(i) All invoices rendered under this Agreement shall be subject to adjustment after the end of each month in order to true-up charges based on changes resulting from any recent

ISO-NE billing statements or revisions, if any, to previous ISO-NE billing statements. If ISO-NE resettles any invoice which relates to the Products sold under this Agreement and (a) any charges thereunder are the responsibility of the other Party under this Agreement or (b) any credits issued thereunder would be due to the other Party under this Agreement, then the Party receiving the invoice from ISO-NE shall in the case of (a) above invoice the other Party or in the case of (b) above pay the amount due to the other Party. Any invoices issued or amounts due pursuant to this Section 5.2(c) shall be invoiced or paid as provided in this Section 5.2.

(ii) Unless otherwise agreed, (i) a Party may, in good faith, dispute the correctness of any invoice or any adjustment to an invoice rendered under this Agreement, or adjust any invoice for any arithmetic or computational error within twenty-four (24) months of the date the invoice, or adjustment to an invoice, was rendered and (ii) if a Party does not challenge the accuracy within such twenty-four (24) month period, such invoice shall be binding upon that Party and shall not be subject to challenge. In the event an invoice or portion thereof, or any other claim or adjustment arising hereunder, is disputed, payment of the undisputed portion of the invoice shall be required to be made when due, with notice of the dispute given to the other Party. Any invoice dispute or invoice adjustment shall be in writing and shall state the basis for the dispute or adjustment along with all available supporting documentation. Payment of the disputed amount shall not be required until the dispute is resolved. Upon resolution of the dispute, any required payment or refund shall be made within ten (10) days of such resolution along with interest accrued at the Late Payment Rate from and including the due date (or in the case of a refund, the payment date) but excluding the date paid. If an invoice is paid and thereafter the payment or the invoice on which the payment was based is disputed, upon notice of dispute, the Party receiving payment shall hold the amount in dispute in escrow for the benefit of the prevailing Party until the resolution of such dispute. If any amount in dispute is ultimately determined (under the terms herein) to be due to the other Party, it shall be paid or returned (as the case may be) to the other Party within ten (10) Business Days of such determination along with interest accrued at the Late Payment Rate from the (i) date due and owing in accordance with the Invoice until the date paid or (ii) if the amount was paid and is to be returned, from the date paid, until the date returned. Inadvertent overpayments shall be reimbursed or deducted by the Party receiving such overpayment from subsequent payments, with interest accrued at the Late Payment Rate from and including the date of such overpayment to but excluding the date repaid or deducted by the Party receiving such overpayment, as directed by the other Party. Any dispute with respect to an invoice or claim to additional payment is waived unless the other Party is notified in accordance with this Section 5.2 within the referenced twenty-four (24) month period.

(d) Netting of Payments. The Parties hereby agree that they may discharge mutual debts and payment obligations due and owing to each other under this Agreement on the same date through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products during the monthly billing period under this Agreement, including any related damages calculated pursuant to this Agreement, interest, and payments or credits, may be netted so that only the excess amount remaining due shall be paid by the Party who owes it. If no mutual debts or payment obligations exist and only one Party owes a debt or obligation to the other during the monthly billing period, such Party shall pay such sum in full when due. The Parties agree to provide each other with reasonable detail of such net payment or net payment request.

5.3 Interest on Late Payment or Refund. A late payment charge shall accrue on any late payment or refund as specified above at the lesser of (a) the Collateral Interest Rate plus one percent (1%), and (b) the maximum rate permitted by applicable Law in transactions involving entities having the same characteristics as the Parties (the **"Late Payment Rate"**).

5.4 Taxes, Fees and Levies.

(a) Seller shall be obligated to pay all present and future taxes, fees and levies, imposed on or associated with the Facility or delivery or sale of the Products ("**Seller's Taxes**"), unless Buyer collects such taxes, fees and levies upon resale of the Products (as, for example, with a value added tax). Buyer shall be obligated to pay all present and future taxes, fees and levies, imposed on or associated with such Products after Delivery of such Products to Buyer or imposed on or associated with the purchase of such Products (other than ad valorem, franchise or income taxes which are related to the sale of the Products by Seller) and are, therefore, the responsibility of Seller) ("**Buyer's Taxes**"). In the event Seller shall be required by law or regulation to remit or pay any Buyer's Taxes, Buyer shall reimburse Seller for such payment in accordance with Section 5.2. In the event Buyer shall be required by law or regulation to remit or pay any Seller's Taxes, Seller shall reimburse Buyer for such payment, and

Buyer may deduct any of the amount of any such Seller's Taxes from the amount due to Seller under Section 5.2. Buyer shall have the right to all credits, deductions and other benefits associated with taxes paid by Buyer. Seller shall have the right to all credits, deductions and other benefits associated with taxes paid by Seller. Nothing shall obligate or cause a Party to pay or be liable to pay any taxes, fees and levies for which it is exempt under law.

(b) Seller shall bear all risks, financial and otherwise, throughout the Term, associated with Seller's or the Facility's eligibility to receive any federal or state tax credits or other incentive or subsidies or to qualify for accelerated depreciation for Seller's accounting, reporting or tax purposes.

6. SECURITY FOR PERFORMANCE

6.1 Grant of Security Interest. Subject to the terms and conditions of this Agreement, Seller hereby pledges to Buyer as security for all outstanding obligations under this Agreement (other than indemnification obligations surviving the expiration of the Term) and any other documents, instruments or agreements executed in connection therewith (collectively, the "**Obligations**"), and grants to Buyer a first priority continuing security interest, lien on, and right of set-off against all Posted Collateral delivered to or received by Buyer hereunder. Upon the return by Buyer to Seller of any Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without further action by either Party.

6.2 Seller's Support.

(a) Seller shall be required to post Credit Support in the amount of $4,500,000 to secure Seller's Obligations until the Commercial Operation Date ("**Development Period Security**"). One-half of the Development Period Security shall be provided to Buyer within fifteen (15) days after the Agreement Date, and the remaining one-half of the Development Period Security shall be provided to Buyer within fifteen (15) days after the receipt of the Regulatory Approval. Buyer shall return any undrawn amount of the Development Period Security to Seller within thirty (30) days after the later of (x) Buyer's receipt of an undisputed notice from Seller that the Commercial Operation Date has occurred or (y) Buyer's receipt of the full amount of the Operating Period Security. In the event of a termination of this Agreement pursuant to Section 3.1(e), Buyer shall return any undrawn amount of the Development Period Security to Seller within thirty (30) days of such termination.

(b) Beginning not later than three (3) days following the Commercial Operation Date, Seller shall provide Buyer with Credit Support to secure Seller's Obligations after the Commercial Operation Date through and including the date that all of Seller's Obligations are satisfied ("**Operating Period Security**"). The Operating Period Security shall be in the amount of $1,485,000.

(c) The Credit Support Delivery Amount, as defined below, will be rounded up, and the Return Amount, as defined below, will be rounded down, in each case to the nearest integral multiple of $10,000 (**"Rounding Amount"**).

(d) The following items will qualify as "**Credit Support**" hereunder in the amount noted under "Valuation Percentage":

	"Valuation Percentage"
(A) Cash	100%
(B) Letters of Credit	100% unless either (i) a Letter of Credit Default shall have occurred and be continuing with respect to such Letter of Credit, or (ii) twenty (20) or fewer Business Days remain prior to the expiration of such Letter of Credit, in which cases the Valuation Percentage shall be 0%.

(e) All calculations with respect to Credit Support shall be made by the Valuation Agent as of the Valuation Time on the Valuation Date.

6.3 Delivery of Credit Support.

On any Business Day during the Services Term on which (a) the undrawn amount of any Operating Period Security provided by Seller and held by Buyer is less than the amount required under Section 6.2(b), and (b) no Event of Default has occurred and is continuing with respect to Buyer, and (c) no termination date has occurred or has been designated as a result of an Event of Default with respect to Buyer for which there exist any unsatisfied payment obligations with respect to Buyer, then Buyer may request, by written notice, that Seller Transfer to Buyer, or cause to be Transferred to Buyer, Credit Support for the benefit of Buyer, having a Value of at least the Collateral Requirement (**"Credit Support Delivery Amount"**). Such Credit Support shall be delivered to Buyer on the next Business Day if the request is received by the Notification Time; otherwise Credit Support is due by the close of business on the second Business Day after the request is received.

6.4 Reduction and Substitution of Posted Collateral.

On any Business Day during the Services Term on which (a) no Event of Default has occurred and is continuing with respect to Seller, (b) no termination date has occurred or has been designated as a result of an Event of Default with respect to Seller for which there exist any unsatisfied payment Obligations, and (c) the Posted Collateral posted by Seller exceeds the required Operating Period Security (rounding downwards for any fractional amount to the next interval of the Rounding Amount), then Seller may, at its sole cost, request that Buyer return

Operating Period Security in the amount of such difference (**"Credit Support Return Amount"**) and Buyer shall be obligated to do so. Such Posted Collateral shall be returned to Seller by the close of business on the second Business Day after Buyer's receipt of such request. The Parties agree that if Seller has posted more than one type of Credit Support to Buyer, Seller can, in its sole discretion, select the type of Credit Support for Buyer to return; provided, however, that Buyer shall not be required to return the specified Credit Support if immediately after such return, Seller would be required to post additional Credit Support pursuant to the calculation of Operating Period Security.

6.5 Administration of Posted Collateral.

(a) Cash. Posted Collateral provided in the form of Cash to Buyer hereunder shall be subject to the following provisions.

(i) So long as no Event of Default has occurred and is continuing with respect to Buyer, Buyer will be entitled to either hold Cash or to appoint an agent which is a Qualified Institution (a **"Custodian"**) to hold Cash for Buyer. In the event that an Event of Default has occurred and is continuing with respect to Buyer, then the provisions of Section 6.5(a)(ii) shall not apply with respect to Buyer and Cash shall be held in a Qualified Institution in accordance with the provisions of Section 6.5(a)(iii)(B). Upon notice by Buyer to Seller of the appointment of a Custodian, Seller's Obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Cash by a Custodian will be deemed to be the holding of Cash by Buyer for which the Custodian is acting. If Buyer or its Custodian fails to satisfy any conditions for holding Cash as set forth above, or if Buyer is not entitled to hold Cash at any time, then Buyer will Transfer, or cause its Custodian to Transfer, the Cash to a Qualified Institution and the Cash shall be maintained in accordance with Section 6.5(a)(iii)(B). Except as set forth in Section 6.5(c), Buyer will be liable for the acts or omissions of the Custodian to the same extent that Buyer would be held liable for its own acts or omissions.

(ii) Notwithstanding the provisions of applicable Law, if no Event of Default has occurred and is continuing with respect to Buyer and no termination date has occurred or been designated as a result of an Event of Default with respect to Buyer for which there exists any unsatisfied payment obligations with respect to Buyer, then Buyer shall have the right to sell, pledge, rehypothecate, assign, invest, use, comingle or otherwise use in its business any Cash that it holds as Posted Collateral hereunder, free from any claim or right of any nature whatsoever of Seller, including any equity or right of redemption by Seller.

(iii) Notwithstanding Section 6.5(a)(ii), if neither Buyer nor the Custodian is eligible to hold Cash pursuant to Section 6.5(a)(i) then:

(A) the provisions of Section 6.5(a)(ii) will not apply with respect to Buyer; and

(B) Buyer shall be required to Transfer (or cause to be Transferred) not later than the close of business within five (5) Business Days following the beginning of such ineligibility all Cash in its possession or held on its behalf to a Qualified Institution to be held in a segregated, safekeeping or custody account (the "**Collateral Account**") within such Qualified Institution with the title of the account indicating that the property contained therein is being held as Cash for Buyer. The Qualified Institution shall serve as Custodian with respect to the Cash in the Collateral Account, and shall hold such Cash in accordance with the terms of this Article 6 and for the security interest of Buyer and execute such account control agreements as are necessary or applicable to perfect the security interest of Seller therein pursuant to Section 9-314 of the Uniform Commercial Code or otherwise, and subject to such security interest, for the ownership and benefit of Seller. The Qualified Institution holding the Cash will invest and reinvest or procure the investment and reinvestment of the Cash in accordance with the written instructions of Buyer, subject to the approval of such instructions by Seller (which approval shall not be unreasonably withheld). Buyer shall have no responsibility for any losses resulting from any investment or reinvestment effected in accordance with Seller's approval.

(iv) So long as no Event of Default with respect to Seller has occurred and is continuing, and no termination date has occurred or been designated for which any unsatisfied payment obligations of Seller exist as the result of an Event of Default with respect to Seller, in the event that Buyer or its Custodian is holding Cash, Buyer will Transfer (or cause to be Transferred) to Seller, in lieu of any interest or other amounts paid or deemed to have been paid with respect to such Cash (all of which shall be retained by Buyer), the Interest Amount. Interest on Cash shall accrue at the Collateral Interest Rate. Interest accrued during the previous month shall be paid by Buyer to Seller on the 3rd Business Day of each calendar month and on any Business Day that posted Credit Support in the form of Cash is returned to Seller, but solely to the extent that, after making such payment, the amount of the Posted Collateral will be at least equal to the required Development Period Security or Operating Period Security, as applicable. On or after the occurrence of an Event of Default with respect to Seller or a termination date as a result of an Event of Default with respect to Seller, Buyer or its Custodian shall retain any such Interest Amount as additional Posted Collateral hereunder until the Obligations of Seller under the Agreement have been satisfied in the case of a termination date or for so long as such Event of Default is continuing in the case of an Event of Default.

(b) Buyer's Rights and Remedies. If at any time an Event of Default with respect to Seller has occurred and is continuing, then, unless Seller has paid in full all of its Obligations that are then due, including those under Section 9.3(b) of this Agreement, Buyer may exercise one or more of the following rights and remedies: (i) all rights and remedies available to a secured party under applicable Law with respect to Posted Collateral held by Buyer, (ii) the right to set-off any amounts payable by Seller with respect to any Obligations against any Posted Collateral or the cash equivalent of any Posted Collateral held by Buyer, or (iii) the right to liquidate any Posted Collateral held by Buyer and to apply the proceeds of such liquidation of the Posted Collateral to any amounts payable to Buyer with respect to the Obligations in such order as Buyer may elect. For purposes of this Section 6.5, Buyer may draw on the undrawn portion of any Letter of Credit from time to time up to the amount of the Obligations that are due at the time of such drawing. Cash proceeds that are not applied to the Obligations shall be maintained in accordance with the terms of this Article 6. Seller shall remain liable for amounts due and owing to Buyer that remain unpaid after the application of Posted Collateral, pursuant to this Section 6.5.

(c) Seller's Rights and Remedies. If at any time a termination date has occurred or been designated as the result of an Event of Default with respect to Buyer and Buyer has provided Credit Support to Seller under Section 9.3(b), then unless Buyer has paid in full all of its obligations under Section 9.3(b) of this Agreement: (i) Seller may exercise all rights and remedies available to Seller under applicable Law with respect to any Posted Collateral provided by Buyer, (ii) Buyer will be obligated immediately to return all Posted Collateral provided by Seller, including any accrued interest to Seller, or (iii) to the extent that Posted Collateral provided by Seller, including any accrued interest, is not returned pursuant to (ii) above, Seller may set-off any amounts payable by Seller with respect to any Obligations against any posted

Credit Support or the cash equivalent thereof or to the extent that Seller does not set off such amounts, withhold payment of any remaining amounts payable by Seller with respect to any obligations of Buyer, up to the value of the remaining posted Credit Support held by Buyer, until that posted Credit Support is Transferred to Seller. For avoidance of doubt, (i) Buyer will be obligated immediately to Transfer any Letter of Credit to Seller and (ii) Seller may do any one or more of the following: (x) to the extent that the Letter of Credit is not Transferred to Seller as required pursuant to (i) above, set-off any amounts payable by Seller with respect to any Obligations against any such Letter of Credit held by Buyer and, to the extent its rights to set-off are not exercised, withhold payment of any remaining amounts payable by Seller with respect to any Obligations, up to the value of any remaining posted Credit Support and the value of any Letter of Credit held by Buyer, until any such Posted Credit Support and such Letter of Credit is Transferred to Seller; and (y) exercise rights and remedies available to Seller under the terms of the Letter of Credit.

(d) Letters of Credit. Credit Support provided in the form of a Letter of Credit shall be subject to the following provisions.

(i) As one method of providing increased Credit Support, Seller may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.

(ii) Upon the occurrence of a Letter of Credit Default, Seller agrees to Transfer to Buyer either a substitute Letter of Credit or Cash, in each case on or before the first (1^{st}) Business Day after the occurrence thereof (or the third (3^{rd}) Business Day after the occurrence thereof if only clause (a) under the definition of Letter of Credit Default applies).

(iii) Notwithstanding Sections 6.3 and 6.4, (1) Buyer need not return a Letter of Credit unless the entire principal amount is required to be returned, (2) Buyer shall consent to a reduction of the principal amount of a Letter of Credit to the extent that a Credit Support Delivery Amount would not be created thereby (as of the time of the request or as of the last time the Credit Support Delivery Amount was determined), and (3) if there is more than one form of Posted Collateral when a Credit Support Return Amount is to be Transferred, the Secured Party may elect which to Transfer.

(e) Care of Posted Collateral. Each Party shall exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable Law, and in any event a Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, each Party will have no duty with respect to the Posted Collateral, including without limitation, any duty to enforce or preserve any rights thereto.

(f) Substitutions. Unless otherwise prohibited herein, upon notice to Buyer specifying the items of Posted Collateral to be exchanged, Seller may, on any Business Day, deliver to Buyer other Credit Support (**"Substitute Credit Support"**). On the Business Day following the day on which the Substitute Credit Support is delivered to Buyer, Buyer shall return to Seller the items of Credit Support specified in Seller's notice; provided, however, that Buyer shall not be required to return the specified Posted Collateral if immediately after such return, Seller would be required to post additional Credit Support pursuant to the calculation of Development Period Security or Operating Period Security set forth in Sections 6.2(a) and 6.2(b), respectively.

6.6 Exercise of Rights Against Posted Collateral

(a) Disputes regarding amount of Credit Support. If either Party disputes the amount of Credit Support to be provided or returned (such Party the "**Disputing Party**"), then the Disputing Party shall (a) deliver the undisputed amount of Credit Support to the other Party (such Party, the "**Requesting Party**") and (b) notify the Requesting Party of the existence and nature of the dispute no later than 5:00 p.m. Eastern Prevailing Time on the Business Day that the request for Credit Support was made (the "**Request Date**"). On the Business Day following the Request Date, the Parties shall consult with each other in order to reconcile the two conflicting amounts. If the Parties are not able to resolve their dispute, the Credit Support shall be recalculated, on the Business Day following the Request Date, by each Party requesting quotations from two (2) Reference Market-Makers for a total of four (4) quotations. The highest and lowest of the four (4) quotations shall be discarded and the arithmetic average shall be taken of the remaining two (2), which shall be used in order to determine the amount of Credit Support required. On the same day the Credit Support amount is recalculated, the Disputing Party shall deliver any additional Credit Support required pursuant to the recalculation or the Requesting Party shall return any excess Credit Support that is no longer required pursuant to the recalculation.

(b) Further Assurances. Promptly following a request by a Party, the other Party shall use commercially reasonable efforts to execute, deliver, file, and/or record any financing statement, specific assignment, or other document and take any other action that may be necessary or desirable to create, perfect, or validate any security interest or lien, to enable the requesting party to exercise or enforce its rights or remedies under this Agreement, or to effect or document a release of a security interest on posted Credit Support or accrued interest.

(c) Further Protection. Seller will promptly give notice to Buyer of, and defend against, any suit, action, proceeding, or lien (other than a banker's lien in favor of the Custodian appointed by Buyer so long as no amount owing from Seller to such Custodian is overdue) that involves the Posted Collateral delivered to Buyer by Seller or that could adversely affect any security interest or lien granted pursuant to this Agreement.

7. REPRESENTATIONS, WARRANTIES, COVENANTS AND ACKNOWLEDGEMENTS

7.1 Representations and Warranties of Buyer. Buyer hereby represents and warrants to Seller as of the Agreement Date as follows:

(a) Organization and Good Standing; Power and Authority. Buyer is a corporation duly incorporated, validly existing and in good standing under the laws of Rhode Island. Subject to the receipt of the Regulatory Approval, Buyer has all requisite power and authority to execute, deliver, and perform its obligations under this Agreement.

(b) Due Authorization; No Conflicts. The execution and delivery by Buyer of this Agreement, and the performance by Buyer of its obligations hereunder, have been duly authorized by all necessary actions on the part of Buyer and do not and, under existing facts and Law, shall not: (i) contravene its certificate of incorporation or any other governing documents; (ii) conflict with, result in a breach of, or constitute a default under any note, bond, mortgage, indenture, deed of trust, license, contract or other agreement to which it is a party or by which any of its properties may be bound or affected; (iii) assuming receipt of the Regulatory Approval, violate any order, writ, injunction, decree, judgment, award, statute, law, rule, regulation or ordinance of any Governmental Entity or agency applicable to it or any of its properties; or (iv) result in the creation of any lien, charge or encumbrance upon any of its properties pursuant to any of the foregoing.

(c) Binding Agreement. This Agreement has been duly executed and delivered on behalf of Buyer and, assuming the due execution hereof and performance hereunder by Seller and receipt of the Regulatory Approval, constitutes a legal, valid and binding obligation of Buyer, enforceable against it in accordance with its terms, except as such enforceability may be limited by law or principles of equity.

(d) No Proceedings. Except to the extent relating to the Regulatory Approval, there are no actions, suits or other proceedings, at law or in equity, by or before any Governmental Entity or agency or any other body pending or, to the best of its knowledge, threatened against or affecting Buyer or any of its properties (including, without limitation, this Agreement) which relate in any manner to this Agreement or any transaction contemplated hereby, or which Buyer reasonably expects to lead to a material adverse effect on (i) the validity or enforceability of this Agreement or (ii) Buyer's ability to perform its obligations under this Agreement.

(e) Consents and Approvals. Except to the extent associated with the Regulatory Approval, the execution, delivery and performance by Buyer of its obligations under this Agreement do not and, under existing facts and Law, shall not, require any Permit or any other action by, any Person which has not been duly obtained, made or taken or that shall be duly obtained, made or taken on or prior to the date required, and all such approvals, consents, permits, licenses, authorizations, filings, registrations and actions are in full force and effect, final and non-appealable as required under applicable Law.

(f) Negotiations. The terms and provisions of this Agreement are the result of arm's length and good faith negotiations on the part of Buyer.

(g) Bankruptcy. There are no bankruptcy, insolvency, reorganization, receivership or other such proceedings pending against or being contemplated by Buyer, or, to Buyer's knowledge, threatened against it.

(h) No Default. No Default or Event of Default has occurred and is continuing and no Default or Event of Default shall occur as a result of the performance by Buyer of its obligations under this Agreement.

7.2 Representations and Warranties of Seller. Seller hereby represents and warrants to Buyer as of the Agreement Date as follows:

(a) Organization and Good Standing; Power and Authority. Seller is a limited liability company, validly existing and in good standing under the laws of Delaware. Subject to the receipt of the Permits listed in Exhibit B, Seller has all requisite power and authority to execute, deliver, and perform its obligations under this Agreement.

(b) Authority. Seller (i) has the power and authority to own and operate its businesses and properties, to own or lease the property it occupies and to conduct the business in which it is currently engaged; (ii) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification; and (iii) holds, or shall hold by the Commercial Operation Date, all rights and entitlements necessary to construct, own or lease (as applicable) and operate the Facility and to deliver the Products to Buyer in accordance with this Agreement.

(c) Due Authorization; No Conflicts. The execution and delivery by Seller of this Agreement, and the performance by Seller of its obligations hereunder, have been duly authorized by all necessary actions on the part of Seller and do not and, under existing facts and Law, shall not: (i) contravene any of its governing documents; (ii) conflict with, result in a breach of, or constitute a default under any note, bond, mortgage, indenture, deed of trust, license, contract or other agreement to which it is a party or by which any of its properties may be bound or affected; (iii) assuming receipt of the Permits listed on Exhibit B, violate any order, writ, injunction, decree, judgment, award, statute, law, rule, regulation or ordinance of any Governmental Entity or agency applicable to it or any of its properties; or (iv) result in the creation of any lien, charge or encumbrance upon any of its properties pursuant to any of the foregoing.

(d) Binding Agreement. This Agreement has been duly executed and delivered on behalf of Seller and, assuming the due execution hereof and performance hereunder by Seller and receipt of the Permits listed on Exhibit B, constitutes a legal, valid and binding obligation of Seller, enforceable against it in accordance with its terms, except as such enforceability may be limited by law or principles of equity.

(e) No Proceedings. Except to the extent associated with the Permits listed on Exhibit B, there are no actions, suits or other proceedings, at law or in equity, by or before any Governmental Entity or agency or any other body pending or, to the best of its knowledge, threatened against or affecting Seller or any of its properties (including, without limitation, this Agreement) which relate in any manner to this Agreement or any transaction contemplated hereby, or which Seller reasonably expects to lead to a material adverse effect on (i) the validity or enforceability of this Agreement or (ii) Seller's ability to perform its obligations under this Agreement.

(f) Consents and Approvals. Subject to the receipt of the Permits listed on Exhibit B on or prior to the date such Permits are required under applicable Law, the execution, delivery and performance by Seller of its obligations under this Agreement do not and, under existing facts and Law, shall not, require any Permit or any other action by, any Person which has not been duly obtained, made or taken, and all such approvals, consents, permits, licenses, authorizations, filings, registrations and actions are in full force and effect, final and non-appealable. As of the Agreement Date, Seller expects to receive the Permits listed in Exhibit B in due course and as required under applicable Law to the extent that those Permits have not previously been received.

(g) Newly Developed Renewable Energy Resource. Subject to Section 4.7(b), the Facility shall be a Newly Developed Renewable Energy Resource, qualified by the PUC as eligible to participate in the Renewable Energy Standard program under R.I.G.L. § 39-26-1 et seq., and shall have a commercial operation date, as verified by the PUC, on or after December 31, 2012.

(h) Title to Facility and Products. Seller has and shall have good and marketable title to (i) the Facility and (ii) all Products sold and delivered to Buyer under this Agreement. The Products when sold to Buyer shall be free and clear of all liens, charges and encumbrances. Seller has not sold and shall not sell any such Products to any other Person (other than sales of Capacity in the Forward Capacity Market as contemplated by this Agreement), and no Person other than Seller can claim an interest in any Product to be sold to Buyer under this Agreement.

(i) Negotiations. The terms and provisions of this Agreement are the result of arm's length and good faith negotiations on the part of Seller.

(j) Bankruptcy. There are no bankruptcy, insolvency, reorganization, receivership or other such proceedings pending against or being contemplated by Seller, or, to Seller's knowledge, threatened against it.

(k) No Default. No Default or Event of Default has occurred and is continuing and no Default or Event of Default shall occur as a result of the performance by Seller of its obligations under this Agreement.

(l) Useful Life. As of the Effective Date, the projected useful life of the Facility is at least twenty-one (21) years.

7.3 Continuing Nature of Representations and Warranties. The representations and warranties set forth in this Section are made as of the Agreement Date and deemed made continually throughout the Term. If at any time during the Term, any Party obtains actual knowledge of any event or information which causes any of the representations and warranties in this Article 7 to be materially untrue or misleading, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section shall be given as soon as practicable after the occurrence of each such event.

8. REGULATORY APPROVAL

8.1 Receipt of Regulatory Approval. The obligations of the Parties to perform this Agreement, other than the Parties' obligations under Section 6.2(a), Section 6.3, Section 6.4, Section 6.5, Section 8.2, Section 8.3, and Article 12, are conditioned upon and shall not become effective or binding until the receipt of the Regulatory Approval. Buyer shall notify Seller within five (5) Business Days after receipt of the Regulatory Approval or receipt of an order of the PUC regarding this Agreement that is not acceptable in form and substance to Buyer in its sole discretion.

8.2 Filing for Regulatory Approval. Buyer shall (i) use commercially reasonable efforts to file an application for the Regulatory Approval with the PUC by not later than thirty (30) days after the Agreement Date and (ii) at Buyer's sole discretion, exercise commercially reasonable efforts to obtain the Regulatory Approval, including using commercially reasonable efforts to obtain a favorable resolution in any appeal of an order of the PUC with respect to this Agreement; provided that Buyer shall have no obligation to appeal a PUC order that it determines is unacceptable. Seller shall have the right but not the obligation to intervene in the proceeding before the PUC and shall use commercially reasonable efforts to cooperate with Buyer (but only as requested by Buyer) in obtaining the Regulatory Approval.

8.3 Failure to Obtain Regulatory Approval. If Buyer (i) on any date notifies Seller that it has received an order of the PUC regarding this Agreement that is not acceptable in form and substance to Buyer in its sole discretion or (ii) has not notified Seller that it has received the Regulatory Approval by eighteen (18) months after the Agreement Date, then either Party may terminate this Agreement effective upon written notice of such termination to the other Party and with no further liability for either Party hereunder except for any obligations arising under Section 6.2 and Article 12 which accrued prior to such termination, and in the event of such termination, Buyer shall return to Seller its Posted Collateral.

9. BREACHES; REMEDIES

9.1 Events of Default by Either Party. It shall constitute an event of default ("**Event of Default**") by either Party hereunder if:

(a) Representation or Warranty. Any material breach of any representation or warranty of such Party set forth herein, or in filings or reports made pursuant to this Agreement, and such breach continues for more than thirty (30) days after the Non-Defaulting Party has provided written notice to the Defaulting Party that any material representation or warranty set forth herein is false, misleading or erroneous in any material respect without the breach having been cured; or

(b) Payment Obligations. Any undisputed payment due and payable hereunder is not made on the date due, and such failure continues for more than ten (10) Business Days after notice thereof is given by the Non-Defaulting Party to the Defaulting Party; or

(c) Other Covenants. Other than a Delivery Shortfall (the sole remedy for which shall be the payment of Cover Damages under Section 4.3), a Rejected Purchase (the sole remedy for which shall be the payment of Resale Damages under 4.4), a failure by Seller to perform its obligations under Section 4.8 (which is addressed in Section 4.8(f)), or an Event of Default described in Section 9.1(a), 9.1(b), 9.1(d), 9.1(e) or 9.2, such Party fails to perform, observe or otherwise to comply with any obligation hereunder and such failure continues for more than thirty (30) days after notice thereof is given by the Non-Defaulting Party to the Defaulting Party; provided, however, that such period shall be extended for an additional reasonable period if the Defaulting Party is unable to cure within that thirty (30) day period and provided that corrective action has been taken by the Defaulting Party within such thirty (30) day period and so long as such cure is diligently pursued by the Defaulting Party until such Default had been corrected, but in any event within one hundred fifty (150) days; or

(d) Bankruptcy. Such Party (i) is adjudged bankrupt or files a petition in voluntary bankruptcy under any provision of any bankruptcy law or consents to the filing of any bankruptcy or reorganization petition against such Party under any such law, or (without limiting the generality of the foregoing) files a petition to reorganize pursuant to 11 U.S.C. § 101 or any similar statute applicable to such Party, as now or hereinafter in effect, (ii) makes an assignment for the benefit of creditors, or admits in writing an inability to pay its debts generally as they become due, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of such Party, or (iii) is subject to an order of a court of competent jurisdiction appointing a receiver or liquidator or custodian or trustee of such Party or of a major part of such Party's property, which is not dismissed within sixty (60) days; or

(e) Permit Compliance. Such Party fails to obtain and maintain in full force and effect any Permit (other than the Regulatory Approval and, prior to the Commercial Operation Date, the Permits listed in Exhibit B) necessary for such Party to perform its obligations under this Agreement, and such failure continues for more than thirty (30) days after notice thereof is given by the Non-Defaulting Party to the Defaulting Party.

9.2 Events of Default by Seller. In addition to the Events of Default described in Section 9.1, it shall constitute an Event of Default by Seller hereunder if:

(a) Taking of Facility Assets. Any asset of Seller that is material to the performance by Seller of its obligations hereunder is taken upon execution or by other process of law directed against Seller other than by condemnation or eminent domain, or any such asset is taken upon or subject to any attachment by any creditor of or claimant against Seller and such attachment is not disposed of within sixty (60) days after such attachment is levied; or

(b) Failure to Maintain Credit Support. The failure of Seller to provide, maintain and/or replenish the Development Period Security or the Operating Period Security as required pursuant to Article 6 of this Agreement, and such failure continues for more than five (5) Business Days after Buyer has provided written notice thereof to Seller; or

(c) Failure to Satisfy ISO-NE Obligations. The failure of Seller to satisfy, or cause to be satisfied (other than by Buyer), any material obligation under the ISO-NE Rules or ISO-NE Practices or any other material obligation with respect to ISO-NE after giving effect to any applicable cure period under the ISO-NE Rules or ISO-NE Practices, except in the event that such failure is also a failure of Seller to perform its obligations under Section 4.8 (which is addressed in Section 4.8(f)); or

(d) Failure to Meet Critical Milestones. The failure of Seller to satisfy any Critical Milestone by the date set forth therefor in Section 3.1(a), as the same may be extended in accordance with Section 3.1(c) or Section 10.1.

9.3 Remedies.

(a) Suspension of Performance and Remedies at Law. Upon the occurrence and during the continuance of an Event of Default, the Non-Defaulting Party shall have the right, but not the obligation, to (i) withhold any payments due the Defaulting Party under this Agreement, (ii) suspend its performance hereunder, and (iii) exercise such other remedies as provided for in this Agreement or, to the extent not inconsistent with the terms of this Agreement, at law, including, without limitation, the termination right set forth in Section 9.3(b). In addition to the foregoing, the Non-Defaulting Party shall retain its right of specific performance to enforce the Defaulting Party's obligations under this Agreement.

(b) Termination and Termination Payment. Upon the occurrence of an Event of Default, a Non-Defaulting Party may terminate this Agreement at its sole discretion by providing written notice of such termination to the Defaulting Party. If the Non-Defaulting Party terminates this Agreement, it shall be entitled to calculate and receive as its sole remedy for such Event of Default a **"Termination Payment"** as follows:

(i) *Termination by Buyer Prior to Commercial Operation Date*. If Buyer terminates this Agreement because of an Event of Default by Seller occurring prior to the Commercial Operation Date, other than Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) or the failure to meet another Critical Milestone while Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) remains uncured, the Termination Payment due to Buyer shall be equal to the sum of (x) all Delay Damages due and owing by Seller through the date of such termination plus (y) the undrawn amount of any Development Period Security provided to Buyer by Seller. If Buyer terminates this Agreement prior to the Commercial Operation Date because of Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) or the failure to meet another Critical Milestone while Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) remains uncured, as the same may be extended in accordance with Section 3.1(c) or Section 10.1, the Termination Payment due to Buyer shall be equal to the sum of (x) all Delay Damages due and owing by Seller through the date of such termination plus $1,485,000, and Buyer shall return any undrawn amount of the Development Period Security (after the payment of such Termination Payment) to Seller within thirty (30) days of such termination.

(ii) *Termination by Buyer after Commercial Operation Date.* If Buyer terminates this Agreement because of an Event of Default by Seller, the Termination Payment due to Buyer shall be equal to the amount, if positive, calculated according to the following formula:

$$\sum_{N}(RV - CV) + P$$

where:

"$\sum_{N}$" is the summation over the remainder of the Services Term.

"RV" is the replacement value of the Products for the remainder of the Services Term, calculated with reference to the applicable Replacement Price and the Supply Forecast, using a discount factor of eight percent (8.0%).

"CV" is the contract value of the Products for the remainder of the Services Term calculated with reference to the applicable Price and the Supply Forecast, using a discount factor of eight percent (8.0%) (the "**Contract Value**").

"P" is the amount of any applicable penalties and costs incurred by Buyer in replacing the Products not Delivered to Buyer as a result of the termination of this Agreement.

All such amounts shall be determined by Buyer in good faith and in a commercially reasonable manner, and Buyer shall provide Seller with a reasonably detailed calculation of the Termination Payment due under this Section 9.3(b)(ii).

(iii) *Termination by Seller Prior to Financial Closing Date.* If Seller terminates this Agreement because of an Event of Default by Buyer prior to the Financial Closing Date, the Termination Payment due to Seller shall be equal to all of Seller's out-of-pocket expenses incurred in connection with the development and construction of the Facility prior to such termination.

(iv) *Termination by Seller On or After Financial Closing Date.* If Seller terminates this Agreement because of an Event of Default by Buyer on or after the Financial Closing Date, the Termination Payment due to Seller shall be equal to the amount, if positive, calculated according to the following formula:

$$\sum_{N} (CV - MV) + P$$

where:

"$\sum_{N}$" is the summation over the remainder of the Services Term.

"CV" is the Contract Value.

"MV" is the market value of the Products for the remaining Services Term as determined with reference to the applicable Resale Price and the Supply Forecast, using a discount factor of eight percent (8.0%).

"P" is the amount of any applicable penalties and costs incurred by Seller in selling the Products not accepted and paid for by Buyer as a result of the termination of this Agreement.

All such amounts shall be determined by Seller in good faith and in a commercially reasonable manner, and Seller shall provide Buyer with a reasonably detailed calculation of the Termination Payment due under this Section 9.3(b)(iv).

(v) *Supply Forecast.* For purposes of determining the Termination Payment pursuant to Section 9.3(b)(ii) or 9.3(b)(iv) above, the quantity of Products to be delivered shall be based upon the then-current Projected Annual Energy Output (the **"Supply Forecast"**).

(vi) *Acceptability of Liquidated Damages.* Each Party agrees and acknowledges that (i) the damages that the Parties would incur due to an Event of Default would be difficult or impossible to predict with certainty, and (ii) it is impractical and difficult to assess actual damages in the circumstances stated, and therefore the Termination Payment as agreed to by the Parties and set forth herein is a fair and reasonable calculation of such damages.

(vii) *Payment of Termination Payment*. The Defaulting Party shall make the Termination Payment within ten (10) Business Days after the notice thereof is effective. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within ten (10) Business Days of receipt of the calculation of the Termination Payment, provide to the Non-Defaulting Party a detailed written explanation of the basis for such dispute; provided, however, the Defaulting Party shall first transfer Credit Support to the Non-Defaulting Party in an amount equal to the Termination Payment as calculated by the Non-Defaulting Party, which Credit Support shall be administered in accordance with Article 6. If the Parties are unable to resolve the dispute within thirty (30) days, Article 11 shall apply.

(viii) *Reinstatement of Agreement*. In the event that Buyer terminates this Agreement prior to the Commercial Operation Date because of Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) or the failure to meet another Critical Milestone while Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) remains uncured, and if within three (3) years of the date of such termination Seller seeks to enter into a contract with a third party for the sale of the Facility's Energy, Capacity and/or RECs, Seller shall notify Buyer and provide Buyer with the right to reinstate this Agreement. In the event that Buyer terminates this Agreement prior to the Commercial Operation Date for any reason other than Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) or the failure to meet another Critical Milestone while Seller's failure to meet the Critical Milestone in Section 3.1(a)(i) remains uncured, and if within one (1) year of the date of such termination Seller seeks to enter into a contract with a third party for the sale of the Facility's Energy, Capacity and/or RECs, Seller shall notify Buyer and provide Buyer with the right to reinstate this Agreement. Buyer shall notify Seller of whether it elects to reinstate this Agreement, in its sole discretion, within ninety (90) days after receipt of Seller's notice. Upon such reinstatement, Buyer shall return to Seller any Termination Payment made by Seller, together with interest accruing at the Late Payment Rate, on or prior to the date selected for reinstatement of this Agreement. In the event that, after termination by Buyer prior to the Commercial Operation Date, Seller materially changes the design of the Facility and as a result of such design changes the Facility's total installed costs change by ten percent (10%) or more, then in such event Buyer's right to reinstatement of this Agreement shall be at an adjusted Price reflecting such increased or decreased costs. In such event, the Parties shall negotiate in good faith for a period of sixty (60) days after Buyer notifies Seller of Buyer's intent to reinstate this Agreement in order to establish such adjusted Price. If no written agreement is reached on the adjusted Price within said sixty (60) day period, this Agreement shall not be reinstated and the Parties shall have no further obligations to one another; provided, however, that if this Agreement is not reinstated because Buyer and Seller cannot reach agreement on an adjusted Price, in no event will Seller enter into another agreement for the sale of the Products from the Facility at a price that is lower than the last adjusted Price offered in writing by Seller to Buyer during such negotiations.

(c) Set-off. The Non-Defaulting Party shall be entitled, at its option and in its discretion, to withhold and set off any amounts owed by the Non-Defaulting Party to the Defaulting Party against any payments and any other amounts owed by the Defaulting Party to the Non-Defaulting Party, including any Termination Payment payable as a result of any early termination of this Agreement.

(d) Notice to Lenders; Cure Rights. Buyer shall provide a copy of any notice given to Seller under this Article 9 to one representative of the Financing providing loans to or for the benefit of Seller and one representative of the Financing providing equity to or for the benefit of Seller, of which Buyer shall have written notice, and Buyer shall afford one Lender the same opportunities to cure Defaults under this Agreement as are provided to Seller hereunder.

(e) Limitation of Remedies, Liability and Damages. EXCEPT AS EXPRESSLY SET FORTH HEREIN, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

10. FORCE MAJEURE

10.1 Force Majeure.

(a) The term **"Force Majeure"** means an unusual, unexpected and significant event: (i) that was not within the control of the Party claiming its occurrence; (ii) that could not have been prevented or avoided by such Party through the exercise of reasonable diligence; and (iii) that directly prohibits or prevents such Party from performing its obligations under this

Agreement. Under no circumstances shall Force Majeure include (w) any occurrence or event that merely increases the costs or causes an economic hardship to a Party, (x) any occurrence or event that was caused by or contributed to by the Party claiming the Force Majeure, (y) Seller's ability to sell the Products at a price greater than that set out in this Agreement, or (z) Buyer's ability to procure the Products at a price lower than that set out in this Agreement. In addition, a delay or inability to perform attributable to a Party's lack of preparation, a Party's failure to timely obtain and maintain all necessary Permits (excepting the Regulatory Approval), a failure to satisfy contractual conditions or commitments, or lack of or deficiency in funding or other resources shall each not constitute a Force Majeure.

(b) If either Party is unable, wholly or in part, by Force Majeure to perform obligations under this Agreement, such performance shall be excused and suspended so long as the circumstances that give rise to such inability exist, but for no longer period. The Party whose performance is affected shall give prompt notice thereof; such notice may be given orally or in writing but, if given orally, it shall be promptly confirmed in writing, providing details regarding the nature, extent and expected duration of the Force Majeure, its anticipated effect on the ability of such Party to perform obligations under this Agreement, and the estimated duration of any interruption in service or other adverse effects resulting from such Force Majeure, and shall be updated or supplemented to keep the other Party advised of the effect and remedial measures being undertaken to overcome the Force Majeure. Such inability shall be promptly corrected to the extent it may be corrected through the exercise of due diligence. The Party whose performance is affected shall also give prompt notice of the termination of the Force Majeure and shall resume performance of its obligations under this Agreement upon such termination. Neither party shall be liable for any losses or damages arising out of a suspension of performance that occurs because of Force Majeure.

(c) Notwithstanding the foregoing, if the Force Majeure prevents full or partial performance under this Agreement for a period of twelve (12) months or more, the Party whose performance is not prevented by Force Majeure shall have the right to terminate this Agreement without further recourse to either Party if the Force Majeure continues for more than sixty (60) days after such Party delivers written notice to the other Party (delivered not sooner than ten (10) months after the commencement of the Force Majeure). Upon such termination, Buyer shall promptly return to Seller any undrawn Operating Period Security provided by Seller pursuant to Section 6.2 herein.

(d) Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Energy to be delivered to or received at the Delivery Point and (ii) such curtailment is due to "force majeure" or "uncontrollable force" or a similar term as defined under the Transmission Provider's tariff; provided, however, that existence of the foregoing factors shall not be sufficient to conclusively or presumptively prove the existence of a Force Majeure absent a showing of other facts and circumstances which in the aggregate with such factors establish that a Force Majeure as defined in Section 10.1(a) has occurred.

11. DISPUTE RESOLUTION

In the event of any dispute, controversy or claim between the Parties arising out of or relating to this Agreement (collectively, a "**Dispute**"), the Parties shall attempt in the first instance to resolve such Dispute through consultations between the Parties. If such consultations do not result in a resolution of the Dispute within fifteen (15) days after notice of the Dispute has been delivered to either Party, then such Dispute shall be referred to the senior management of the Parties for resolution. If the Dispute has not been resolved within fifteen (15) days after such referral to the senior management of the Parties, then the Parties may seek to resolve such Dispute in the courts of the State of Rhode Island. The Parties agree to the exclusive jurisdiction of the state and federal courts located in the State of Rhode Island for any legal proceedings that may be brought by a Party arising out of or in connection with this Agreement. EACH PARTY HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY DISPUTE.

12. CONFIDENTIALITY

Buyer and Seller each agrees not to disclose to any Person and to keep confidential, and to cause and instruct its Affiliates, officers, directors, employees, partners and representatives not to disclose to any Person and to keep confidential, any non-public information relating to the terms and provisions of this Agreement, any financial statements delivered pursuant to Section 16.2, any information relating to the Products to be supplied by Seller hereunder, and such other non-public information that is designated as "Confidential." Notwithstanding the foregoing, any such information may be disclosed:

(a) to the extent Buyer determines it is appropriate in connection with efforts to obtain or maintain the Regulatory Approval or to seek rate recovery for amounts expended by Buyer under this Agreement;

(b) as required by applicable laws, regulations, rules or orders or by any subpoena or similar legal process of any Governmental Entity so long as the receiving Party gives the non-disclosing Party written notice at least three (3) Business Days prior to such disclosure, if practicable;

(c) to the Affiliates of either Party and to the consultants, attorneys, auditors, financial advisors, lenders or potential lenders, investors or potential investors and their advisors of either Party or their Affiliates, but solely to the extent they have a need to know that information;

(d) in order to comply with any rule or regulation of ISO-NE, any stock exchange or similar Person or for financial disclosure purposes;

(e) to the extent the non-disclosing Party shall have consented in writing prior to any such disclosure; and

(f) to the extent that the information was previously made publicly available other than as a result of a breach of this Article 12;

provided, however, in each case, that the Party seeking such disclosure shall, to the extent practicable, use commercially reasonable efforts to prevent or limit the disclosure. The Parties shall be entitled to all remedies available at law or in equity to enforce or seek relief in connection with this Article 12.

13. INDEMNIFICATION

Except as set forth in Sections 3.4(k) and 3.5(b) and in Exhibit D, neither Party shall indemnify, defend or hold harmless the other Party or its partners, shareholders, directors, officers, employees or agents from and against any liabilities, damages, losses, penalties, claims, demands, suits or proceedings claimed by, due to or instituted by any third party as a result of either Party's execution, delivery or performance of this Agreement.

14. ASSIGNMENT AND CHANGE OF CONTROL

14.1 Prohibition on Assignments. Except as permitted under this Article 14, this Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent may not be unreasonably withheld, conditioned or delayed. The Party requesting the other Party's consent to an assignment of this Agreement will reimburse such other Party for all costs and expenses such other Party incurs in connection with that consent, without regard to whether such consent is provided. When assignable, this Agreement shall be binding upon, shall inure to the benefit of, and may be performed by, the successors and assignees of the Parties, except that no assignment, pledge or other transfer of this Agreement by either Party shall operate to release the assignor, pledgor, or transferor from any of its obligations under this Agreement unless the other Party (or its successors or assigns) consents in writing to the assignment, pledge or other transfer and expressly releases the assignor, pledgor, or transferor from its obligations thereunder.

14.2 Assignor Remains Liable. Unless specifically agreed in writing, any assignment by a Party as contemplated by this Section 14 shall not be construed to relieve the assignor of any of its obligations under this Agreement, nor shall any such assignment be deemed to modify or otherwise affect any of the rights of the non-assigning Party hereunder.

14.3 Change in Control over Seller. Buyer's consent shall be required for any change in Control over Seller, other than with respect to Northeast Wind Partners II, LLC obtaining Control over Seller, which consent shall not be unreasonably withheld, conditioned or delayed and shall be provided if Buyer reasonably determines that such change in Control does not have a material adverse effect on Seller's creditworthiness or Seller's ability to perform its obligations under this Agreement.

14.4 Permitted Assignment by Buyer. Buyer shall have the right to assign this Agreement without consent of Seller (a) in connection with (i) any merger or consolidation of

Buyer with or into another Person; (ii) any exchange of all of the common stock or other equity interests of Buyer or Buyer's parent for cash, securities or other property; or (iii) any acquisition, reorganization, or other similar corporate transaction involving all or substantially all of the common stock or other equity interests in, or assets of, Buyer; provided that (A) the proposed assignee agrees in writing to assume all of Buyer's obligations under this Agreement and (B) the proposed assignee delivers to Seller a legal opinion as to due power and authority, due authorization, enforceability and regulatory approvals, or (b) to a Person whose credit rating as established by S&P or Moody's is equal or better than BBB- from S&P or Baa3 from Moody's after giving effect to the proposed assignment of this Agreement; provided that (i) the proposed assignee agrees in writing to assume all of Buyer's obligations under this Agreement and (ii) the proposed assignee delivers to Seller a legal opinion as to due power and authority, due authorization, enforceability and regulatory approvals.

14.5 Permitted Assignment by Seller. Seller may pledge, encumber or assign the Facility, this Agreement or the accounts, revenues or proceeds under the Agreement to any Lender as security for the financing of the Facility. Buyer shall execute a consent to assignment that is in form and substance reasonably satisfactory to Seller and such Lender that incorporates terms and conditions customary for a transaction of this type (including the provisions included in Section 9.3(d)); provided, however, that Buyer shall not be obligated to enter into any consent which shall affect Buyer's rights under this Agreement. Buyer shall not unreasonably withhold, condition or delay providing its consent to an assignment to a Lender. Seller may assign this Agreement to an Affiliate of Seller, upon Buyer's consent, which shall not be unreasonably withheld or delayed; upon such consent Seller shall be novated from this Agreement and such Affiliate shall assume all obligations under the remaining Term of this Agreement; provided that Seller may assign this Agreement to a wholly-owned Affiliate of Seller in connection with the consummation of a lease of the Facility to such Affiliate without Buyer's consent, so long as (i) Seller also assigns the Interconnection Agreement to such Affiliate and (ii) Seller remains liable for all obligations under this Agreement notwithstanding such assignment.

14.6 Prohibited Assignments. Any purported assignment of this Agreement not in compliance with the provisions of this Article 14 shall be null and void.

15. TITLE; RISK OF LOSS

Title to and risk of loss related to the Energy shall transfer from Seller to Buyer at the Delivery Point. Title and risk of loss related to the RECs shall transfer to Buyer when the same are credited to Buyer's GIS account(s) or the GIS account(s) designated by Buyer to Seller in writing. Seller shall retain risk of loss with respect to the Capacity, consistent with Section 4.8. Seller warrants that it shall deliver to Buyer the Products free and clear of all liens, claims, charges or encumbrances therein or thereto by any Person.

16. AUDIT

16.1 Audit. Each Party shall have the right, upon reasonable advance notice, and at its sole expense (unless the other Party has defaulted under this Agreement, in which case the Defaulting Party shall bear the 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. If requested, a Party shall provide to the other Party statements evidencing the quantities of Products delivered or provided hereunder. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof shall be made promptly and shall bear interest at the Late Payment Rate from the date the overpayment or underpayment was made until paid.

16.2 Consolidation of Financial Information. Buyer believes that United States Generally Accepted Accounting Principles (GAAP) as published by the Financial Accounting Standards Board (FASB) may be interpreted or revised in the future to require Buyer to consolidate Seller's financial information on Buyer's financial statements. If at any time during the term of this Agreement Buyer reasonably determines that such consolidation is required, Buyer shall provide reasonable advance written notice to Seller and thereafter require that Seller provide Buyer, at Buyer's sole expense, with Seller's audited annual and unaudited quarterly (except year-end) financial statements. Seller shall thereafter provide Buyer with audited annual financial statements and notes to financial statements within ninety (90) days after the end of the calendar year, and Seller shall thereafter provide unaudited quarterly financial statements within forty-five (45) days of every calendar quarter (except year-end).

17. NOTICES

Any notice or communication given pursuant hereto shall be in writing and (1) delivered personally (personally delivered notices shall be deemed given upon written acknowledgment of receipt after delivery to the address specified or upon refusal of receipt); (2) mailed by registered or certified mail, postage prepaid (mailed notices shall be deemed given on the actual date of delivery, as set forth in the return receipt, or upon refusal of receipt); or (3) delivered by fax or electronic mail (notices sent by fax or electronic mail shall be deemed given upon confirmation of delivery); in each case addressed as follows or to such other addresses as may hereafter be designated by either Party to the other in writing:

If to Buyer:
Corinne Abrams
Manager, Environmental Transactions
Energy Procurement
National Grid
100 E. Old Country Road
Hicksville, NY 11801-4218
Fax: (516) 545-3130
Email: corinne.abrams@nationalgrid.com

With a copy to: Jennifer Brooks Hutchinson, Esq.
Senior Counsel
National Grid
280 Melrose Street
Providence, RI 02907
Fax: (401) 784-4321
Email: Jennifer.Hutchinson@nationalgrid.com

If to Seller: Champlain Wind, LLC
c/o First Wind
34 Tower Road
Mars Hill, ME 04758
Fax: 207-425-7930
Email: dtheriault@firstwind.com
Attention: Senior Asset Manager

With a copy to: Champlain Wind, LLC
c/o First Wind Energy, LLC
179 Lincoln Street, Suite 500
Boston, MA 02111.
Fax: 617.960.2889.
Email: general.counsel@firstwind.com
Attention: General Counsel

18. WAIVER AND MODIFICATION

This Agreement may be amended and its provisions and the effects thereof waived only by a writing executed by the Parties, and no subsequent conduct of any Party or course of dealings between the Parties shall effect or be deemed to effect any such amendment or waiver. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided. The failure of either Party to enforce any provision of this Agreement shall not be construed as a waiver of or acquiescence in or to such provision. Buyer shall determine in its sole discretion whether any amendment or waiver of the provisions of this Agreement shall require approval of or filing with the PUC or another Governmental Entity, and if Buyer determines that such approval or filing is required for any amendment or waiver of the provisions of this Agreement, then such amendment or waiver shall not become effective unless and until such approval is obtained or such filing is made.

19. INTERPRETATION

19.1 Choice of Law. Interpretation and performance of this Agreement shall be in accordance with, and shall be controlled by, the laws of the State of Rhode Island (without regard to its principles of conflicts of law).

19.2 Headings. Article and Section headings are for convenience only and shall not affect the interpretation of this Agreement. References to articles, sections and exhibits are, unless the context otherwise requires, references to articles, sections and exhibits of this Agreement. The words "hereof" and "hereunder" shall refer to this Agreement as a whole and not to any particular provision of this Agreement.

19.3 Forward Contract; Commodities Exchange Act. The Parties acknowledge and agree that this Agreement and the transactions contemplated hereunder are a "forward contract" within the meaning of the United States Bankruptcy Code. Each Party represents and warrants, solely as to itself, that it is (i) a "forward merchant" within the meaning of the United States Bankruptcy Code and (ii) an "eligible commercial entity" and an "eligible contract participant" within the meaning of the United States Commodities Exchange Act.

19.4 Standard of Review. The Parties acknowledge and agree that the standard of review for any avoidance, breach, rejection, termination or other cessation of performance of or changes to any portion of this integrated, non-severable Agreement (as described in Section 22) over which FERC has jurisdiction, whether proposed by Seller, by Buyer, by a non-party, or by FERC acting *sua sponte* shall be the "public interest" standard of review set forth in United Gas Pipe Line Co. v. Mobile Gas Serv. Co., 350 U.S. 332 (1956) and Federal Power Comm'n v. Sierra Pac. Power Co., 350 U.S. 348 (1956) and clarified by Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527, 545 (2008), as may be modified by subsequent cases. Each Party agrees that if it seeks to amend any applicable power sales tariff during the Term, such amendment shall not in any way materially and adversely affect this Agreement without the prior written consent of the other Party. Each Party further agrees that it shall not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement.

19.5 Change in ISO-NE Rules and Practices. This Agreement is subject to the ISO-NE Rules and ISO-NE Practices. If, during the Term of this Agreement, any ISO-NE Rule or ISO-NE Practice is terminated, modified or amended or is otherwise no longer applicable, resulting in a material alteration of a material right or obligation of a Party hereunder, the Parties agree to negotiate in good faith in an attempt to amend or clarify this Agreement to embody the Parties' original intent regarding their respective rights and obligations under this Agreement, provided that neither Party shall have any obligation to agree to any particular amendment or clarification of this Agreement. The intent of the Parties is that any such amendment or clarification reflect, as closely as possible, the intent, substance and effect of the ISO-NE Rule or ISO-NE Practice being replaced, modified, amended or made inapplicable as such ISO-NE Rule or ISO-NE Practice was in effect prior to such termination, modification, amendment, or inapplicability, provided that such amendment or clarification shall not in any event alter (i) the purchase and sale obligations of the Parties pursuant to this Agreement, or (ii) the Bundled Price. Notwithstanding the foregoing, in the event of a change in the ISO-NE Rules or ISO-NE Practices described in Section 4.1(d), the provisions of Section 4.1(d), and not of this Section 19.5, shall apply to such change.

19.6 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, substitution, submission or other event of negotiation, drafting or execution hereof.

20. COUNTERPARTS; FACSIMILE SIGNATURES

Any number of counterparts of this Agreement may be executed, and each shall have the same force and effect as an original. Facsimile signatures hereon or on any notice or other instrument delivered under this Agreement shall have the same force and effect as original signatures.

21. NO DUTY TO THIRD PARTIES

Except as provided in any consent to assignment of this Agreement, nothing in this Agreement nor any action taken hereunder shall be construed to create any duty, liability or standard of care to any Person not a Party to this Agreement.

22. SEVERABILITY

If any term or provision of this Agreement or the interpretation or application of any term or provision to any prior circumstance is held to be unenforceable, illegal or invalid by a court or agency of competent jurisdiction, the remainder of this Agreement and the interpretation or application of all other terms or provisions to Persons or circumstances other than those which are unenforceable, illegal or invalid shall not be affected thereby, and each term and provision shall be valid and be enforced to the fullest extent permitted by law.

23. INDEPENDENT CONTRACTOR

Nothing in this Agreement shall be construed as creating any relationship between Buyer and Seller other than that of Seller as independent contractor for the sale of Products, and Buyer as principal and purchaser of the same. Neither Party shall be deemed to be the agent of the other Party for any purpose by reason of this Agreement, and no partnership or joint venture or fiduciary relationship between the Parties is intended to be created hereby.

24. ENTIRE AGREEMENT

This Agreement shall constitute the entire agreement and understanding between the Parties hereto and shall supersede all prior agreements and communications.

[Signature page follows]

IN WITNESS WHEREOF, each of Buyer and Seller has caused this Agreement to be duly executed on its behalf as of the date first above written.

THE NARRAGANSETT ELECTRIC COMPANY, D/B/A NATIONAL GRID

By: ______________________________ PNB

Name: John V. Vaughn
Title: Authorized Signatory

CHAMPLAIN WIND, LLC

By: ______________________________

Name:
Title:

IN WITNESS WHEREOF, each of Buyer and Seller has caused this Agreement to be duly executed on its behalf as of the date first above written.

THE NARRAGANSETT ELECTRIC COMPANY, D/B/A NATIONAL GRID

By: ______________________________
Name:
Title:

CHAMPLAIN WIND, LLC

By: Maine Wind Holdings, LLC, its Member

By: ______________________________
Name: Michele E. Beasley
Title: Secretary

EXHIBIT A

DESCRIPTION OF FACILITY

Facility: Bowers Wind Project

Technology: Wind

Site Location: Carroll Plantation and Kossuth Township, Maine

Nameplate Capacity: 48 MW up to 49.5 MW(16 Siemens turbines at 3 MW each or 15 Vestas turbines as 3.3 MW each)

Expected Maximum Output: 49.5 MWh per hour

Interconnection Point: ISO-NE Pool Transmission Facilities at Keene Road Substation

Minimum/Maximum Operating Criteria: Turbine Cut-in Minimum Wind Speed and Turbine Cut-out Maximum Wind Speed to be designated by Seller in writing upon final turbine selection.

EXHIBIT B

SELLER'S PERMITS AND REAL ESTATE RIGHTS

Part 1 – Permits

a. Construction Permits

Federal Permits	**Regulatory Authority(ies)**
Determinations of No Hazard	Federal Aviation Administration
State Permits	**Regulatory Authority(ies)**
Site Law/NRPA/401 Water Quality Certificate/Construction General Permit	Maine DEP
Minor Amendment for Interconnect	Maine DEP
Zoning Consistency Determination	Maine LUPC
Utility Line Permit	Maine DOT
Road Opening Permit	Maine DOT
Local/County Permits	**Regulatory Authority(ies)**
None	

b. Operating Permits

Federal Permits	**Regulatory Authority(ies)**
Determinations of No Hazard	Federal Aviation Administration
State Permits	**Regulatory Authority(ies)**
Site Law/NRPA	Maine DEP
Zoning Consistency Determination	Maine LUPC
Local/County Permits	**Regulatory Authority(ies)**
N/A	

Part 2 – Real Estate and Site Control Rights

Champlain Wind, LLC – Bowers Mountain Project –Title, Right, or Interest					
Township / County	**Tax Map & Lot**	**Current Owner**	**Champlain Wind, LLC's Interest**	**Parcel Size***	**Title Information for Champlain Wind, LLC**
Carroll Plantation, Penobscot County	Carr. 1-1	Bowers Mountain, LLC	Leasehold including appurtenant rights over Moose Road as located on Carr. 3-22	5552 acres	Memorandum of Lease at Book 12152, Page 38, as amended by Second Amendment at Book 12388, Page 144 (WCRD Book 3710, Page 183)
Kossuth Township, Washington County	Koss. 1-9.1 and 1-9.2; 1-4	Baskahegan Company	Leasehold	810 acres 114 acres	Memorandum of Lease at Book 3666, Page 49
Kossuth Township, Washington County Carroll Plantation Penobscot County	Koss. 1-7; Koss. 1-23; p/o Carr. 3-22	Lakeville Shores, Inc.	Leasehold	749 acres 42 acres	Memorandum of Lease at Book 3659, Page 188
Carroll Plantation, Penobscot County	Carr. 5-18.4	Donald and Deborah Banks	Purchase and Sale Agreement for Fee	40 acres	Transaction closed June 14, 2013. Recording information to be provided

Champlain Wind, LLC – Bowers Mountain Project –Title, Right, or Interest					
Township / County	**Tax Map & Lot**	**Current Owner**	**Champlain Wind, LLC's Interest**	**Parcel Size***	**Title Information for Champlain Wind, LLC**
					when available from recording office.
Carroll Plantation, Penobscot County	Carr. 5-17	Champlain Wind, LLC	Fee	82 acres	Deed at Book 12334, Page 96
Carroll Plantation, Penobscot County	Carr. 8-2	Daniel J. Lane	Purchase and Sale Agreement for Easement, Option for Temporary Laydown Area	150'wide corridor	Option to purchase. Memorandum at Book 12198, Page 310 Memorandum of Option for Temporary Laydown Area at Book 12159, Page 322
Carroll Plantation, Penobscot County	Carr. 8-5	Joan W. Lukacik	Purchase and Sale Agreement for Easement	150' wide corridor	Option to purchase. Memorandum at Book 12352, Page 241
Carroll Plantation, Penobscot County	Carr. 8-13	King Brothers Land Enterprise, Inc.	Purchase and Sale Agreement for Fee	200' wide corridor westerly portion	Option to purchase. Memorandum at Book 12316, Page 322
Carroll Plantation, Penobscot County	Carr. 1-3.1	Hanington Bros., Inc.	Purchase and Sale Agreement for Fee	~600 acres easterly portion	Option to purchase. Memorandum at Book 12321, Page 52, as amended by Amended and Restated Memorandum at Book 12921, Page 183
Carroll Plantation, Penobscot County	p/o Carr. 1-3.2	Champlain Wind, LLC	Fee	~148 acres easterly portion	Deed at Book 12588, Page 38
Carroll Plantation, Penobscot County	p/o Carr. 11-9	Champlain Wind, LLC	Fee	150' wide corridor westerly portion	Deed at Book 12552, Page 135
Carroll Plantation, Penobscot County	Carr. 11-9.1	Herbert C. Haynes, Jr.	Purchase and Sale Agreement for Fee or Easement, Option for Temporary Laydown Area	300'x500' 150' wide corridor westerly portion	Option to purchase. Memorandum at Book 12316, Page 321, as amended by Supplemental Memorandum at Book 12443, Page 49 Memorandum of Option at Book 12377, Page 94
Carroll Plantation, Penobscot County		International Paper and/or assigns	Mineral release		Finalizing agreement to release mineral rights.
* Parcel size based on acreage in valuation spreadsheet from Carroll Plantation and from Maine Revenue Service for Kossuth Township.					

EXHIBIT C

FORM OF PROGRESS REPORT

For the Quarter Ending:_________________

Status of construction and significant construction milestones achieved during the quarter:

Status of permitting and significant Permits obtained during the quarter:

Status of Financing for Facility:

Events during quarter expected to results in delays in Commercial Operation Date:

Critical Milestones not yet achieved and projected date for achievement:

Current projection for Commercial Operation Date:

EXHIBIT D

INSURANCE

1. Prior to the commencement of construction of the Facility, through final expiration of the Term or longer where specified below, Seller shall provide and maintain, at its own expense, insurance policies, intended to be primary (with no right of contribution by any other coverage available to National Grid USA its direct and indirect parents, subsidiaries and affiliates (the "Insured Entities")), covering all Operations, Work and Services to be performed by Seller under or in connection with this Agreement, issued by reputable insurance companies with an A.M. Best Rating of at least B+, which meet or exceed the requirements listed herein:

(a) Workers' Compensation and Employers Liability Insurance as required by the State in which the Work activities under this Agreement will be performed. If applicable, coverage shall include the U.S. Longshoreman's and Harbor Workers Compensation Act, and the Jones Act. The employer's liability limit shall be $500,000 each per accident, per person disease, and disease by policy limit.

(b) Commercial General Liability (CGL) Insurance, covering all operations to be performed by or on behalf of Seller under or in connection with this Agreement, with minimum combined single limits for bodily injury and property damage of $1,000,000 per occurrence and $2,000,000 in the aggregate.

- Coverage shall include: contractual liability (with this Agreement, and any associated written agreements, being included under the definition of "insured contract" thereunder), products/completed operations, and if applicable, explosion, collapse and underground (XC&U). Nothing herein shall obligate the Seller to obtain insurance expanding the definition or coverage for an "insured contract" beyond that provided in the forms customarily in use by the insurer for energy generation facilities.
- If the products-completed operations coverage is written on a claims-made basis, the retroactive date shall not precede the effective date of this Agreement and coverage shall be maintained continuously for the duration of this Agreement and for at least two years thereafter.
- Additional Insured as required in Section 3 below,
- The policy shall contain a separation of insureds condition.

(c) Automobile Liability, covering all owned, non-owned and hired vehicles used in connection with all operations, work or services to be performed by or on behalf of Seller under or in connection with this Agreement with a minimum combined single limit of liability for bodily injury and property damage of $1,000,000 per accident. Additional Insured as required in Section 3 below.

(d) Umbrella Liability or Excess Liability coverage, with a minimum per occurrence limit of $4,000,000. This coverage shall run concurrent to the CGL required in Section 1(b) above, shall apply excess of the required automobile, CGL and employer's liability coverage required in this Insurance Exhibit, and shall provide additional insured status as outlined in Section 3 below.

(e) **Watercraft Liability**, if used in connection with this Agreement, with the same minimum limits of liability as outlined in requirement 1(b) above, and naming the Insured Entities, including their officers and employees, as additional insured as outlined in Section 3.

(f) **Pollution Liability (PL)**: covering any sudden and accidental pollution liability which may arise out of, under, or in connection with the performance of this Agreement, by or on behalf of Seller, or that arise out of Seller's use of any owned, non-owned or hired vehicles, with a combined single limit of liability for bodily injury and property damage of $1,000,000 per occurrence and in the aggregate.

This requirement may be satisfied by providing either this PL policy, which would provide additional insured status as outlined in Section 3 below; **OR** by providing coverage for sudden and accidental pollution liability under the CGL and commercial automobile insurance policies required above - limited solely by the Insurance Services Organization (ISO) standard pollution exclusion, or its equivalent.

In the event Seller is unable to secure and/or maintain any or all of this sudden and accidental pollution liability coverage, Seller agrees to indemnify and hold the Insured Entities harmless against any and all liability resulting from any coverage deficiency that is out of compliance with this insurance requirement, subject to the limits stated above.

(g) Risk of Loss: Seller shall be responsible for all risk of loss to its equipment and materials, and any other equipment and materials owned by its employees or by other third parties that may be in their care, custody and control. If this coverage is excluded from the Commercial General Liability policy, then coverage will be acceptable under Seller's property policy. In the event that any equipment or materials (Goods) are supplied by the Insured Entities, an Insured Entities' representative will provide the insurable value of the Goods to Seller in writing, both cumulatively and on a maximum per item basis. Seller will provide replacement cost insurance for these Goods under a blanket builder's risk policy, an equipment floater, or other equivalent coverage, while such Goods are under the care, custody and control of Seller. Such insurance shall cover all Goods outlined in the Agreement or as noted on subsequent contract amendments. The coverage limit shall apply on either a per location basis or a maximum per item basis, and shall name the Insured Entities as Additional Insureds with respect to their insurable interest as required in Section 3 below.

(h) Limits: Any combination of Commercial General Liability, Automobile Liability and Umbrella Liability policy limits can be used to satisfy the limit requirements in items 1 b, c & d above.

2. Self-Insurance: Proof of qualification as a qualified self-insurer, if approved in advance in writing by an Insured Entities representative, will be acceptable in lieu of securing and maintaining one or more of the coverages required in this Exhibit D. Such acceptance shall become a part of this Exhibit D by reference herein.

For Workers' Compensation, such evidence shall consist of a copy of a current self-insured certificate for the State in which the work will be performed.

In order for self insurance to be accepted, Seller's unsecured debt must have a financial rating of at least investment grade. For purposes of this Exhibit D, "Investment Grade" means (i) if Seller has a credit rating from both S&P and Moody's then, a credit rating from S&P equal to or better than "BBB-" and a credit rating from Moody's equal to or better than "Baa3"; (ii) if Seller has a credit rating from only one of S&P and Moody's, then a Credit Rating from S&P equal to or better than "BBB-" or a credit rating from Moody's equal to or better than "Baa3; or (iii) if the Parties have mutually agreed in writing on an additional or alternative rating agency, then the equivalent credit rating assigned to an entity by such additional or alternative rating agency that is equal to or better than "BBB-" from S&P and/or "Baa3" from Moody's.

3. **Additional Insured**: The intent of the Additional Insured requirement under the CGL, Auto, PL, Umbrella/Excess and Watercraft policies is to include the Insured Entities, their directors, officers and employees, as Additional Insured's for liabilities associated with, or arising out of, all operations, work or services to be performed by or on behalf of Seller, including ongoing and completed operations, under this Agreement. The following language should be used when referencing the additional insured status: **National Grid USA, its subsidiaries and affiliates.**

To the extent Seller's insurance coverage does not provide the full Additional Insured coverage as required herein, Seller agrees to indemnify and hold harmless the Insured Entities against any and all liability resulting from any deficiency in Seller's insurance coverage that may be out of compliance with this insurance requirement.

4. **Waiver of Recovery**: Seller and its insurance carrier(s) shall waive all rights of recovery against the Insured Entities and their directors, officers and employees, for any loss or damage covered under those policies referenced in this insurance provision, or for any required coverage that may be self-insured by Seller. To the extent Seller's insurance carriers will not waive their right of subrogation against the Insured Entities, Seller agrees to indemnify the Insured Entities for any subrogation activities pursued against them by Seller's insurance carriers. However, this waiver shall not extend to the gross negligence or willful misconduct of the Insured Entities or their employees, sub-contractors or agents.

5. **Contractors**: In the event Seller uses contractors in connection with this Agreement ("Contractors"), it is expressly agreed that Seller shall have the sole responsibility to make certain that all Contractors are in compliance with these insurance requirements and remains in compliance throughout the course of this Agreement, and thereafter as required. Seller shall remain liable for the performance of the Contractor, and such sub-contract relationship shall not relieve Seller of its obligations under this agreement.

Unless agreed to in writing the by the Risk Management Department of National Grid USA Service Company, any deductible or self insured retentions maintained by any Contractor, which shall be for the account of the Contractor, and shall not exceed $1,000,000. If requested by National Grid, Seller shall provide National Grid with an insurance certificate from its Contractor evidencing this coverage.

In the event any Contractor is unable to maintain all of the same insurance coverage as required in this Exhibit D, Seller shall notify National Grid and the Parties shall reasonably agree to replacement insurance given the scope and nature of the works of Contractor. Until such insurance is in place, such Contractor shall not perform any work in connection with this Agreement.

6. **Insurance Certification**: Upon execution of this Agreement, Seller shall promptly provide National Grid with (a) Certificate(s) of Insurance for all coverage's required herein at the following address: National Grid Attn: Risk Management Bldg. A-4 300 Erie Boulevard West Syracuse, NY 13202 Such certificates, and any renewals or extensions thereof, shall outline the amount of deductibles or self-insured retentions which shall be for the account of Seller. Such deductibles or self-insured retentions shall not exceed $1,000,000 unless agreed to in writing by the Risk Management Department of National Grid USA Service Company, whose approval shall not be unreasonably withheld, delayed or conditioned.

Seller shall endeavor to provide National Grid with at least 30 days prior written (10 days for non-payment of premium) notice of any cancellation or diminution of the insurance coverage required in this Exhibit D.

7. **Insurance Obligation**: If any insurance coverage is not secured, maintained or is cancelled and Seller fails to timely procure other insurance as specified, National Grid has the right, but not the obligation, to procure such insurance and to invoice Seller for said coverage.

8. **Incident Reports**: Seller shall furnish the Risk Management Department of National Grid USA Service Company with copies of any non-privileged accident or incident report(s) (collectively, the "Documents") sent to Seller's insurance carriers covering accidents, incidents or events occurring as a result of the performance of all operations, work and services performed by or on behalf of Seller under or in connection with this Agreement, excluding any accidents or incidents occurring on Seller property. If any of the National Grid Companies are named in a lawsuit involving the operations and activities of Seller associated with this Agreement, Seller shall promptly provide copies of all insurance policies relevant to this accident or incident if requested by National Grid. However, in the event such Documents are deemed by the Seller in its sole discretion to be privileged or confidential, Seller shall provide the relevant facts of the accident or incident in a format that does not violate such privilege or confidentiality. Specifically, and without limitation, nothing herein shall obligate the Seller to provide confidential health or other personal information concerning any individual.

9. **Other Coverage**: These requirements are in addition to any which may be required elsewhere in this Agreement. In addition, Seller shall comply with any governmental site specific insurance requirements even if not stated herein.

10. **Coverage Representation**: Seller represents that it has the required policy limits available, and shall notify National Grid USA Service Company's Risk Management Department in writing when the coverage's required in this Exhibit D have been reduced as a result of claims payments, expenses, or both. However, this obligation does not apply to any claims that would be handled solely with in Seller's deductible or self-insured retention.

11. **Responsibility**: The complete or partial failure of Seller's insurance carrier to fully protect and indemnify the Insured Entities per the terms of the Agreement, including without limitation, this exhibit, or the inadequacy of the insurance shall not in any way lessen or affect the obligations of Seller to the Insured Entities.

12. **Coverage Limitation**: Nothing contained in this Exhibit D is to be construed as limiting the extent of Seller's responsibility for payment of damages resulting from all operations, work and services to be performed by or on behalf of Seller under or in connection with this Agreement, or limiting, diminishing, or waiving Seller's obligation to indemnify, defend, and save harmless the Insured Entities in accordance with this Agreement.

EXHIBIT E

PRODUCTS AND PRICING

1. Payment. Buyer shall, in accordance with the terms of the Agreement and this Exhibit E, with respect to any month after the Commercial Operation Date, pay to Seller, in immediately available funds, for each MWh of Products Delivered by Seller during such month, the Bundled Price per MWh set forth on Appendix X hereof (as adjusted pursuant to the applicable provisions of this Exhibit E).

2. Allocation of MWh Price. The Bundled Price per MWh for each billing period shall be allocated between Energy and RECs as follows:

Energy = The $/MWh price of Energy for the applicable month shall be equal to the weighted average of the LMP in that month (also on a $/MWh basis) for the Node on the Pool Transmission Facilities to which the Facility is interconnected.

RECs = The Bundled Price per MWh (including any adjustment under Section 3) less the Energy allocation determined under this Section 2 for the applicable billing period and the $/MWh equivalent of the adjustment for Forward Capacity Market payments as set forth in Section 4 for that billing period

Except as set forth in Section 4.7(e), the allocation described in this Section 2 of Exhibit E does not affect the Bundled Price payable to Seller.

3. Adjustment to Bundled Price for Zonal Price Separation. If Energy is Delivered in any month and settled at the Rhode Island Load Zone in accordance with Section 4.2(a) of this Agreement, the Bundled Price per MWh paid for Products delivered in that calendar month shall be adjusted in accordance with Section 4.2(a).

4. Adjustment to Bundled Price for Forward Capacity Market Payments. The Bundled Price per MWh listed above, as adjusted pursuant to this Exhibit E, shall be reduced on a monthly basis by any payments received by or credited to Seller for Contract Capacity attributable to the Facility sold by Seller in the Forward Capacity Market in the applicable month, which reduction shall not be reduced for any penalties incurred by Seller in the Forward Capacity Market (other than Peak Energy Rents). If during the Term the transmission constraints north of the Congestion Point that are in existence on the Effective Date are eliminated such that the Facility is thereafter eligible to participate in the Forward Capacity Market, and if after such eligibility Seller fails to comply with the requirements of Section 4.8 of the Agreement, then for such subsequent Capacity Commitment Periods during which the Facility fails to receive payments for Contract Capacity attributable to the Facility as a result of Seller's failure to comply with Section 4.8 of the Agreement, Buyer shall calculate the reduction

due under this Section 4 assuming that the Facility had qualified as a Capacity Resource with the Seasonal Claimed Capability for the Facility equivalent to the Contract Capacity and received a Capacity Supply Obligation, based on information obtained from Seller and publicly available information from ISO-NE, which calculation shall be binding, absent manifest error. Seller shall use commercially reasonable efforts to cooperate with Buyer in calculating this reduction.

APPENDIX

Appendix X: Bundled Price per MWh

Appendix X to Exhibit E

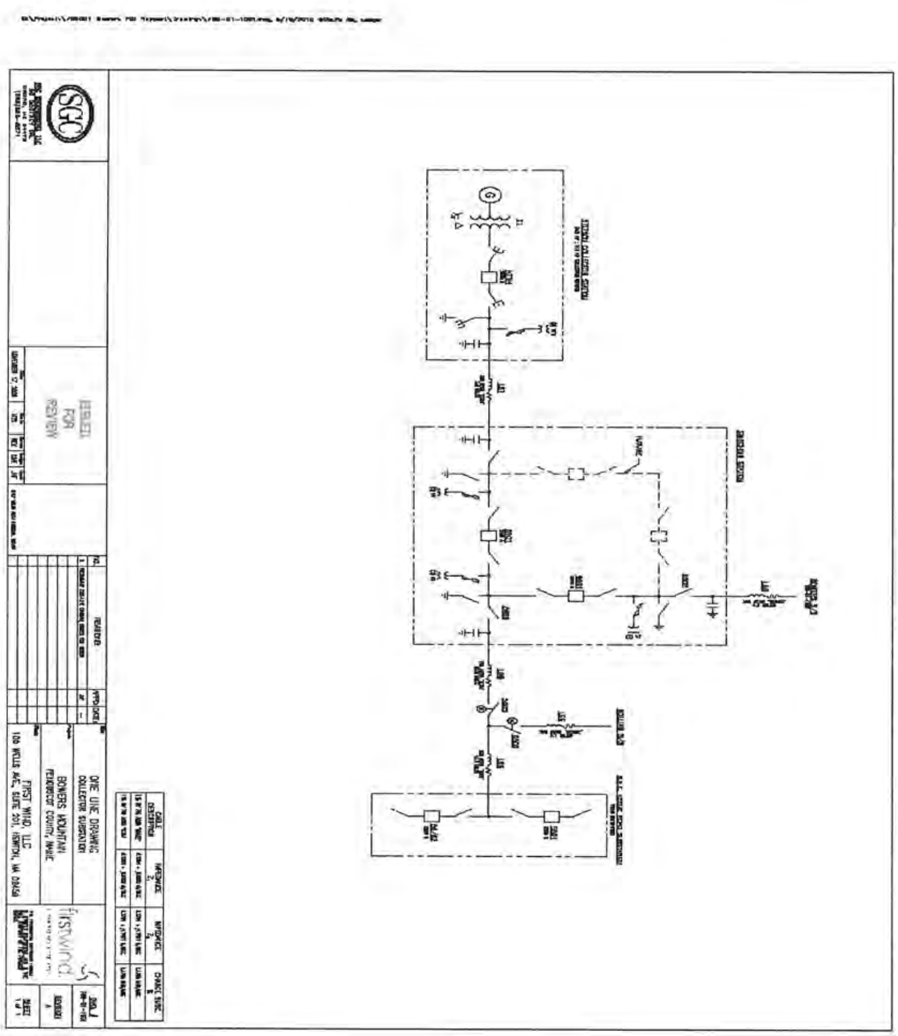
Bundled Price per MWH

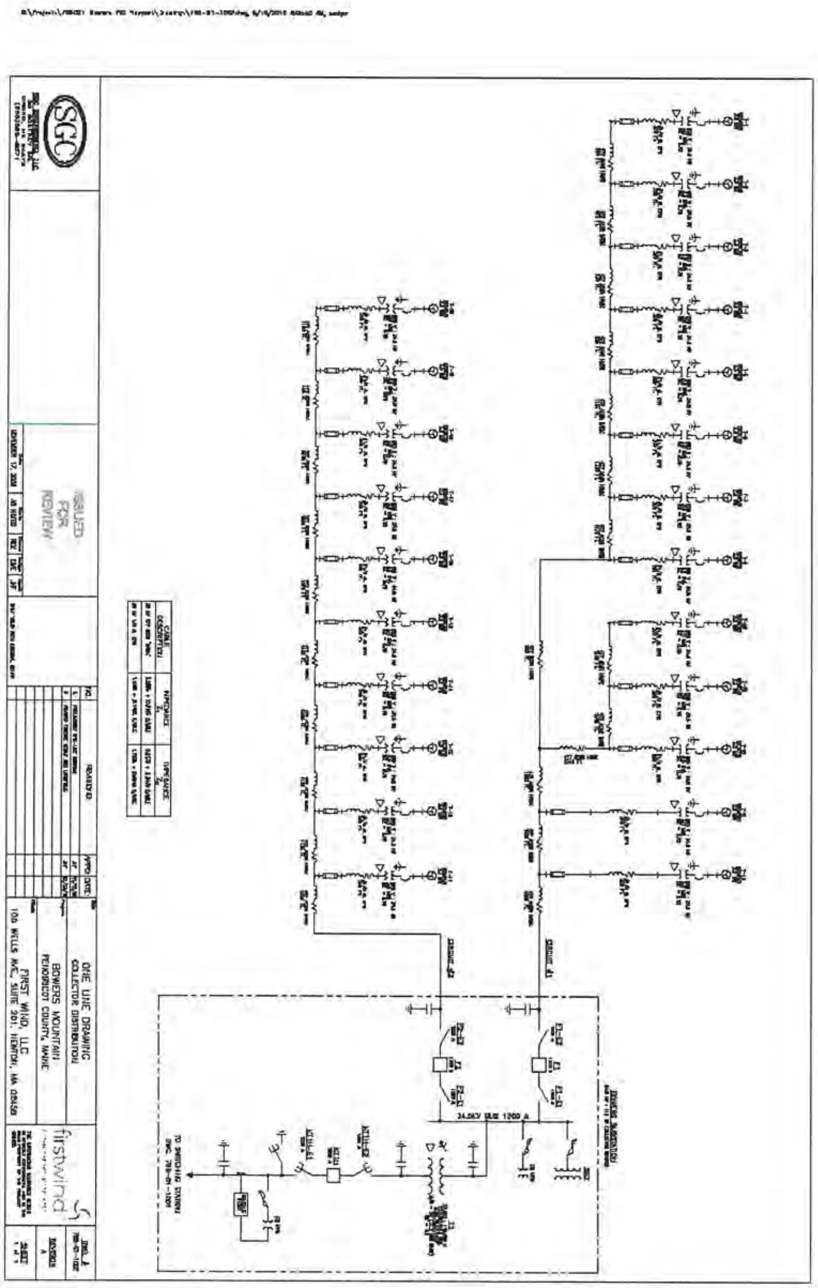
The Bundled Price per MWH shall be equal to $78 per MWh, commencing on the Commercial Operation Date.

EXHIBIT F

Diagram of Interconnection and Delivery Points

Delivery Point: Pool Transmission Facilities Node associated with the point of interconnection between the generator lead identified as Line 56 and the low side of Bangor Hydro-Electric Company's Keene Road substation.




ISSUED FOR REVIEW
ONE LINE DRAWING
COLLECTOR DISTRIBUTION
BOWERS MOUNTAIN
PENOBSCOT COUNTY, MAINE
FIRST WIND, LLC
firstwind

REDACTED

Bowers Wind 48 MW

	ESAI RI & ME Power Price Forecast				15 Yr PPA					
Year	*ME Energy 7x24 ($/MWh)*	*RI REC Forecast ($/MWh)*	*ME Energy & RECs*	*Capacity $/kW-mo*	*Delivered Energy (MWh)*	*Bundled Energy Rate ($/MWh)*	*Market Cost*	*Contract Cost*	*Contract Cost less Market Cost*	*Contract Cost less Market Cost (from Monthly Production Table)*
2011										
2012										
2013										
2014										
2015	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2016	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2017	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2018	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2019	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2020	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2021	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2022	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2023	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2024	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2025	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2026	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2027	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2028	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2029	[redacted]	[redacted]	[redacted]	[redacted]	159,149	$78.00	[redacted]	$12,413,622	[redacted]	[redacted]
2030										
2031										
2032										
2033										
2034										
2035										
2036										
2037										
				Total	2,387,235	[redacted]	$287,666,173	$186,204,330	($101,461,843)	($105,598,702)
				NPV (7%)	1,449,515	[redacted]	$174,540,498	$113,062,202	($61,478,297)	($63,933,741)
							Levelized Market Conparison ($/MWh)		$ (42.41)	$ (44.11)

Delivery Zone	**ME**
Nameplate (MW)	**48**
Capacity Factor for FCM	**0.0%**
Discount Rate	7.0%
Escalation	0.0%
Yr 1 Contract Price	$78.00
Estimated Annual Output	159,149
Estimated COD	1Q2015
Estimated Annual Capacity Factor	37.8%

REDACTED

Monthly Table

		ME Energy Prices (ESAI)		Production		Capacity	RECs	Market Costs	Contract Costs	Contract less Market Costs
		On-Peak	Off-Peak	On-Peak	Off-Peak	$/kw-mo	$/MWH			
2015	Jan-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,478,334	[redacted]
2015	Feb-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,382,862	[redacted]
2015	Mar-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,350,648	[redacted]
2015	Apr-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,158,690	[redacted]
2015	May-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 899,496	[redacted]
2015	Jun-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 690,378	[redacted]
2015	Jul-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 616,980	[redacted]
2015	Aug-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 638,976	[redacted]
2015	Sep-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 830,622	[redacted]
2015	Oct-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,095,354	[redacted]
2015	Nov-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,125,852	[redacted]
2015	Dec-15	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,253,304	[redacted]
2016	Jan-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,478,334	[redacted]
2016	Feb-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,382,862	[redacted]
2016	Mar-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,350,648	[redacted]
2016	Apr-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,158,690	[redacted]
2016	May-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 899,496	[redacted]
2016	Jun-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 690,378	[redacted]
2016	Jul-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 616,980	[redacted]
2016	Aug-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 638,976	[redacted]
2016	Sep-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 830,622	[redacted]
2016	Oct-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,095,354	[redacted]
2016	Nov-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,125,852	[redacted]
2016	Dec-16	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,253,304	[redacted]
2017	Jan-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,478,334	[redacted]
2017	Feb-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,382,862	[redacted]
2017	Mar-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,350,648	[redacted]
2017	Apr-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,158,690	[redacted]
2017	May-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 899,496	[redacted]
2017	Jun-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 690,378	[redacted]
2017	Jul-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 616,980	[redacted]
2017	Aug-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 638,976	[redacted]
2017	Sep-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 830,622	[redacted]
2017	Oct-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,095,354	[redacted]
2017	Nov-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,125,852	[redacted]
2017	Dec-17	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,253,304	[redacted]
2018	Jan-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,478,334	[redacted]
2018	Feb-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,382,862	[redacted]
2018	Mar-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,350,648	[redacted]
2018	Apr-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,158,690	[redacted]
2018	May-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 899,496	[redacted]
2018	Jun-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 690,378	[redacted]
2018	Jul-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 616,980	[redacted]
2018	Aug-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 638,976	[redacted]
2018	Sep-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 830,622	[redacted]
2018	Oct-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,095,354	[redacted]
2018	Nov-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,125,852	[redacted]
2018	Dec-18	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,253,304	[redacted]
2019	Jan-19	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,478,334	[redacted]
2019	Feb-19	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,382,862	[redacted]
2019	Mar-19	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,350,648	[redacted]
2019	Apr-19	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 1,158,690	[redacted]
2019	May-19	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 899,496	[redacted]
2019	Jun-19	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	$ 690,378	[redacted]

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2019	Jul-19	[redacted]	$ 616,980	[redacted]
2019	Aug-19	[redacted]	$ 638,976	[redacted]
2019	Sep-19	[redacted]	$ 830,622	[redacted]
2019	Oct-19	[redacted]	$ 1,095,354	[redacted]
2019	Nov-19	[redacted]	$ 1,125,852	[redacted]
2019	Dec-19	[redacted]	$ 1,253,304	[redacted]
2020	Jan-20	[redacted]	$ 1,478,334	[redacted]
2020	Feb-20	[redacted]	$ 1,382,862	[redacted]
2020	Mar-20	[redacted]	$ 1,350,648	[redacted]
2020	Apr-20	[redacted]	$ 1,158,690	[redacted]
2020	May-20	[redacted]	$ 899,496	[redacted]
2020	Jun-20	[redacted]	$ 690,378	[redacted]
2020	Jul-20	[redacted]	$ 616,980	[redacted]
2020	Aug-20	[redacted]	$ 638,976	[redacted]
2020	Sep-20	[redacted]	$ 830,622	[redacted]
2020	Oct-20	[redacted]	$ 1,095,354	[redacted]
2020	Nov-20	[redacted]	$ 1,125,852	[redacted]
2020	Dec-20	[redacted]	$ 1,253,304	[redacted]
2021	Jan-21	[redacted]	$ 1,478,334	[redacted]
2021	Feb-21	[redacted]	$ 1,382,862	[redacted]
2021	Mar-21	[redacted]	$ 1,350,648	[redacted]
2021	Apr-21	[redacted]	$ 1,158,690	[redacted]
2021	May-21	[redacted]	$ 899,496	[redacted]
2021	Jun-21	[redacted]	$ 690,378	[redacted]
2021	Jul-21	[redacted]	$ 616,980	[redacted]
2021	Aug-21	[redacted]	$ 638,976	[redacted]
2021	Sep-21	[redacted]	$ 830,622	[redacted]
2021	Oct-21	[redacted]	$ 1,095,354	[redacted]
2021	Nov-21	[redacted]	$ 1,125,852	[redacted]
2021	Dec-21	[redacted]	$ 1,253,304	[redacted]
2022	Jan-22	[redacted]	$ 1,478,334	[redacted]
2022	Feb-22	[redacted]	$ 1,382,862	[redacted]
2022	Mar-22	[redacted]	$ 1,350,648	[redacted]
2022	Apr-22	[redacted]	$ 1,158,690	[redacted]
2022	May-22	[redacted]	$ 899,496	[redacted]
2022	Jun-22	[redacted]	$ 690,378	[redacted]
2022	Jul-22	[redacted]	$ 616,980	[redacted]
2022	Aug-22	[redacted]	$ 638,976	[redacted]
2022	Sep-22	[redacted]	$ 830,622	[redacted]
2022	Oct-22	[redacted]	$ 1,095,354	[redacted]
2022	Nov-22	[redacted]	$ 1,125,852	[redacted]
2022	Dec-22	[redacted]	$ 1,253,304	[redacted]
2023	Jan-23	[redacted]	$ 1,478,334	[redacted]
2023	Feb-23	[redacted]	$ 1,382,862	[redacted]
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2023	May-23	[redacted]	$ 899,496	[redacted]
2023	Jun-23	[redacted]	$ 690,378	[redacted]
2023	Jul-23	[redacted]	$ 616,980	[redacted]
2023	Aug-23	[redacted]	$ 638,976	[redacted]
2023	Sep-23	[redacted]	$ 830,622	[redacted]
2023	Oct-23	[redacted]	$ 1,095,354	[redacted]
2023	Nov-23	[redacted]	$ 1,125,852	[redacted]
2023	Dec-23	[redacted]	$ 1,253,304	[redacted]
2024	Jan-24	[redacted]	$ 1,478,334	[redacted]
2024	Feb-24	[redacted]	$ 1,382,862	[redacted]
2024	Mar-24	[redacted]	$ 1,350,648	[redacted]
2024	Apr-24	[redacted]	$ 1,158,690	[redacted]
2024	May-24	[redacted]	$ 899,496	[redacted]
2024	Jun-24	[redacted]	$ 690,378	[redacted]
2024	Jul-24	[redacted]	$ 616,980	[redacted]
2024	Aug-24	[redacted]	$ 638,976	[redacted]
2024	Sep-24	[redacted]	$ 830,622	[redacted]
2024	Oct-24	[redacted]	$ 1,095,354	[redacted]
2024	Nov-24	[redacted]	$ 1,125,852	[redacted]

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2024	Dec-24	[redacted]	$ 1,253,304	[redacted]
2025	Jan-25		$ 1,478,334	
2025	Feb-25		$ 1,382,862	
2025	Mar-25		$ 1,350,648	
2025	Apr-25		$ 1,158,690	
2025	May-25		$ 899,496	
2025	Jun-25		$ 690,378	
2025	Jul-25		$ 616,980	
2025	Aug-25		$ 638,976	
2025	Sep-25		$ 830,622	
2025	Oct-25		$ 1,095,354	
2025	Nov-25		$ 1,125,852	
2025	Dec-25		$ 1,253,304	
2026	Jan-26		$ 1,478,334	
2026	Feb-26		$ 1,382,862	
2026	Mar-26		$ 1,350,648	
2026	Apr-26		$ 1,158,690	
2026	May-26		$ 899,496	
2026	Jun-26		$ 690,378	
2026	Jul-26		$ 616,980	
2026	Aug-26		$ 638,976	
2026	Sep-26		$ 830,622	
2026	Oct-26		$ 1,095,354	
2026	Nov-26		$ 1,125,852	
2026	Dec-26		$ 1,253,304	
2027	Jan-27		$ 1,478,334	
2027	Feb-27		$ 1,382,862	
2027	Mar-27		$ 1,350,648	
2027	Apr-27		$ 1,158,690	
2027	May-27		$ 899,496	
2027	Jun-27		$ 690,378	
2027	Jul-27		$ 616,980	
2027	Aug-27		$ 638,976	
2027	Sep-27		$ 830,622	
2027	Oct-27		$ 1,095,354	
2027	Nov-27		$ 1,125,852	
2027	Dec-27		$ 1,253,304	
2028	Jan-28		$ 1,478,334	
2028	Feb-28		$ 1,382,862	
2028	Mar-28		$ 1,350,648	
2028	Apr-28		$ 1,158,690	
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2029	Jan-29		$ 1,478,334	
2029	Feb-29		$ 1,382,862	
2029	Mar-29		$ 1,350,648	
2029	Apr-29		$ 1,158,690	
2029	May-29		$ 899,496	
2029	Jun-29		$ 690,378	
2029	Jul-29		$ 616,980	
2029	Aug-29		$ 638,976	
2029	Sep-29		$ 830,622	
2029	Oct-29		$ 1,095,354	
2029	Nov-29		$ 1,125,852	
2029	Dec-29		$ 1,253,304	

nationalgrid

Jennifer Brooks Hutchinson
Senior Counsel

August 29, 2013

VIA HAND DELIVERY & ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

RE: Summary Report on The Narragansett Electric Company d/b/a National Grid's Third Solicitation for Long-Term Contracts for Renewable Energy Projects Pursuant to Rhode Island General Laws Section 39-26.1 et seq.

Dear Ms. Massaro:

On behalf of National Grid[1], enclosed are ten (10) copies of the Company's summary report on the results of the third solicitation conducted by the Company pursuant to R.I.G.L. Section 39-26.1 *et seq*., as recently amended (the "Long-Term Contracting Standard")[2] and the Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (collectively, the "Regulations") promulgated by the Rhode Island Public Utilities Commission (the "Commission").

Under the Long-Term Contracting Standard and the Regulations, beginning on or before July 1, 2010, National Grid is required to annually solicit proposals from renewable energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts with terms of ten to fifteen years for the purchase of capacity, energy and attributes from newly developed renewable energy resources. The timing and method of this annual solicitation process was approved by the Commission with some limited modifications on June 17, 2010 in Docket 4150. Subsequently, the Commission approved the Company's revisions to the method of annual solicitation, with modifications, at its open meeting on June 12, 2013 in Docket 4316, and the Commission issued a written order in that docket on July 12, 2012. The changes proposed at that time were to integrate the statutory provisions under the Long-Term Contracting Standard with the newly enacted Net Metering Provision of the Renewable Energy Standard, R.I.G.L. § 39-26.4-1 *et seq*. and the Distributed Generation Standard Contracts Act, R.I.G.L. § 39-26.2-1 *et seq.*

National Grid initiated its third solicitation for long-term contracts for renewable energy on June 29, 2012 with the issuance of the Company's Request for Proposals for Long-Term Contracts for Renewable Energy Projects ("RFP"). With this solicitation, the Company was required to procure approximately twenty-five percent (25%) of contract capacity to meet the target of seventy-five percent (75%) of the 90 MW minimum long-term contract capacity requirement under the Long-Term Contracting Standard. The Company had previously executed Power Purchase Agreements ("PPA") with Rhode Island LFG Genco, LLC for the Town of Johnston project, with

[1] The Narragansett Electric Company d/b/a National Grid ("National Grid" of the "Company").
[2] See S 0641 Sub B (July 11, 2013).

Deepwater Wind, Block Island, LLC for the Town of New Shoreham project, Orbit Energy, Rhode Island, LLC for the biogas project selected in the initial solicitation, and Black Bear Development Holdings, LLC for the hydro project selected in the second solicitation. Together, these four projects brought the total contract capacity to approximately fifty percent (50%) of the 90 MW requirement. In this third solicitation, the Company selected the number one ranked, highest scoring proposal for a 48 MW land-based wind projected located in Maine. The Company and the project's developer executed a PPA as of August 2, 2013, which the Company will be filing with the Commission for its review and approval pursuant to the Long-Term Contracting Standard and the Regulations. This project, which, if approved, will contribute 18.16 MW of contract capacity. Together with the sixteen projects selected in the first three Distributed Generation Standard Contracts Enrollments, which contributed an additional 2.4 MW of contract capacity, this project would bring the total contract capacity to approximately 73.4 percent of the 90 MW requirement.

The Company is filing the enclosed summary report to provide the Commission with the results of the Company's third solicitation for long-term contracts for newly developed renewable energy projects, as required by the Regulations. Section 4.12 of the Regulations specifically provides that, "[w]ithin thirty (30) days of the execution of final contracts, or upon a determination that no Commercially Reasonable contracts could be entered into, [National Grid] shall file with the Commission a report on each solicitation regarding the results of such solicitation, even if no contracts are executed following the solicitation." The enclosed summary report includes a brief description of the solicitation process, the number and types of proposals received, and the evaluation of those proposals. Appendix A of the report contains a more detailed summary of the bids received, including pricing data, as well as the price and non-price evaluation of those bids.

This filing also contains a Motion for Protective Treatment in accordance with Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(B). The Company seeks protection from public disclosure of Appendix A to the report as it contains confidential information including pricing data. In compliance with Rule 1.2(g), National Grid is providing one (1) complete unredacted copy of the confidential documents in a sealed envelope marked **"Contains Privileged and Confidential Materials – Do Not Release."** The Company has provided the Commission with the confidential version of those documents.

Thank you for your attention to this transmittal. If you have any questions, please feel free to contact me at (401) 784-7288.

Very truly yours,

Jennifer Brooks Hutchinson

Jennifer Brooks Hutchinson

Enclosures
cc: Leo Wold, Esq.
Steve Scialabba, Division

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

RHODE ISLAND PUBLIC UTILITIES COMMISSION

____

Summary Report on The Narragansett Electric Company d/b/a National Grid's Third Solicitation for Long-Term Contracts for Renewable Energy Projects Pursuant to Rhode Island General Laws Section 39-26.1 et seq.

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NATIONAL GRID'S REQUEST
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION

National Grid[1] hereby requests that the Rhode Island Public Utilities Commission ("Commission") provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by Commission Rule 1.2(g) and R.I.G.L. § 38-2-2(4)(i)(B). National Grid also hereby requests that, pending entry of that finding, the Commission preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On August 29, 2013, National Grid filed with the Commission a summary report of its third solicitation for long-term contracts, which includes a brief description of the solicitation process, the number and types of proposals received, the evaluation of those proposals. Appendix A of the report, which is confidential, contains a detailed summary

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[1] The Narragansett Electric Company d/b/a National Grid ("National Grid" or the "Company").

of the bids received, including pricing data, as well as the price and non-price evaluation of those bids.

II. LEGAL STANDARD

The Commission's Rule 1.2(g) provides that access to public records shall be granted in accordance with the Access to Public Records Act ("APRA"), R.I.G.L. §38-2-1, *et seq.* Under APRA, all documents and materials submitted in connection with the transaction of official business by an agency is deemed to be a "public record," unless the information contained in such documents and materials falls within one of the exceptions specifically identified in R.I.G.L. §38-2-2(4). Therefore, to the extent that information provided to the Commission falls within one of the designated exceptions to the public records law, the Commission has the authority under the terms of APRA to deem such information to be confidential and to protect that information from public disclosure.

In that regard, R.I.G.L. §38-2-2(4)(i)(B) provides that the following types of records shall not be deemed public:

> Trade secrets and commercial or financial information obtained from a person, firm, or corporation which is of a privileged or confidential nature.

The Rhode Island Supreme Court has held that this confidential information exemption applies where disclosure of information would be likely either (1) to impair the Government's ability to obtain necessary information in the future; <u>or</u> (2) to cause substantial harm to the competitive position of the person from whom the information was obtained. <u>Providence Journal Company v. Convention Center Authority</u>, 774 A.2d 40 (R.I.2001).

The first prong of the test is satisfied when information is voluntarily provided to the governmental agency and that information is of a kind that would customarily not be released to the public by the person from whom it was obtained. Providence Journal, 774 A.2d at 47.

In addition, the Court has held that the agencies making determinations as to the disclosure of information under APRA may apply the balancing test established in Providence Journal v. Kane, 577 A.2d 661 (R.I.1990). Under that balancing test, the Commission may protect information from public disclosure if the benefit of such protection outweighs the public interest inherent in disclosure of information pending before regulatory agencies.

II. BASIS FOR CONFIDENTIALITY

The Company seeks confidential treatment for Appendix A of the report since it contains confidential and proprietary information including pricing information and bid-evaluation information. This information was obtained from bidders under a confidentiality agreement and contains their confidential pricing data. Disclosure of this information would impact the competitive position of these parties, and such disclosure would impede National Grid's future ability to obtain bids and/or this type of proprietary information.

III. CONCLUSION

Accordingly, the Company requests that the Commission grant protective treatment to Appendix A.

WHEREFORE, the Company respectfully requests that the Commission grant its Motion for Protective Treatment as stated herein.

Respectfully submitted,

NATIONAL GRID

By its attorney,

____
Jennifer Brooks Hutchinson
National Grid
280 Melrose Street
Providence, RI 02907
(401) 784-7288

Dated: August 29, 2013

Long-Term Contracting Standards for Renewable Energy
Summary Report on Third Solicitation

The Narragansett Electric Company d/b/a National Grid

August 29, 2013

nationalgrid

Long-Term Contracting Standards for Renewable Energy
Summary Report on Third Solicitation
August 29, 2013

Introduction

On June 29, 2012, National Grid[1] issued its third solicitation for proposals from renewable energy developers to enter into long-term contracts for the purchase of capacity, energy and attributes from newly developed renewable energy resources pursuant to the Long-Term Contracting Standard for Renewable Energy, R.I.G.L. 39-26.1 *et seq.*, as amended (the "Long-Term Contracting Standard"). [2] Pursuant to Section 4.12 of the Regulations[3], National Grid has prepared this summary report to provide the Rhode Island Public Utilities Commission (the "Commission") information regarding the results of the Company's third solicitation.

Background

National Grid is required to annually solicit proposals from renewable energy developers and, provided commercially reasonable proposals have been received, enter into long-term contracts for the purchase of capacity, energy and attributes from newly developed renewable energy resources.[4] The timing and method of this annual solicitation process was approved by the Commission with some limited modifications at its open meeting on June 17, 2010 in Docket 4150, and the Commission issued a written order on December 1, 2010. Subsequently, the Commission approved the Company's revisions to the method of annual solicitation, with modifications, at its open meeting on June 12, 2013 in Docket 4316, and the Commission issued a written order in that docket on July 12, 2012.[5]

Under the Long-Term Contracting Standard, National Grid is required to reach the 90 MW[6] minimum long-term contract capacity under contract by December 30, 2014 and was authorized expressly to procure long-term contracts for two specific projects: (1) the Town of Johnston Project (landfill gas) and (2) the Town of New Shoreham (Block Island) Project (including an undersea transmission cable to the Rhode Island mainland).

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[1] The Narragansett Electric Company d/b/a National Grid (referred to herein as "National Grid" or the "Company").
[2] See S 0641 Sub B (July 11, 2013).
[3] The Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy, effective January 28, 2010 (the "Regulations").
[4] See R.I.G.L. §39-26.1-3, as amended by S 0641 Sub B (July 11, 2013).
[5] The changes proposed at that time were to integrate the statutory provisions under the Long-Term Contracting Standard with the newly enacted Net Metering Provision of the Renewable Energy Standard, R.I.G.L. § 39-26.4-1 *et seq.* and the Distributed Generation Standard Contracts Act, R.I.G.L. § 39-26.2-1 *et seq.*
[6] The requirement is equivalent to 90 MW at a capacity factor of 100 percent, which is 788,400 MWh annually. See R.I.G.L. §39-26.1-2(7).

Agreement ("PPA") with Rhode Island LFG Genco, LLC ("RI LFG Genco"). In accordance with the specific statutory provisions authorizing this PPA, the Rhode Island Division of Public Utilities and Carriers (the "Division") filed the executed PPA and required certifications with the Commission on July 9, 2010. This 32.1 MW project provides 27.3 MW of contract capacity, as defined under the statute, and represents 30.3 percent of the 90 MW requirement.[7]

The Company also entered into an amended PPA with Deepwater Wind Block Island, LLC ("Deepwater Wind") for the Town of New Shoreham Project, which the Commission approved in Docket 4185 on August 17, 2010. The Deepwater Wind project as proposed in Docket 4185 was comprised of five 6 MW offshore wind turbines, having a total nameplate capacity of 30 MW, which would comprise 12 MW of the minimum long-term contract capacity requirement. This would bring the total contract capacity to 43.1 percent of the minimum requirement.[8]

As a result of the first solicitation, National Grid filed a PPA with Orbit Energy Rhode Island, LLC with the Commission on June 22, 2011 for a biogas project, which the Commission approved on July 28, 2011. This project contributes 2.6 MW of contract capacity as defined by the Regulations, which brought the Company's total contract capacity to 46 percent of the 90 MW requirement.

The second solicitation resulted in a PPA with Black Bear Development Holdings, LLC filed on March 19, 2012, as amended by a First Amendment to Power Purchase Agreement filed on May 9, 2012, which the Commission approved on May 11, 2012. This hydro project contributes 3.6 MW of contract capacity, which brings the Company's contract capacity to approximately 50% of the 90 MW requirement.

Project	Nameplate Capacity (MW)	Contract Capacity (MW)	% of 90 MW Requirement	Cumulative % of 90 MW Requirement
RI LFG Genco	32.10	27.30	30.3%	30.3%
Deepwater Wind Block Island	30.00	12.00	13.3%	43.7%
Orbit Energy Johnston RI	3.00	2.60	2.9%	46.6%
Black Bear Hydro	3.86	3.57	4.0%	50.5%

[7] The combined cycle generating facility has an output of 32.1 MW under average ambient conditions, and an estimated availability of 85 percent.

[8] On October 12, 2011, Deepwater Wind and Siemens announced an agreement for the purchase of five 6-MW wind turbine generators as permitted under the statute and the amended PPA. Any construction cost savings would be reflected in the bundled energy price.

Thus, the Company was required to procure approximately twenty-five percent of contract capacity or 22.5[9] MW to meet the December 30, 2012 target of 75 percent of the long-term contract capacity requirement under the Long-Term Contracting Standard.

Third Solicitation

National Grid issued its request for proposals ("RFP") on June 29, 2012, with bids due on August 3, 2012. The Company posted the RFP and supporting documents on the power procurement section of the National Grid website and sent notifications to the ISO-New England ("ISO-NE") Markets Committee and to a list of parties who have supplied, or indicated an interest in supplying, renewable energy certificates ("RECs") to National Grid. The Company also sent notice of the RFP's release to contacts with various "trade" publications in the energy field. On July 16, 2012, the Company held an informational conference for prospective bidders at its office in Providence, Rhode Island.

The Company received sixteen bids in response to its third solicitation. The following table summarizes the bids received in terms of generation source, location, nominal capacity (MW), and contract capacity.[10]

Generation Type	Location	Nominal Capacity (MW)	Contract Capacity (MW)	Percent of 90 MW Requirement
Land-based Wind	Franklin County, ME	236.7	76.2	84.7
Land-based Wind	Chester, ME	48	18.2	20.4
Land-based Wind	Groton, NH	50	15.4	17.1
Land-based Wind	Antrim, NH	30	12	13.3
Fuel Cell	Tiverton, RI	23.4	11.5	12.7
Land-based Wind	Franklin County, ME	33	11	12.2
Land-based Wind	New Ipswich/Temple, NH	16.1	8.7	9.6
Land-based Wind	Tiverton, RI	25	7.5	8.3
Land-based	Ashford/Union,	19.2	7.3	8.1

[9] Included in this amount will be any capacity contracted for through DG enrollments. The Company is required to contract for 15 MW of distributed generation nameplate capacity by December 20, 2012, which was estimated to be approximately 2.5 MW of contract capacity.
[10] Dividing the estimated annual energy production by 8,760 hrs/yr determines the amount of contract capacity that would count toward the 90 MW requirement. A more detailed summary including identity of bidders and pricing information is provided in Appendix A, Table 1.

Wind	CT			
Solar PV	Tiverton, RI	37.6	7.1	7.8
Land-based Wind	Canton, ME	22	6.4	7.1
Land-based Wind	Union, CT	6.4	2.6	2.9
AD/Biogas	Fall River, MA	2.8	2.5	2.8
AD/Biogas	Johnston, RI	2.8	2.5	2.8
Solar	North Kingstown, RI	6.2	0.9	1
Hydro	Medway, ME	0.8[11]	0.4	0.5

The Company evaluated all of the bids based on price and non-price factors as described in the RFP. In the price evaluation (See Appendix A, Tables 2 and 3), which can award a maximum of 80 points, the submitted pricing is compared to a market forecast for capacity, energy, and RECs. The year-to-year differences between the pricing and forecast are brought to a unitized ($/MWh) net present value in the first year of operation using a discount rate of seven percent. The project with the lowest unitized difference from the forecast is awarded 80 points. Points for the remaining projects are determined by subtracting 0.5 points for each $/MWh higher in unitized net present value, and the remainder of the projects are ranked accordingly. Note that the non-price scoring was completed only for those projects that received sufficient points in the price scoring to be in contention on the basis of the total score.

The Company also considered several non-price factors in its evaluation of the bids received in the first solicitation.[12] A project may receive a maximum of 20 points in the non-price evaluation (See Appendix A, Table 4).

After the Company initially evaluated all proposals, the Company identified four bidders from which it sought additional information. On October 19, 2012, all other bidders were notified by email that they had not been selected for further negotiations. After further evaluation of these four bids, including the additional information received, the final scoring of the bids was completed (See Appendix A, Table 5). The Company selected the number one ranked, highest scoring proposal for a 48 MW land-based wind project located in Maine for negotiation of a PPA. The Company and the selected project's developer have executed a PPA as of August 2, 2013, which will be filed with the Commission for its review and approval pursuant to the Long-Term Contracting Standard

[11] Section 2.2.2.5 of the RFP requires that the Minimum Contract Size is the proposed sale of Eligible Products from all or a portion of the net generating capability of an Eligible Facility at a specific site that is, at a minimum, one (1) MW.

[12] The non-price scoring methodology was included as Appendix B in the report on the first solicitation, and included the following factors: Siting and Permitting, Project Development Status and Operational Viability, Experience and Capability of Bidder and Project Team, Financing, and Economic Benefit to Rhode Island. It was concluded in the development of this methodology that for projects not located in Rhode Island, pricing could provide economic benefits, if that pricing was significantly lower than other projects in the solicitation.

and the Regulations. If approved by the Commission; this project will contribute 18.16 MW of contract capacity, bringing the total contract capacity to approximately 73.4 percent of the 90 MW requirement.

As provided in Section 4.9 of the Regulations, following receipt of proposals resulting from the solicitation, the Company consulted with the Division. On August 9, 2012, copies of the bids received were provided to the Division. On October 16, 2012, after additional information had been received, and analyses had been completed, the Company met with the Division to review the bid evaluation process in detail.

Distributed Generation Standard Contracts Enrollment

Chapter 26.2 of Title 39 of the Rhode Island General Laws, entitled Distributed Generation Standard Contracts Act, became effective June 29, 2011. The Distributed Generation Standard Contracts Act requires contracting for 40 MW of nameplate capacity, or approximately 10 percent of the long term contracting requirement of 90 MW, in ten enrollment periods over four years. The first three enrollments under the Distributed Generation Standard Contracts Act resulted in 16 Standard Contracts for approximately 16.1 MW of nameplate capacity. Based on the estimated annual energy production of the enrolled projects, the nameplate capacity is equivalent to 2.4 MW of contract capacity under the Long Term Contracting Standard.

Project	**Nameplate Capacity (MW)**	**Contract Capacity (MW)**	**% of 90 MW Requirement**	**Cumulative % of 90 MW Requirement**
RI LFG Genco	32.1	27.30	30.3%	30.3%
Deepwater Wind Block Island	30.0	12.00	13.3%	43.7%
Orbit Energy Johnston RI	3.0	2.60	2.9%	46.6%
Black Bear Hydro	3.86	3.57	4.0%	50.5%
RI DG Projects (as of Dec 2012)	16.13	2.40	2.7%	53.2%
2012 RFP Winner	48.0	18.16	20.2%	73.4%

Appendix A

RHODE ISLAND RENEWABLE ENERGY SOLICITATION

RFP Released June 29, 2012

SUMMARY OF BIDS, SCORING AND RANKING

REDACTED VERSION

Table 1
2012 Rhode Island Renewable Energy Bid Evaluation - Final Bid Summary

June 29, 2012 RFP

PROJECT & LOCATION	Technology	Nameplate Capacity (MW)	Yrly MWH	Capacity Factor	Contract Capacity (MW)	Operational Date	Bundled $/MWh (15yr)	Esc Rate	Delivery Zone
[redacted]	Wind	236.7	630,104	[redacted]	76.22	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	48.0	160,534	[redacted]	18.34	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	48.0	160,534	[redacted]	18.34	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	22.0	56,290	[redacted]	6.43	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	6.4	22,459	[redacted]	2.57	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	AD/Biogas	2.8	22,620	[redacted]	2.52	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	AD/Biogas	2.8	22,620	[redacted]	2.52	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Hydro	0.8	3,887	[redacted]	0.43	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Fuel Cell	23.4	99,154	[redacted]	11.47	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	25.0	54,939	[redacted]	7.50	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	33.0	96,000	[redacted]	10.96	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	19.2	63,718	[redacted]	7.28	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	50.0	134,364	[redacted]	15.35	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	50.0	134,364	[redacted]	15.35	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	50.0	134,364	[redacted]	15.35	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	50.0	134,364	[redacted]	15.35	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	30.0	105,094	[redacted]	12.00	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Wind	16.1	75,992	[redacted]	8.68	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Solar	6.2	8,706	[redacted]	0.94	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	Solar	37.6	60,307	[redacted]	7.05	[redacted]	[redacted]	[redacted]	[redacted]

REDACTED VERSION

Table 2
Project Ranking Based on Final Price Evaluation

	Market Costs 80 Point Award		RANK
RFP Submittals	Above Market Cost ($/MWh)	Points Awarded	
[redacted]			

In determining the point award, a levelized difference between contract price and market price forecast is calculated using a discount rate of 7%. The lowest bid is awarded 80 points; points for the remaining projects are determined by subtracting 0.5 points for each $/MWh by which a bid exceeds the lowest.
Ranking includes only projects and bids conforming to 15 year contract terms.

REDACTED VERSION

Table 3
Project Ranking Based on Non-Price Evaluation

Project	Non-Price Score (20 Points Maximum)	Project Ranking (Non-Price)
[redacted]		

Table 4
Project Ranking Based on Final Combined Price/Non-Price Evaluation

Project	Price Evaluation	Non-Price Evaluation	Combined	
	Points Awarded	Points Awarded	Total Points	Rank
[redacted]				

DRAFT

Legal Notice of National Grid
Review of Power Purchase Agreement With
Champlain Wind, LLC
R.I.P.U.C. Docket No. ______

Pursuant to Rhode Island General Laws §39-26.1 *et seq.* (the “Long-Term Contracting Standard”) and the Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (the “Regulations”) promulgated by the Rhode Island Public Utilities Commission (“Commission”), The Narragansett Electric Company, d/b/a National Grid (“Company”), hereby gives notice that on September 3, 2013, the Company filed the pre-filed testimony of National Grid’s witness, Ms. Corinne M. Abrams, along with a copy of a power purchase agreement (“PPA”) for the potential purchase of renewable power from Champlain Wind, LLC (“Champlain Wind”), which National Grid has executed with Champlain Wind. The project, referred to as the “Bowers Wind Project,” is a 48 MW land-based wind project located in Maine.

The pricing under the PPA is for a fixed bundled energy price of $78 per megawatt-hour based on the ISO New England (“ISO-NE”) Maine zone. There is no annual escalation in price.

The Bowers Wind Project will consist of sixteen (16) Siemens turbines at three (3) MW each. The expected annual output for the 48 MW facility is 159,149 MWh, which represents a capacity factor of approximately 37.8 percent. The PPA also includes the flexibility for the project to include fifteen (15) Vestas turbines at 3.3 MW each for a total nameplate capacity of 49.5 MW. The Bowers Wind Project will be interconnected via an existing 38-mile 115 kV generator lead. Keene Road Substation is the location for the 115 kV interconnection to the ISO-NE Pool Transmission Facilities.

A detailed description of the Company’s filing, along with a copy of the pre-filed testimony and the PPA are on file for examination at the offices of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island.

National Grid