

August 3, 2015

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 – Copenhagen Wind Farm, LLC
Pursuant to Rhode Island General Laws § 39-26.1-1 *et seq.*
Docket No. 4574**

Dear Ms. Massaro:

Enclosed for filing with the Rhode Island Public Utilities Commission (PUC) is the pre-filed testimony of Corinne M. DiDomenico, along with a copy of a power purchase agreement (PPA) for the potential purchase of renewable power from Copenhagen Wind Farm, LLC (Copenhagen Wind), which National Grid¹ has executed with Copenhagen Wind pursuant to Rhode Island General Laws Section 39-26.1-1 *et seq.* (Long-Term Contracting Standard) and the Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (the Regulations) promulgated by the PUC.

The enclosed PPA follows the Company's July 31, 2015 filing of its summary report on the results of the fourth solicitation conducted by the Company pursuant to the Long-Term Contracting Standard and the Regulations. In that filing, the Company indicated to the PUC that it had selected one proposal for an 80.0 MW land-based wind project located in New York. The Company and Copenhagen Wind executed the PPA as of July 24, 2015. National Grid is pleased to submit the enclosed PPA to the PUC 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 "Copenhagen Wind Farm Project," represented the best value overall out of the bids that the Company received in the fourth solicitation. Also, the Copenhagen Wind Farm Project is appropriately sized to meet the remaining requirement of the 90 MW of long-term contracting capacity that National Grid must satisfy under the Long-Term Contracting Standard.

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

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Second, the pricing under the PPA is at the fixed price of \$28.75 per MWh of scheduled energy and \$50.00 per renewable energy certificate (REC), and escalates at 2% per year. While the Copenhagen Wind Farm Project generates the power in New York, the Company will purchase the energy within the ISO-NE control area and the RECs within the NEPOOL GIS, as further described in the testimony. 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, the Copenhagen Wind Farm Project has favorable attributes in terms of its development progress. Copenhagen Wind has full site control for both the project area and the interconnection facilities, and the permitting work has advanced, with completion of the State Environmental Quality Review and receipt of a town permit. Finally, the pricing structure is favorable relative to the market and will benefit Rhode Island customers.

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

For the reasons set forth above, National Grid recommends that the PUC approve the enclosed PPA. National Grid looks forward to participating in the proceedings and assisting the PUC 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.
Steve Scialabba, Division

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODE ISLAND PUBLIC UTILITIES COMMISSION

**Review of Copenhagen Wind Farm, LLC
Power Purchase Agreement
Pursuant to R.I.G.L. § 39-26.1 *et seq.***

Docket No. _____

**NATIONAL GRID'S REQUEST
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid¹ hereby requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by PUC 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 PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On August 3, 2015, National Grid is filing with the PUC a signed power purchase agreement (PPA) that it negotiated with Copenhagen Wind Farm, LLC (Copenhagen Wind), pursuant to the requirements of R.I.G.L. § 39-26.1 *et seq.* Also on August 3, 2015, the Company is submitting testimony in this proceeding. As an exhibit (Exhibit 2) to the testimony of National Grid's witness, Ms. Corinne M. Didomenico, the Company is submitting redacted and un-redacted versions of a confidential spreadsheet that

¹ The Narragansett Electric Company d/b/a National Grid (National Grid or Company).

illustrates a comparison of the Copenhagen Wind PPA pricing to the market price forecast 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 forecast is considered proprietary. Therefore, National Grid requests that the PUC give the information contained in the un-redacted version of Exhibit 2 confidential treatment.

II. LEGAL STANDARD

The PUC'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 PUC falls within one of the designated exceptions to the public records law, the PUC 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.

III. 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 PUC on a voluntary basis to assist the PUC 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.

IV. CONCLUSION

Accordingly, the Company requests that the PUC grant protective treatment to the confidential version of Exhibit 2 to the testimony of Ms. Didomenico.

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

Respectfully submitted,

NATIONAL GRID

By its attorney,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal line extending to the right.

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

Dated: August 3, 2015

**THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
REVIEW OF POWER PURCHASE AGREEMENT
COPENHAGEN WIND FARM, LLC
PURSUANT TO R.I.G.L. § 39-26.1-1 ET SEQ.
WITNESS: CORINNE M. DIDOMENICO**

PRE-FILED DIRECT TESTIMONY

OF

CORINNE M. DIDOMENICO

August 3, 2015

THE NARRAGANSETT ELECTRIC COMPANY
d/b/a NATIONAL GRID
RIPUC DOCKET NO. _____
REVIEW OF POWER PURCHASE AGREEMENT
COPENHAGEN WIND FARM, LLC
PURSUANT TO R.I.G.L. § 39-26.1-1 ET SEQ.
WITNESS: CORINNE M. DIDOMENICO

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1 **I. Introduction**

2 **Q. Ms. DiDomenico, please state your name and business address.**

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

5

6 **Q. Ms. DiDomenico, by whom are you employed and in what position?**

7 A. I am the Manager of Environmental Transactions for the Energy Procurement organization
8 at National Grid.¹ In this role, I am involved with the competitive solicitations for energy
9 and related products from renewable energy projects, negotiations for power purchase
10 agreements with renewable energy projects, and the development of National Grid's
11 policies on renewable energy. For the Company, these activities include competitive
12 solicitations under the Long-Term Contracting Standard for Renewable Energy Act,
13 R.I.G.L. § 39-26.1.1 *et seq.*, as amended (Long-Term Contracting Standard)², and
14 enrollments under the Distributed Generation Standard Contracts Act, R.I.G.L. § 39-26.2.1
15 *et seq.* and the Rhode Island Renewable Energy Growth Act. R.I.G.L. § 39-26.6 *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.

²The 2014 amendments to R.I.G.L. §§ 39-26.1-3(c)(2) and (f) required that the electric distribution company reach 100% of the 90 MW requirement after December 2013 and contracts are to be awarded only to projects offering pricing below market price forecasts. See 2014 R.I. Pub. Laws c. 200, s. 2, 2014 R.I. Pub. Laws c. 216, s. 2. Notably, subsection (b) was also amended in 2014 to extend the timeframe for the PUC to review and approve contracts from 60 to 90 days; however, this amendment is not reflected in the official online version of the statute. See 2014 R.I. Pub. Laws c. 61, s. 1, 2014 R.I. Pub. Laws c. 63, s. 1.

1 **Q. Ms. DiDomenico, please describe your educational background and professional**
2 **experience.**

3 A. I graduated from Drexel University in 2005 with a Bachelor of Science Degree in Civil
4 Engineering. I received a Masters in Business Administration in Finance and Investments
5 from Baruch College in May 2013. In July 2005, I joined KeySpan Corporation as an
6 Engineer in Generation Operations. I was accepted into the Engineering Rotation Program
7 and held various positions in Power Engineering, Generating Plant (Steam and Gas
8 Turbine) Operations, and Maintenance Services. In November 2009, as part of a
9 management development initiative, I joined Energy Portfolio Management as the
10 technical advisor to the Senior Vice President. I was named to my current position in June
11 2011. Beginning in January 2011, I began working with others at National Grid on long-
12 term contracting for renewable energy resources under the Massachusetts Green
13 Communities Act and the Rhode Island Long-Term Contracting Standard. I was involved
14 in the Company's first, second, and third solicitations under the Long-Term Contracting
15 Standard. Following the enactment of the Distributed Generation Standard Contracts Act,
16 I participated in the development of the rules and enrollment process and the standard
17 contracts, and managed all enrollments since December 2011 to the conclusion of the
18 program in December 2014. Similarly, since the enactment of the Renewable Energy
19 Growth Act in the summer of 2014, I have participated in the development and
20 implementation of the Renewable Energy Growth Program.

1 **Q. Have you previously testified before the Rhode Island Public Utilities Commission**
2 **(PUC)?**

3 A. Yes. I provided testimony in Docket 4437 in connection with the Company's September
4 3, 2013 filing of its Power Purchase Agreement with Champlain Wind, LLC (Champlain
5 Wind PPA), which the PUC approved on October 25, 2013. I also testified in Docket
6 4319 in connection with the Company's March 19, 2012 filing of its Power Purchase
7 Agreement with Black Bear Development Holdings, LLC, as amended by a First
8 Amendment to Power Purchase Agreement filed on May 9, 2012, which the PUC approved
9 on May 11, 2012. I have participated in technical sessions at the PUC in Dockets 4277 and
10 4288, which involved the enrollment rules and process, ceiling prices, and standard
11 contracts under the Distributed Generation Standard Contracts Act. In addition, I have also
12 testified in Docket 4536-A in connection with the Renewable Energy Growth Program.

13
14 **Q. What is the purpose of your testimony?**

15 A. The purpose of my testimony is to (1) describe the Company's selection of the
16 Copenhagen Wind Farm project (Copenhagen Wind Farm Project or Project) in the
17 fourth competitive solicitation (Fourth Solicitation) pursuant to the provisions of the
18 Long-Term Contracting Standard and the Rules and Regulations Governing Long-Term
19 Contracting Standards for Renewable Energy (Regulations); and (2) explain the pricing
20 and other key provisions of the Power Purchase Agreement that the Company negotiated

1 with Copenhagen Wind Farm, LLC (Copenhagen Wind), the developer of the
2 Copenhagen Wind Farm Project.

3

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

5 A. I was responsible for the Fourth Solicitation process, evaluating the bids the Company
6 received, developing recommendations to the Company's management regarding those
7 bids, and negotiating the Power Purchase Agreement between the Company and
8 Copenhagen Wind dated as of July 24, 2015 (Copenhagen Wind PPA or PPA).

9

10 **Q. Are you sponsoring attachments to your testimony?**

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

12 (1) Copenhagen Wind PPA (Exhibit 1);

13 (2) Comparison of Copenhagen Wind PPA Pricing to Energy Security Analysis, Inc.
14 (ESAI) Forecast of Market Prices (Exhibit 2); and

15 (3) Redacted Summary Report of the Company's Fourth Solicitation for Long-Term

16 Contracts for Renewable Energy Projects (Solicitation Summary Report) (Exhibit 3).

1 **II. The Company's Selection of the Copenhagen Wind Farm Project**

2 **Q. Why did the Company select the Copenhagen Wind Farm Project for negotiation of**
3 **a PPA?**

4 A. Under the Long-Term Contracting Standard, the Company is required to contract for 90
5 megawatts (MWs) of long-term contract capacity on a five-year phased schedule with
6 100 percent of such capacity reached after December 30, 2013.³ As of December 2014,
7 the Company had met 78 percent of this obligation through (i) the execution of the Rhode
8 Island LFG Genco, LLC Power Purchase Agreement for the Town of Johnston Project;
9 (ii) the Power Purchase Agreement with Deepwater Wind Block Island, LLC; (iii) the
10 Power Purchase Agreements with Orbit Energy Rhode Island, LLC following the first
11 annual solicitation, Black Bear Development Holdings, LLC following the second
12 solicitation, and Champlain Wind, LLC (Bowers Wind Project) following the third
13 solicitation; and (iv) approximately 6 MW of contract capacity through Distributed
14 Generation Standard Contracts.

15
16 The Company selected the Copenhagen Wind Farm Project in the Fourth Solicitation for
17 several reasons. First, of the 13 bids received in the Fourth Solicitation, the Copenhagen

³ See f.n. 2, *supra*.

1 Wind Farm Project ultimately represented the best value overall.⁴ Second, as further
2 discussed below, the Copenhagen Wind PPA pricing is favorable relative to a forecast of
3 the market value of capacity, energy, and renewable energy certificates (RECs) prepared
4 by ESAI. Third, Copenhagen Wind has rights to 100 percent of the Copenhagen Wind
5 Farm Project site and interconnection facilities, and the permitting work has advanced,
6 with completion of the State Environmental Quality Review and receipt of a town permit.
7 Finally, this project is equivalent to 23.7 MW of contract capacity, bringing the total
8 contract capacity under the Long-Term Contracting Standard program to approximately
9 103.8 percent of the 90 MW minimum long-term contract requirement, or 3.8 percent
10 over that minimum. The Long-Term Contracting Standard allows the Company to
11 voluntarily exceed the minimum long-term contract capacity, subject to PUC approval.

12
13 **Q. Please describe the solicitation process and the bid evaluation process.**

14 A. Exhibit 3 to this testimony includes a redacted copy of the Company's Solicitation
15 Summary Report that was filed with the PUC on July 31, 2015.⁵ The Solicitation
16 Summary Report describes the Fourth Solicitation process and the evaluation of the bids
17 the Company received. Appendix A of the confidential version of that report summarizes

⁴ As explained in the Solicitation Summary Report (Exhibit 3), the bidder submitting the project with the highest score withdrew its offer. The Copenhagen Wind Farm Project ranked number two in the final combined ranking and, therefore, ultimately offered the best overall value. Notably, there was little separation in the final combined price/non-price scores of the two highest ranking bids.

⁵ The Company simultaneously filed the confidential version of the Solicitation Summary Report with the PUC, subject to a Motion for Protective Treatment. That motion is currently pending with the PUC.

1 the 13 bids received in terms of technology, location, capacity, estimated capacity factor,
2 and pricing. Appendix A also summarizes the results of the evaluation and ranking
3 process. The Copenhagen Wind Farm Project was ultimately the highest ranked project,
4 has favorable pricing, and will enable the Company to to meet the remaining minimum
5 long-term contract capacity obligation.

6
7 **Q. Does the Copenhagen Wind Farm Project provide economic benefit to Rhode**
8 **Island?**

9 A. Yes. The PPA is forecasted over the entire term to result in the Company's customers
10 paying less than the market price for energy and RECs, based on the ESAI market
11 forecast at the time of bid submittal. Thus, there is a projected cost savings to customers
12 in Rhode Island.

13
14 **III. The Copenhagen Wind Farm Project**

15 **Q. Please describe the Copenhagen Wind Farm Project.**

16 A. The Copenhagen Wind Farm Project is currently planned as a 79.9 MW nameplate
17 capacity land-based wind project that will be located in Denmark, New York. The
18 project will be interconnected to the Niagara Mohawk Black River to Lighthouse Hill
19 115 kV transmission line in New York Independent System Operator (NYISO) Zone E.
20 The expected annual delivery to the Company from the facility is 208,015 megawatt-
21 hours (MWh). This delivery amount accounts for an expected capacity factor of

1 approximately 35 percent and an expected curtailment of deliveries of 15 percent (as
2 described below). Together, these factors lead to an estimated contract capacity of 23.7
3 MW.
4

5 **Q. Is an out-of-region project, such as the Copenhagen Wind Farm Project, eligible for**
6 **a PPA under the Long-Term Contracting Standard in Rhode Island?**

7 A. Yes. The Copenhagen Wind Farm Project is located in the NYISO control area, which is
8 adjacent to the Independent System Operator New England (ISO-NE) control area.
9 The Long-Term Contracting Standard requires contracts for eligible renewable energy
10 resources as defined in the Renewable Energy Standard, R.I.G.L. § 39-26-5 *et seq.*⁶ This
11 statute, together with the PUC's Rules and Regulations Governing the Implementation of
12 a Renewable Energy Standard (RES Regulations), permit generation units located in an
13 adjacent control area to be eligible to the extent the energy produced by the generation
14 unit is actually delivered into the ISO-NE control area for consumption by New England
15 customers.⁷ As discussed further, the PPA requires the Copenhagen Wind Farm Project
16 to deliver energy into the ISO-NE control area.

⁶ See R.I.G.L. §§ 39-26.1-2, -3.

⁷ See R.I.G.L. § 39-25-5(c); Section 5 of the RES Regulations.

1 **Q. Please describe the current status of project development.**

2 A. The Copenhagen Wind Farm Project is in an advanced stage of development.
3 Specifically, Copenhagen Wind has full site control for both the project area and the
4 interconnection facilities, and the permitting work has advanced, with completion of the
5 State Environmental Quality Review and receipt of a town permit.

6

7 **Q. When is the Project scheduled for commercial operation?**

8 A. The Project has a projected commercial operation date of December 31, 2017,⁸ which the
9 Company considers reasonable based on certain critical milestones for the construction of
10 the Project and achievement of commercial operation that are more particularly set forth
11 in Section 3.1(a) of the PPA.

12

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

15 A. Yes. Pursuant to Section 3.1(a) of the PPA, to the extent that the nameplate capacity is
16 less than 79.9 MW on the commercial operation date, then completion of the remainder
17 of the facility that is necessary for the nameplate capacity to be 79.9 MW must occur by
18 the date that is 90 days after the commercial operation date.

⁸ The commercial operation date is defined in the PPA as the occurrence of, among other things, completion of 95 percent of the nameplate capacity of the Project.

1 **IV. Copenhagen Wind PPA**

2 **Q. Please generally describe the Copenhagen Wind PPA.**

3 A. The Copenhagen Wind PPA is “unit contingent,” meaning that Copenhagen Wind is only
4 obligated to sell energy and RECs to the extent that they are generated by the
5 Copenhagen Wind Farm Project, subject to other limitations described below.

6
7 **Q. Are there any unique considerations in the PPA associated with the Project being**
8 **located in New York?**

9 A. Yes. Because the Project is located outside of the New England area, the delivery of the
10 energy and the RECs under the PPA are treated as imports into the ISO-NE control area.
11 With respect to energy market operations, Copenhagen Wind or its representative will be
12 required to schedule delivery of energy to the designated delivery point in the ISO-NE
13 control area.⁹ Import transactions into ISO-NE may be subject to curtailments, and the
14 PPA has specific provisions to deal with this expectation, as discussed below. Further,
15 the New England Power Pool Generation Information System (NEPOOL GIS) has
16 specific requirements for RECs derived from qualified renewable resources in an
17 adjacent control area.

⁹ The delivery point in the PPA refers to a representative point selected on the transmission system in the ISO-NE control area at which the price of the energy is calculated.

1 **Q. What is curtailment?**

2 A. “Curtailment” is a term used to describe times when a generation unit is available to
3 operate, but cannot operate at its current capability because of limiting circumstances.
4 For purposes of this PPA, these circumstances include wind variability, physical
5 curtailment, and economic curtailment.
6

7 **Q. Please explain what is meant by wind variability, physical curtailment, and**
8 **economic curtailment.**

9 A. Certainly. I will address each of these concepts separately.
10

11 **Wind Variability:** Because of the intermittent nature of wind, there are limits to the
12 predictability of generation. ISO-NE requires generators located outside of the control
13 area to schedule energy no less than 60 minutes before the hour. Because of the wind
14 variability, it can be difficult to accurately predict the wind availability in advance. Thus,
15 in any given hour, a wind generator will likely produce more or less than what it
16 scheduled for delivery in the ISO-NE control area. The amount the generator actually
17 produces is referred to as “metered output” in the PPA, since the actual production is
18 measured at the generator’s meter. The amount the generator schedules and delivers in
19 the ISO-NE is referred to as “scheduled energy” in the PPA.¹⁰

¹⁰ Scheduled energy is a new concept in this PPA, and it is defined as the quantity of energy that Copenhagen Wind schedules and confirms with ISO-NE and NYISO for delivery to the delivery point.

1 **Physical Curtailment:** There are times a wind generator may be available and capable of
2 generating due to the availability of adequate wind resource in NYISO, but because of
3 transmission congestion or network constraints, the wind generator is unable to schedule
4 and deliver all of the energy to the delivery point in ISO-NE due to insufficient
5 transmission capability.

6
7 **Economic Curtailment:** While the Copenhagen Wind Farm Project is located within
8 NYISO, the delivery point for the purchase of energy and RECs under the PPA is in ISO-
9 NE, as required by the PPA. Further, Copenhagen Wind is responsible for any and all
10 costs to deliver into ISO-NE. This cost is largely represented by the difference in price at
11 the point of generation, or injection, in NYISO and the price at the delivery point in ISO-
12 NE. There may be hours when the pricing between the two points makes it cost-
13 prohibitive and uneconomic for Copenhagen Wind to deliver energy into ISO-NE.

14
15 **Q. How does the PPA address these unique considerations associated with the**
16 **Copenhagen Wind Farm Project being located in New York?**

17 **A.** The PPA addresses the considerations for imports from NYISO in three ways. The first
18 way is with respect to the delivery of scheduled energy. Section 4.3 of the PPA allows
19 for energy delivery curtailments of up to 15 percent annually, meaning that Copenhagen
20 Wind is only required to deliver energy and RECs annually in an amount that is
21 equivalent to 85 percent of the metered output of the facility in that year. If Copenhagen

1 Wind fails to meet this minimum delivery requirement, it must pay the Company for the
2 amount of the shortfall at the difference between peak hour prices and the price under the
3 PPA. This provision is appropriate because of: (i) the effect of wind variability on the
4 scheduling of the energy in advance of the generation of that energy; (ii) the possibility of
5 physical curtailment, as discussed above; and (iii) Copenhagen Wind's request that it be
6 able to curtail the Project's operation as a result of economic considerations, as discussed
7 above.

8
9 The second way the PPA addresses these specific concerns is with respect to the
10 treatment of RECs. The NEPOOL GIS requires imports to provide evidence that the unit
11 actually generated such energy. Moreover, the RECs created for an out-of-region
12 resource in any hour are limited to the amount of RECs associated with the lesser of the
13 metered output of that resource or the amount of energy that was scheduled and delivered
14 to ISO-NE. Accordingly, the PPA contains a corresponding limitation on the number of
15 RECs required to be purchased in any hour. In addition, because of the additional
16 requirements for imports in the NEPOOL GIS, the Company has agreed to pay for RECs
17 upon energy generation in the first instance, provided Copenhagen Wind can
18 demonstrate, to the Company's satisfaction, that the RECs will be created in NEPOOL
19 GIS in the normal course. However, the Company has reserved the right to defer
20 payments for RECs until the NEPOOL GIS Certificates are actually created, which is
21 approximately six months after the applicable energy is generated. In prior PPAs, the

1 Company agreed to pay for RECs at the time the energy was generated because there is
2 virtually no risk that RECs for generators in ISO-NE will not be reflected in the
3 NEPOOL GIS. However, because of the additional requirements for generators outside
4 of ISO-NE for the creation of RECs, the Company has reserved the right to defer
5 payments for RECs.

6
7 The third way in which these considerations are addressed in the PPA is with respect to
8 the treatment of capacity in the ISO-NE Forward Capacity Market (FCM). The FCM
9 rules require import resources to bid into the ISO-NE Day Ahead Market at their full
10 capacity value, and those rules do not provide exceptions for intermittent generators.
11 Because of the variability of wind, this presents significant risk for an intermittent
12 generator. Intermittent resources located within ISO-NE are not required to bid into the
13 Day Ahead Market. Further, the exemption from the FCM minimum offer price rule is
14 limited to renewable resources physically located in the ISO-NE control area, meaning an
15 out-of-region renewable resource may not be able to bid its capacity into the FCM at a
16 successful price. Together, these rules would make participation in the FCM difficult (if
17 not impossible) and expensive for Copenhagen Wind. Thus, the PPA includes a
18 provision whereby Copenhagen Wind is excused from participating in the FCM unless
19 and until the market rules change such that the Project becomes eligible to participate in
20 the FCM in the same manner (i.e. at no more cost or risk) as an intermittent resource
21 within the ISO-NE control area. In such event, capacity revenues that are received, or

1 should have been received, from ISO-NE in the FCM will be deducted from the energy
2 price in the monthly settlement process under the PPA.

3
4 **V. PPA Pricing**

5 **Q. Please describe the pricing in the Copenhagen Wind PPA.**

6 A. The pricing in the Copenhagen Wind PPA is at the fixed price of \$28.75 per MWh of
7 scheduled energy and \$50.00 per REC commencing on the commercial operation date.
8 This price per REC and price per MWh of scheduled energy escalates by two percent per
9 year. While the Copenhagen Wind Farm Project generates the power in New York, the
10 Company will purchase the energy at the delivery point (as described above) and will
11 purchase the RECs within the NEPOOL GIS. Similar to other PPAs approved by the
12 PUC, the Company has also reserved the option to deliver the power to Rhode Island at
13 some point in the future if the Company deems that this structure is beneficial to
14 customers, or that such a structure does not adversely affect customers.

15
16 **Q. Has the Company addressed the impact of negative energy prices in the pricing
17 under this PPA?**

18 A. Yes. The Request for Proposals (RFP) approved by the PUC on May 30, 2014 in Docket
19 4491 required all bidders to develop their pricing proposal in contemplation of a payment
20 adjustment to compensate the Company for any energy delivered at negative market
21 clearing prices. Consistent with the RFP, the PPA requires that in the event the ISO-NE

1 locational marginal price (LMP) for energy at the delivery point in any hour is less than
2 \$0.00 per MWh, the contract price paid in that hour will be reduced by the amount by
3 which the LMP is less than \$0.00. The Copenhagen Wind PPA further provides that
4 Copenhagen Wind is not obligated to schedule or deliver energy during any period in
5 which the market price of energy is negative.¹¹ This provision enables Copenhagen Wind
6 to control its risk under the PPA with respect to negative pricing.
7

8 **Q. Please describe the ESAI market forecast discussed above.**

9 A. The Company retained ESAI, as it has done for past solicitations, to develop an
10 independent market forecast for energy, capacity, and RECs as a basis for evaluating
11 renewable energy projects. An updated market forecast was provided in August 2014 at
12 the time of bid submittal. The forecast is based on the same methodology employed by
13 ESAI to develop the forecasts used in the Company's prior solicitations. The Company
14 used this market forecast to rank all bids that were submitted in response to the
15 Company's Fourth Solicitation.
16

17 **Q. Please explain how the pricing under the PPA compares to the ESAI market**
18 **forecast.**

¹¹ The hours during which Copenhagen Wind does not deliver as a result of negative pricing do not contribute towards the annual curtailment under Section 4.3 of the PPA.

1 A. Exhibit 2 of this testimony includes a comparison of the Copenhagen Wind PPA pricing
2 to the August 2014 ESAI market forecast. The comparison shows that over the 15-year
3 contract term, the PPA pricing is projected to be approximately \$62 million below the
4 market forecast on a net present value basis.

5

6 **VI. Other PPA Provisions**

7 **Q. Are there any other provisions of the Copenhagen Wind PPA that you wish to**
8 **highlight?**

9 A. Yes. I would like to highlight the following provisions:

10 • **Termination for Failure to Make Progress (Section 3.1(e) of PPA):**

11 Consistent with the provisions in the Regulations, Section 3.1(e) of the Copenhagen
12 Wind PPA provides that the Company may terminate the Copenhagen Wind PPA after
13 three years from the date of execution should either the Company or the PUC determine
14 that material progress on the Project is not being made.

15 • **Assignment and Change in Control (Section 14 of PPA):**

16

17 The assignment provisions in the Copenhagen Wind PPA are consistent with the
18 assignment provisions in the PPAs for other Rhode Island projects, except that, unlike
19 prior PPAs, the Company incorporated separate provisions in the Copenhagen Wind PPA
20 for a change in control that occurs prior to and on or after the commercial operation date.
21 Prior to the commercial operation date, the Company's consent is required for any

1 transfer of more than 50 percent of the interests in or a change in control over
2 Copenhagen Wind. On or after the commercial operation date, the Company's consent
3 is required only if OwnEnergy, Inc. ceases to control Copenhagen Wind. The Company
4 agreed to the different treatment because it felt it was important to understand the entire
5 chain of control over the Project while it is being constructed but that it was less critical
6 once that construction is complete.

7 • **Development Period Security and Operating Period Security (Section 6.2(a)**
8 **of PPA):**

9
10 The Copenhagen Wind PPA provides for security (in the form of cash or a letter of
11 credit) in the amount of \$7,200,000, with \$1,200,000 provided on or before the execution
12 of the PPA, and the remaining \$6,000,000 provided within 15 days of the receipt of
13 regulatory approval.¹² In prior PPAs, the Company had given projects until 15 days after
14 execution of the PPA to provide the first part of the security, but based on experiences in
15 other jurisdictions, the Company has determined that it is prudent to receive the first
16 portion of the security prior to execution. Also, prior PPAs had required that half of the
17 security be provided initially and the other half be provided after receipt of the regulatory
18 approval. The one-sixth/five-sixths split in the Copenhagen Wind PPA was part of a
19 negotiated agreement that included an increase in the amount of the security and a
20 limitation on Copenhagen Wind's damages if the PPA is terminated for a default by

¹² This security is referred to as the "Development Period Security" in the PPA.

1 Copenhagen Wind prior to the commercial operation date. Upon achievement of the
2 commercial operation date, the security requirement under the PPA is reduced to
3 \$2,400,000.¹³

4 • **Reinstatement of PPA (Section 9.3(b)(i) of PPA)**

5 The Copenhagen Wind PPA also contains a three-year reinstatement period if the
6 commercial operation date is achieved after termination by the Company. The three-year
7 reinstatement period provides a disincentive for Copenhagen Wind to manufacture a
8 default in order to trigger a termination of the PPA so that it can bid the Project to another
9 buyer.

10 • **Delay Damages (Section 3.6 of the PPA)**

11 In the event that the commercial operation date is not met by December 31, 2017 (as may
12 be extended), Copenhagen Wind is required to pay delay damages in the amount of
13 \$80,000 per month, for up to 12 months, during which the Company can choose to
14 terminate the PPA. This provision allows Copenhagen Wind additional time for the
15 commercial operation date to occur in exchange for the payment of delay damages, while
16 still preserving the Company's ability to terminate the PPA.

17 • **Regulatory Approval (Sections 8.2(a), (b) of the PPA):**

18 Consistent with the Regulations and prior PPAs, the parties' obligations under the PPA
19 are conditioned upon PUC approval of the PPA. The Copenhagen Wind PPA also

¹³ This amount is referred to as "Operating Period Security" in the PPA.

1 contains a provision whereby Copenhagen Wind may terminate the PPA if final
2 regulatory approval (i.e. all appeal periods having expired) is not received by
3 November 16, 2015. This provision was added to the Copenhagen Wind PPA in
4 response to Copenhagen Wind's concern with being able to commence construction
5 before the end of the calendar year for purposes of its eligibility for the Production Tax
6 Credit.

7 • **Extension of the Critical Milestone Dates (Sections 3.1(c) of PPA):**

8 Consistent with prior PPAs, Copenhagen Wind has the option to extend the contracted
9 milestone dates that have not yet been achieved in certain situations. Copenhagen Wind
10 may extend the milestone dates by one year without the requirement to post any
11 additional security, and after such extension, by up to two additional six-month periods
12 upon posting \$400,000 additional security for each six-month period.

13
14 **Q. Does the Copenhagen Wind PPA differ from the Champlain Wind PPA (Bowers**
15 **Wind Project), which is the last PPA filed with the PUC under the Long-Term**
16 **Contracting Standard?**

17 A. Yes. As described above, the Copenhagen Wind PPA includes several terms related to
18 the Copenhagen Wind Farm Project being located in NYISO. In addition, the
19 Copenhagen Wind Farm Project will be larger than the Bowers Wind project (79.9 MW
20 vs. 49.5 MW, respectively), resulting in larger security requirements. Finally, each PPA

1 was the subject of substantial negotiation between the Company and the developer related
2 to the specifics of each project.

3

4 **Q. Why does the Company support PUC approval of the Copenhagen Wind PPA?**

5 A. The Company has concluded that the Copenhagen Wind PPA will benefit customers and
6 the State of Rhode Island for the following reasons: (1) the PPA pricing is favorable
7 relative to that of all other bids the Company received and to the ESAI market forecast as
8 discussed above; (2) the Project has favorable attributes in terms of its development
9 progress, and the diversity it brings to the Company's portfolio of resources under the
10 Long-Term Contracting Standard; and (3) the Copenhagen Wind Farm Project is
11 appropriately sized to meet the remaining requirement in the Company's Fourth
12 Solicitation.

13

14 **Q. Does this conclude your testimony?**

15 A. Yes.

POWER PURCHASE AGREEMENT

BETWEEN

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

AND

**COPENHAGEN WIND FARM, LLC,
AS SELLER**

As of July 24, 2015

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Exhibits

Exhibit A	Description of Facility
Exhibit B	Seller's Permits and Real Estate Rights
Exhibit C	Form of Progress Report
Exhibit D	Insurance
Exhibit E	Products and Pricing
Exhibit F	Diagram of Delivery and Interconnection Points

POWER PURCHASE AGREEMENT

THIS POWER PURCHASE AGREEMENT (this “**Agreement**”) is entered into as of July 24, 2015 (the “**Agreement Date**”), by and between The Narragansett Electric Company, d/b/a National Grid, a Rhode Island corporation (“**Buyer**”), and Copenhagen Wind Farm, 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 Copenhagen Wind Farm generating facility located in Denmark, New York, 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

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.

“**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 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**” on any day shall mean the rate opposite the caption “Federal Funds (effective)” for such day as published by the Federal Reserve Publication H.15 (519) or any successor publication as published by the Board of Governors of the Federal Reserve System.

“**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.

“**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 79.9 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(s) 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 within the ISO-NE control area, 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 (or, for purposes of Scheduled Energy Delivered to Buyer under this Agreement, deemed to be 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, transformer losses and energy not otherwise delivered to the Interconnection Point, 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 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 any credits or certificates issued by an environmental attribute tracking system in New York; 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.

“Escalation Date” shall have the meaning set forth in Section 5.1(b) hereof.

“Escalation Rate” shall mean two percent (2%) per annum.

“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, all relevant equipment manufacturer requirements and recommendations, 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, which as of the Agreement Date is Niagara Mohawk Power Corporation, d/b/a National Grid.

“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 mean the meter with a PTID number to be assigned by the NYISO, in Zone E at the physical point of interconnection between the Facility and the Interconnecting Utility’s transmission system, as specified 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.

“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.

“**Metered Output**” shall mean the instantaneous energy output, intermittent and variable within the hour, expressed in MWh, generated by the Facility and delivered to and measured at the Interconnection Point.

“**Minimum Required Deliveries**” shall mean, in any Contract Year, Scheduled Energy Delivered to Buyer equal to eighty-five percent (85%) of the total Metered Output of the Facility (in each case measured on an hourly basis), and a corresponding amount of all other Products, in such Contract Year.

“**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 Corporation 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 Metered Output to the Interconnection Point, as determined and identified in the interconnection studies 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.

“**NYISO**” shall mean New York Independent System Operator, the independent system operator established in accordance with the RTO arrangements for New York, or its successor.

“**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 time required for start-up, the limitation on the number of scheduled start-ups per Contract Year and the minimum operating limit(s) for the Facility.

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

“**Peak Hours**” shall mean the hours defined as peak hours by FERC from time to time, which as of the Agreement Date are weekday hours 7 a.m. to 11 p.m.

“**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.

“**Products**” 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 the Scheduled Energy in any hour or generated prior to the Commercial Operation Date or not Delivered hereunder (including under Section 4.2(c)) shall not be deemed Products.

“Projected Annual Energy Output” shall mean the historic annual average of actual Energy generation of the Facility, Delivered to the Delivery Point, 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, 208,015 MWh, in each case in MWh per Contract Year.

“PUC” shall mean the Rhode Island Public Utilities Commission and shall include its successors.

“QF” 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.

“Qualified Institution” 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.

“Real-Time Energy Market” shall have the meaning as set forth in the ISO-NE Rules.

“Reference Market-Maker” 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.

“Regulatory Approval” 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.

“Rejected Purchase” shall have the meaning set forth in Section 4.4 hereof.

“Renewable Energy Certificates” or **“RECs”** shall mean all of the Certificates and any and all other Environmental Attributes associated with the Metered Output or otherwise produced by the Facility, including, without limitation, all Certificates and any and all other Environmental Attributes 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 the Facility. Subject to Sections 3.4(h) and 4.7(b), the Parties acknowledge that certain Environmental Attributes and/or Certificates associated with Metered Output may during the Term come into existence, cease to exist or change in character.

“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 Price” shall mean, with respect to a Delivery Shortfall in any Contract Year, the sum of (i) the average LMP at the Delivery Point during the Peak Hours of that Contract Year plus (ii) the average market value of RECs (as reasonably determined by the average of the quotes of at least three REC broker firms recognized in the ISO-NE control area and chosen by Buyer) during that Contract Year, in each case as reasonably calculated by Buyer.

“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, an amount equal to (a) the positive net amount, if any, by which the applicable Price(s) that would have been paid pursuant to Section 5.1 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, plus (c) transaction and other out-of-pocket costs reasonably incurred by Seller in re-selling such Rejected Purchase. 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 or for Energy and RECs generated by the Facility after termination of this Agreement; provided, however, that (a) 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, (b) Seller shall have no obligation to sell the Energy and RECs generated by the Facility, and (c) if Seller does not sell such Energy and RECs, the market value of such Energy and/or RECs at the time of the Rejected Purchase (as reasonably determined by the average of the quotes of at least three energy and REC broker firms recognized in the ISO-NE control area and chosen by Seller) will replace the price at which Seller sells the Energy and/or RECs in the calculation of the Resale Price.

“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.

"Scheduled Energy" means the quantity of Energy, expressed in MWh, that Seller (or Seller's designee) schedules and confirms with NYISO and ISO-NE for delivery at the Delivery Point pursuant to Section 4.2(a).

"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.

"Termination Replacement Price" shall mean, with respect to the calculation of the Termination Payment pursuant to Section 9.3(b)(i), the market value of the Energy and RECs for the remainder of the Services Term, had the Agreement not been terminated (as reasonably determined by the average of the quotes of at least three energy and REC broker firms recognized in the ISO-NE control area and chosen by Buyer).

"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) NYISO, its respective successor or Affiliates; (c) 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 Interconnection 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 Delivery Point 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 cause RECs required to be Delivered under Section 4.7 and generated during the Services Term to be deposited in Buyer’s GIS account or a GIS account designated by Buyer to Seller in writing, (ii) to the extent necessary to provide invoices and make payments or refunds with respect to Products delivered prior to such expiration or termination, (iii) to the extent necessary to enforce the rights and the obligations of the Parties arising under this Agreement before such expiration or termination, (iv) as set forth in Section 2.2(d) and (v) the obligations of the Parties hereunder with respect to confidentiality and indemnification shall survive the expiration or termination of this Agreement.

(d) At the expiration of the Services Term, 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 the Energy, Capacity and/or RECs (or a portion thereof, as selected by Buyer) to Buyer or its designee on an exclusive basis. If Buyer wishes to enter into such negotiation, Buyer shall notify Seller of such decision at least one hundred eighty (180) days prior to the expiration of the Services Term, and such negotiations shall commence at least one hundred fifty (150) days 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 all Permits necessary to construct the Facility, as set forth in Exhibit B, in final, unappealable form by June 30, 2017;
- (ii) 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, and performance of Seller's obligations under this Agreement as set forth on Exhibit B by June 30, 2017;
- (iii) 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 the Network Upgrades by June 30, 2017;
- (iv) issuance of a full notice to proceed by Seller to its general construction contractor and commencement of construction of the Facility by June 30, 2017;
- (v) achievement of the Commercial Operation Date by December 31, 2017; and
- (vi) to the extent that the nameplate capacity on the Commercial Operation Date is less than 79.9 MW (as permitted under Section 3.3(b)), completion, according to the standards set forth in Section 3.3(b), of the remainder of the Facility necessary for the nameplate capacity of the Facility to be 79.9 MW by the date that is 90 days after the Commercial Operation Date.

(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 or Operating Period Security and, (ii) after such initial one-year extension, by up to two additional six-month periods by posting additional Development Period Security or Operating Period Security, as applicable, of \$400,000 for each such six-month period. In no event may Seller exercise the right to extend the Critical Milestone dates 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 Milestone 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, subject to Seller's reasonable Facility site safety and insurance requirements.

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 at least ninety five percent (95%) of the Facility (measured by nameplate capacity) 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 and of NYISO 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 including final acceptance and authorization to interconnect the Facility from the Transmission Provider at the Interconnection Point 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 at the Interconnection Point 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 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 and to perform Seller's obligations under this Agreement;
- (v) Seller has established all ISO-NE or NYISO-related accounts and entered into all ISO-NE or NYISO-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 and, to the extent applicable, any renewable energy tracking system in New York;

- (vi) Seller has taken all actions as are necessary to effect the transfer of the Scheduled 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 achieved all Critical Milestones (other than as set forth in Section 3.1(a)(vi)) 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 (in accordance with Section 4.8), 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.
- (xii) Seller has obtained a separate NYISO registered account and PTID for the Facility from NYISO.

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, NYISO, 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, if applicable, 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, including without limitation NYISO and ISO-NE.

(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 during Non-Peak Months. Seller shall provide Buyer with a schedule setting forth all Generator Planned Outages 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 within twenty-four (24) hours after Seller schedules such Generator Maintenance Outage.

(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) NYISO Status. Seller shall, at all times during the Services Term, either: (i) be a “Market Participant” pursuant to NYISO Market Services Tariff; or (ii) have entered into an agreement with a NYISO Market Participant that shall perform all of Seller’s NYISO-related obligations in connection with the Facility and this Agreement.

(g) 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 forecasts described in this Section 3.4(g) shall be non-binding, good faith estimates only. 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, any applicable NYISO rules and regulations, and each Transmission Providers’ rules and regulations.

(h) 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.

(i) 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.

(j) 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), and (ii) 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 with the exception of ten (10) days for non-payment of premium.

(k) 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.

(l) 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, NYISO 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.

(m) 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.

(a) Seller shall be responsible for making all arrangements and paying 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, ISO-NE, NYISO and the Interconnecting Utility.

(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)(v) (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 \$80,000 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 section 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 Sections 4.1(b) and 4.2(c), Seller shall sell and Deliver, and Buyer shall purchase and receive, the Products produced by the Facility and Delivered hereunder, up to and including the amount of Scheduled Energy in each hour, but in no event exceeding the Contract Maximum Amount in any hour, in accordance with the terms and conditions of this Agreement. For the avoidance of doubt, if the amount of Metered Output generated by the Facility during any hour is in excess of Scheduled Energy or the Contract Maximum Amount for that hour, the Products associated with such excess shall not be considered to be Products for such period for purposes 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 or the amount of Scheduled Energy in any hour.

(c) During the Services Term and subject to Section 4.2(c), Seller shall Deliver all of the Products produced by the Facility, up to and including the lesser of the Scheduled Energy or 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 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 Energy, Capacity and associated RECs and receive payment therefor in connection with (x) Energy, Capacity and RECs that are not Products, (y) Resale Damages and/or (z) an exercise by Seller of its remedies under Section 9.3(a)(ii).

4.2 Scheduling and Delivery of Energy.

(a) During the Services Term, Seller shall Schedule Deliveries of Energy hereunder with NYISO and ISO-NE within the defined Operational Limitations of the Facility in accordance with this Agreement, all rules and regulations of each Transmission Provider, and all NYISO rules and regulations and ISO-NE Practices and ISO-NE Rules, as applicable, subject to Section 4.2(c). Except as set forth below, Seller shall transfer such Scheduled 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 take all actions reasonably requested by Buyer in order to assign the Scheduled Energy 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 Scheduled 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 Scheduled 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 Delivery Point, in each case in accordance with all ISO-NE Practices and ISO-NE Rules. Any such Internal Bilateral Transactions will specify hourly delivery of Scheduled 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 Scheduled Energy 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 NYISO and Transmission Provider rules and regulations and ISO-NE Rules and ISO-NE Practices in connection with the Scheduling and Delivery of Energy hereunder. Penalties or similar charges assessed by a NYISO, ISO-NE or any Transmission Provider and caused by noncompliance with the Scheduling obligations set forth in this Section 4.2 shall be the responsibility of Seller. 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 similar designation) for the Facility within ISO-NE and NYISO and shall be solely responsible for any obligations and liabilities, including all charges, penalties and financial assurance obligations, imposed by ISO-NE or NYISO or under the ISO-NE Rules and ISO-NE Practices or any NYISO rules and regulations with respect to the Facility.

(c) Notwithstanding any other provision of this Agreement, Seller shall be under no obligation to Schedule or Deliver Products during any period in which the LMP at the Delivery Point is negative, or, in the reasonable opinion of Seller, is likely to become negative during such period; provided that Seller shall promptly provide Buyer with documentation reasonably acceptable to Buyer demonstrating that such condition existed during any period in which Seller did not schedule or Deliver Products because of such condition.

4.3 Failure of Seller to Deliver Minimum Required Deliveries. In the event that Seller fails to Deliver the Minimum Required Deliveries in any Contract Year, and such failure is not excused under the express terms of this Agreement (including, without limitation, under Section 4.2(c) or as a result of a breach by Buyer) (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 twenty (20) days after the end of the applicable Contract Year. 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. The payment of Cover Damages shall be Buyer's sole and exclusive remedy for a Delivery Shortfall.

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) Subject to Section 4.2(c), all Scheduled Energy shall be Delivered hereunder by Seller to Buyer at the Delivery Point. Seller shall be responsible for making all arrangements and paying all costs associated with delivering the Scheduled Energy to the Delivery Point, consistent with all standards and requirements set forth by the FERC, ISO-NE, NYISO, 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, Transmission Provider, NYISO, and ISO-NE fees and other charges, in connection with the Delivery of Energy to and at the Delivery Point.

(c) Seller shall not be responsible for any losses, transmission charges, ancillary service charges, line losses, congestion charges or other ISO-NE fees and other charges associated with transmission incurred 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, NYISO, 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 Metered 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 Metered Output 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 Metered Output 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 Metered Output 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 NYISO rules and regulations and 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, during the Services Term in accordance with the terms of this Section 4.7. The amount of RECs transferred from Seller to Buyer under this Agreement for any hour will be the equivalent of the lesser of the Metered Output or the Scheduled Energy during that hour.

(b) The Facility and the RECs 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 meet the requirements for eligibility pursuant to the Renewable Energy Standard after that change in Law.

(c) At Buyer's request or at Seller's determination (as long as such Seller initiated registration does not adversely impact Buyer's rights hereunder or the value of the Products Delivered hereunder), 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, and satisfy all requirements of, 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 all RECs associated with the Scheduled Energy Delivered hereunder. 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 Scheduled 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 Certificate Transfer (as defined in the GIS Operating Rules) of the Certificates to be Delivered hereunder to Buyer in the GIS.

(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) In the event that the Facility becomes eligible to participate in the Forward Capacity Market at materially no more cost or risk than would be incurred by a wind generating facility of comparable size within the ISO-NE control area, (i) Seller shall secure Capacity Supply Obligations for the Facility, including but not limited to qualifying 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, and (ii) shall participate in every Capacity Commitment Period in the Forward Capacity Market covered by the Services Term.

(c) In the event that the Facility becomes eligible to participate in the Forward Capacity Market at materially no more cost or risk than would be incurred by a wind generating facility of comparable size within the ISO-NE control area, Seller shall bid in the Facility's Capacity (i) to clear in the Forward Capacity Auction, (ii) to secure a Capacity Supply Obligation equivalent to the Seasonal Claimed Capability of the Facility and (iii) to avoid being de-listed from the Forward Capacity Market, unless otherwise approved by Buyer in its sole discretion. Such approval shall be sought by Seller by requesting approval in writing from Buyer at least one-hundred and twenty (120) days in advance of the qualification deadline for the Forward Capacity Auction in which Seller wishes to submit a static or permanent de-list bid, or at least one-hundred and twenty (120) days in advance of the start of the Forward Capacity Auction in which Seller wishes to submit a dynamic de-list bid.

(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 and incentives 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, the Price(s) paid by Buyer for the Products shall be adjusted as set forth in this Section 4.8 and in Section 4 of Exhibit E without regard to whether Seller has performed its obligations under this Section 4.8 or whether the Facility's Capacity has qualified or cleared in the Forward Capacity Market at any time.

5. PRICE AND PAYMENTS FOR PRODUCTS

5.1 Prices for Products.

(a) All Products Delivered to Buyer in accordance with this Agreement shall be purchased by Buyer at the Prices 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. In the event that the LMP for the Energy at the Delivery Point is less than \$0.00 per MWh in any hour, Seller shall credit to Buyer, on the appropriate monthly invoice, an amount equal to the product of (i) such Energy delivered in such hour and (ii) the absolute value of the hourly LMP at the Delivery Point.

(b) Escalation of Prices. Consistent with Exhibit E, the Price per MWh of Scheduled Energy and the Price per REC shall each escalate by the Escalation Rate on each Escalation Date. For purposes of this Agreement, the “**Escalation Date**” shall initially be the first January 1 following the Commercial Operation Date and each January 1 thereafter. Notwithstanding any provision of this Agreement to the contrary, in no event shall there be more than fourteen (14) Escalation Dates after the Commercial Operation Date.

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 twentieth (20th) day following the end of each month, Seller shall render to Buyer an invoice for the payment obligations incurred hereunder during the preceding month, which invoice shall include charges for (i) the Scheduled Energy Delivered in the preceding month, and (ii) RECs related to such Scheduled Energy and associated with any Certificates that Buyer has determined, in its sole discretion, will be deposited in Buyer’s GIS account or a GIS account designated by Buyer to Seller in writing on the Creation Date (as defined in the GIS Operating Rules) or any other applicable REC tracking account for those Certificates (which determination shall be provided by Buyer to Seller in writing); provided, however, that Seller shall include in the first invoice rendered after each such Creation Date any charges or credits for RECs associated with Certificates deposited in Buyer’s GIS account or a GIS account designated by Buyer on such Creation Date to the extent that charges for such RECs differ from those included in a prior invoice. Similarly, all charges for Energy will be reconciled with the RECs deposited in the GIS account on the Creation Date. Each invoice rendered under this Section 5.2(a) shall contain supporting detail for all charges reflected on the invoice, including Metered Output, Scheduled Energy and RECs for each hour in the applicable month and for the Contract Year to date, 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; provided; however, that payment for invoices for the last six (6) months of the Services Term shall not be due until twenty (20) days after end of the Services Term. 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 through netting, in which case all amounts owed by each Party to the other Party for the purchase and sale of Products, and 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 \$7,200,000 to secure Seller's Obligations until the Commercial Operation Date, subject to increase for an extension of the Critical Milestones in Section 3.1(a), as provided in Section 3.1(c) ("**Development Period Security**"). Development Period Security in the amount of \$1,200,000 shall be provided to Buyer prior to or on the Agreement Date, and the remaining \$6,000,000 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 \$2,400,000, subject to increase for an extension of the Critical Milestone in Section 3.1(a)(vi), as provided in Section 3.1(c). In the event that the Collateral Requirement for Operating Period Security is increased pursuant to Section 3.1(c), such Collateral Requirement shall be reduced to \$2,400,000 upon the achievement of the Critical Milestone in Section 3.1(a)(vi). At Seller's request made on or prior to the Commercial Operation Date, Buyer will retain Seller's Development Period Security and shall apply such Development Period Security (or such portion thereof as is needed hereunder) to satisfy Seller's Operating Period Security obligation.

(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, then unless Buyer has paid in full all of its obligations under Section 9.3(b) of this Agreement: (i) Buyer will be obligated immediately to return all Posted Collateral provided by Seller, including any accrued interest to Seller, or (ii) 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 (1st) Business Day after the occurrence thereof (or the third (3rd) 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 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. Buyer has all requisite power and authority to execute and deliver this Agreement, and subject to the receipt of the Regulatory Approval, to 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 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 (including without limitation all transmission rights) 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) (i) which, as of the Agreement Date, relate in any manner to this Agreement or any transaction contemplated hereby, or (ii) which Seller reasonably expects to lead to a material adverse effect on (A) the validity or enforceability of this Agreement or (B) 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 Sections 3.4(h) and 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 June 1, 2015.

(h) Title to Facility and Products. Seller has and shall have good and marketable title to (i) the Facility (subject to Liens in favor of the Lenders) 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. Except as expressly permitted in this Agreement, 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. As of the Effective Date, 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-five (25) 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, unless such representation and warranty is made as of a specific date, are 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 a party has actual knowledge of 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, 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 Failure to Obtain Regulatory Approval.

(a) If Buyer (i) on any date prior to the Effective 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.

(b) If Buyer has not notified Seller that it has received the Regulatory Approval by November 16, 2015, then Seller may thereafter terminate this Agreement effective upon written notice of such termination to Buyer 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.

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 and NYISO 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, the NYISO rules and regulations or any other material obligation with respect to ISO-NE or NYISO after giving effect to any applicable cure period thereunder, 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, 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 required to be provided to Buyer by Seller under this Agreement.

(ii) *Termination by Buyer on or after Commercial Operation*

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

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

where:

“ \sum ” is the summation over the remainder of the Services Term.
N

“RV” is the replacement value of the Products for the remainder of the Services Term, calculated with reference to the applicable Termination 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 Prices 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, but not including any termination charges or similar charges due under any contracts.

(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:

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

where:

" \sum " is the summation over the remainder of the Services Term.
N

"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 using a probability of exceedance basis of p50 (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 and Seller thereafter achieves the Commercial Operation Date within three (3) years after such termination, Buyer may elect to reinstate this Agreement in accordance with its terms by providing Seller with at least six (6) months' prior written notice of such reinstatement. 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.

(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 upon written notice to the other Party and without further recourse.

(d) Neither Party may raise a claim of Force Majeure based in whole or in part on curtailment by a Transmission Provider or another failure or inability to obtain transmission service unless (i) such Party has contracted for firm transmission with a Transmission Provider for the Metered Output 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 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 such Dispute. 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, NYISO, any Transmission Provider, 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.

(a) Prior to Commercial Operation Date. Buyer's consent shall be required for any direct or indirect transfer of more than fifty percent (50%) of the voting or economic interests in Seller or for any change in Control over Seller prior to the Commercial Operation Date, which consent shall not be unreasonably withheld, conditioned or delayed if Buyer reasonably determines that such transfer or 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.

(b) On and After Commercial Operation Date. Buyer's consent shall be required for any change in Control of Seller on or after the Commercial Operation Date, which consent shall not be unreasonably withheld, conditioned or delayed 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; provided that no such Buyer consent shall be required so long as Control of Seller does not cease to be held directly by OwnEnergy, Inc.

(c) Buyer shall use commercially reasonable efforts to provide or deny any consent under this Section 14.3 within thirty (30) days after Buyer's receipt of all materials requested by Buyer to establish Seller's creditworthiness and Seller's ability to perform its obligations under this Agreement after the applicable transfer or change in Control.

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.

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 Scheduled Energy shall transfer from Seller to Buyer at the Delivery Point. Title and risk of loss related to the Environmental Attributes shall transfer to Buyer at the same time when title to the Scheduled Energy associated with those Environmental Attributes is transferred to Buyer. 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. The Parties agree that accounting principles generally accepted in the United States and International Financial Accounting Standards may require Buyer to evaluate whether Buyer must consolidate Seller's financial information on Buyer's financial statements. Buyer shall require access to financial records and personnel to determine if consolidated financial reporting is required. If Buyer reasonably determines at any time that such consolidation is required, Buyer shall require, and Seller shall provide, the following within twenty-five (25) days after the end of every calendar quarter for the Term of this Agreement:

- (a) complete financial statements and notes to financial statements for such quarter;
- (b) financial schedules underlying such financial statements; and
- (c) access to records and personnel to enable Buyer's independent auditor to conduct financial audits (in accordance with generally accepted auditing standards) and internal control audits (in accordance with Section 404 of the Sarbanes-Oxley Act of 2001). Any information provided to Buyer under this Section 16.2 shall be treated as confidential except that such information may be disclosed for financial statement purposes.

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 electronic mail (notices sent by 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 DiDomenico
Manager, Environmental Transactions
Energy Procurement
National Grid
100 E. Old Country Road
Hicksville, NY 11801-4218
Email: corinne.didomenico@nationalgrid.com

With a copy to: Jennifer Brooks Hutchinson, Esq.
Senior Counsel
National Grid
280 Melrose Street
Providence, RI 02907
Email: Jennifer.Hutchinson@nationalgrid.com

If to Seller: Brianne Marinucci
Director, Origination
OwnEnergy, Inc.
45 Main Street Suite 536
Brooklyn, NY 11201
Email: Brianne.marinucci@ownenergy.net

With a copy to: Robert Crowell
Vice President
Copenhagen Wind Farm, LLC
45 Main Street Suite 536
Brooklyn, NY 11201
Email: Robert.crowell@ownenergy.net

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 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 Prices paid for the Products. 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.

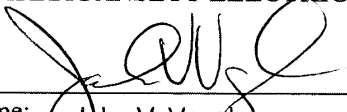
24. ENTIRE AGREEMENT

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:  _____ RNB
CMB
Name: John V. Vaughn
Title: Authorized Signatory

COPENHAGEN WIND FARM, 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:

COPENHAGEN WIND FARM, LLC

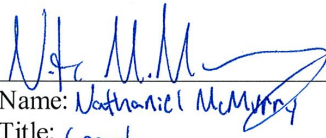
By:  _____
Name: Nathaniel McMurphy
Title: Secretary

EXHIBIT A

DESCRIPTION OF FACILITY

Facility: Copenhagen Wind Farm Project

Technology: Wind

Site Location: Denmark, New York

Nameplate Capacity: 79.9 MW

Expected Maximum Output: 79.9 MWh per hour

Interconnection Point: The Project Point of Interconnection (“POI”) will be on the Niagara Mohawk Power Corporation d/b/a National Grid (“NM-NG”) Black River – Lighthouse Hill 115 kV #6 line. The POI will be located approximately 4.89 miles from Black River and 30.51 miles from Lighthouse Hill

Minimum/Maximum Operating Criteria: The minimum cut in speed is 3.5 m/s and the maximum cut out speed is 25 m/s for the GE 2.0-116 turbine.

EXHIBIT B

SELLER’S PERMITS AND REAL ESTATE RIGHTS

Part 1 – Permits

Permits Required for Construction

Agency	Description of Permit or Approval Required
Local Permits	
Town of Denmark Planning Board	Acceptance of DEIS, SEIS, FEIS, and issuance of findings (as Lead Agency under SEQRA). Approval of Special Permit
Town of Denmark Departments (Public Works, Codes, Highway, etc.)	Issuance of building permits. Review and approval of highway work permits.
Town of Rutland Planning Board and Departments (Public Works, Codes, Highway, etc.)	Building permit, Site plan review, and Local law compliance.
Town of Champion Planning Board and Departments (Public Works, Codes, Highway, etc.)	Building permit, Site plan review and Zoning Permit, Local law compliance.
County Permits	
Highway Department	Highway work permits.
County Planning Board	Recommendation pursuant to General Municipal Law 239-m.
State Permits	
Department of Environmental Conservation	Article 24 Permit for disturbance to state jurisdictional wetlands. Article 15 Permit for disturbance of protected streams. SPDES General Permit. Section 401 Water Quality Certification. Issuance of SEQRA findings.
Office of Parks, Recreation, and Historical Preservation	Consultation pursuant to NY, Parks, Recreation and Historic Restoration Law (PRHPL) § 14.09 and § 106 of the National Historic Preservation Act.
Department of Health	Approvals associated with installation of septic system and/or water supply well for the O&M facility.
Department of Transportation	Special Use Permit for oversize/overweight vehicles. Highway work permit.

Agency	Description of Permit or Approval Required
Federal Permits	
U.S. Army Corps of Engineers	Section 404 or Nationwide Permit for placement of fill in federal jurisdictional wetlands/waters of the U.S. NEPA compliance.
Federal Aviation Administration	Lighting Plan and clearances for potential aviation hazard.

Permits Required for Operation

Agency	Description of Permit or Approval Required
Federal Permits	
U.S. Fish and Wildlife Service	Informal consultation pursuant to Section 7 of the Endangered Species Act, associated with the aforementioned Section 404 Permit.
Federal Energy Regulatory Commission	Exempt Wholesale Generator status.
Federal Energy Regulatory Commission	Market Based Rate Authority status.

Part 2 – Real Estate and Site Control Rights

Landowner Nickname		Legal Desc.	Acreage	Title Information		
				Instrument #	Liber	Page
Allen, Lynn A.	Option Agreement	4.00-2-15.1 LA	50.34	2015-00004740	1874	78
Baker, Paul	Easement	92.10-1-6.1 PB	32.35	2014-00000501	1898	312
Bolton, Gene D. et al	Leased/Secured	124.00-01-04.000 GB	174.5	In process of recording		
Bolton, Gene D. et al	Leased/Secured	124.00-01-05.330 GB	174.5	In process of recording		
Britton, Patrick	Leased/Secured	124.00-01-03.410 PB	68.78	In process of recording		
Buckhault, Cecil and Sara	Leased/Secured	123.00-01-04.120 CB/SB	129	2015-001903	607	200
Carlowden Country Club	In Negotiation	125.00-01-13.100 CCC	172.75			
Carroll, Jasin and Cindy	Leased/Secured	109.00-01-17.130 JC/CC	98.79	2015-001719	2014	3411
Carroll, Jasin and Cindy	Leased/Secured	109.00-01-25.120 JC/CC	43.93	2015-001719	2014	3411
Carroll, Jasin and Cindy	Leased/Secured	109.00-01-12.120 JC/CC	82.5	2015-001719	2014	3411
Carroll, Thomas and Rita	Leased/Secured	123.00-01-28.000 TC/RC	221.3	2014-003958	429	302
Carroll, Thomas and Rita	Leased/Secured	123.00-01-05.000 TC/RC	20.1	2014-003958	429	208
Elmer, Kathleen	In Negotiation	93.00-2-47.1 KE	74.89			
Elmer, Randy	In Negotiation	93.00-2-47.2 RE	36.55			
Elmer, Shirley	Easement	93.00-2-44 CE	155.27	In process of recording		
Fanning, Carolyn	Leased/Secured	124.00-01-05.320 CF	26.13	2015-001418	2009	2099
Freeman, Kenneth and Betty	Leased/Secured	142.00-02-08.000 KF/BF	209.9	2014-003955	432	102
Furgison, Richard R.	Leased/Secured	109.00-02-01.221 RF	47.8	2015-001454	2011	5925
Gingerich, Lowell and Joyce	Leased/Secured	125.00-01-20.100 LG/JG	47.65	2015-001415	685	172
Gingerich, Lowell and Joyce	Leased/Secured	125.00-01-15.000 LG/JG	48.5	2015-001415	685	172
Hillcrest Farms LLC	Easement	91.12-1-3 MH	1	2014-00004856	No Liber	No Page
Hillcrest Farms LLC	Easement	4.00-2-18.3 MH	1	2014-00004856	No Liber	No Page
Hillcrest Farms LLC	Easement	4.00-2-18.1 MH	1	2014-00004856	No Liber	No Page
Hillcrest Farms LLC	Easement	4.00-2-26.1 MH	73.64	2014-00004856	No Liber	No Page
Hillcrest Farms LLC	Easement	3.00-2-13.1 MH	169.3	2014-00004856	No Liber	No Page
Jackson, David H. and Harold	Leased/Secured	125.00-01-03.200 DJ	95.8	In process of recording		
Jones, Peter and Sandy	Leased/Secured	109.00-02-12.111 PJ	46.3	2014-003953	2010	693
Jones, Peter and Sandy	Leased/Secured	109.00-02-17.000 SJ	51.1	2014-003953	2010	693
Kiebach, Gerald	Leased/Secured	109.00-01-11.000 GK	23.5	2006-00007882	No Liber	No Page
Kiebach, Gerald	Leased/Secured	109.00-01-10.200 GK	20.9	2006-00007882	No Liber	No Page
Kiebach, Gerald	Leased/Secured	109.00-01-09.000 GK	64.5	2006-00007882	No Liber	No Page
Kiebach, Harold	Easement	103.00-1-16 HK	76.66	In process of recording		
Larabee, Marc and Christina	Leased/Secured	142.00-02-05.000 ML/CL	253.4	2013-003228	No Liber	No Page

Landowner Nickname		Legal Desc.	Acreage	Title Information		
				Instrument #	Liber	Page
Lyndaker, Jeffry	Easement	122.00-01-13.110 JL	5	2014-003954	2006	3957
Mack, Joseph W.	Easement	4.00-2-15.2 JM	29.41	2015-00004739	2014	142
Mark's Farms	Leased/Secured	109.00-02-01.222 MF	226.9	2014-006487	2013	2841
Mark's Farms	Leased/Secured	109.00-01-17.140 MF	178.6	2014-006487	2013	2841
Mark's Farms	Leased/Secured	109.00-01-12.130 MF	131.7	2014-006487	2013	2841
Mark's Farms	Option Agreement	109.00-01-12.130 MF	131.7	2015-001904	2014	3411
Micek, Marvin	Easement	3.00-2-7 MM	193.47	2014-00000503	1387	60
Micek, Marvin	Easement	93.00-1-24 MM	122.59	2014-00000503	1387	60
Moser, Andrew and Colleen	Leased/Secured	141.00-03-04.100 AM/CM	121.1	2015-001720	2006	1289
Moser, Dean and Donna	Leased/Secured	141.00-03-08.000 DM	172.9	2008-003724	No Liber	No Page
Moser, Dean and Donna	Leased/Secured	142.00-02-09.000 DM	107	2008-003724	No Liber	No Page
Moser, Lyndon and Patricia	Leased/Secured	125.00-01-17.000 LM/PM	44.81	2008-13256	No Liber	No Page
Moser, Lyndon and Patricia	Leased/Secured	142.00-02-04.100 LM/PM	161.3	2008-13256	No Liber	No Page
Moser, Lyndon and Patricia	Leased/Secured	125.00-01-16.000 LM/PM	6.57	2008-13256	No Liber	No Page
Moserdale Farms, LLC	Leased/Secured	142.00-02-03.000 MF	118.6	2015-001423	No Liber	No Page
Moserdale Farms, LLC	Leased/Secured	142.00-02-01.100 MF	232	2015-001423	No Liber	No Page
Moserdale Farms, LLC	Leased/Secured	141.00-03-10.000 MF	191.7	2015-001423	No Liber	No Page
Moserdale Farms, LLC	Leased/Secured	124.00-02-03.200 MF	85.6	2015-001423	No Liber	No Page
Murcrest Farms LLC	Easement	103.00-1-17.22 MF	86.1	2014-00000505	No Liber	No Page
Murcrest Farms LLC	Easement	93.00-1-28.3 MF	19.93	2014-00000505	No Liber	No Page
Murcrest Farms LLC	Easement	93.00-1-38 MF	118.09	2014-00000505	No Liber	No Page
Murcrest Farms LLC	Easement	93.00-1-32.2 MF	278.27	2014-00000505	No Liber	No Page
Murcrest Farms LLC	Easement	93.00-1-29.1 MF	76.31	2014-00000505	No Liber	No Page
Murphy, Randall	Easement	124.00-01-03.310 RM	36.12	2015-001417	528	264
Parker, Gary	Easement	109.00-01-07.110 GP	65.76	2015-001422	No Liber	No Page
Parker, Gary	Easement	109.00-01-07.120 GP	7	2015-001422	No Liber	No Page
Peebles, Peter and Patricia	Leased/Secured	124.00-01-03.100 PP/PP	30.3	In process of recording		
Rice, Donald and Margaret	Leased/Secured	124.00-01-03.200 DR/MR	40.1	2014-003845	644	180
Robbins, Ronald and Norma	Easement	109.00-01-02.000 NR	75.35	2014-003961	307	130
Roberts, Ronald	Easement	92.10-1-31 RR	44	2014-00000496	1268	108
Rutland Meadows, LLC	Easement	3.00-2-12 RM	157.5	2014-00000497	811	455
Sawyer Farms Real Estate	Easement	4.00-2-26.21 SFRE	55.72	2014-00000502	1636	253

Landowner Nickname		Legal Desc.	Acreage	Title Information		
				Instrument #	Liber	Page
Sawyer Farms Real Estate	Easement	4.00-2-25.1 SFRE	130.15	2014-00000502	1636	253
Schantz, Gregory and Debra	Leased/Secured	143.00-01-02.000 GS/DS	195.7	2015-001421	No Liber	No Page
Schrag, Wilfred and Lois	Leased/Secured	142.00-02-06.000 WS/LS	114.19	2013-003229	No Liber	No Page
Scott, Norman	Leased/Secured	141.00-03-06.110 NS	118.5	2015-001420	2003	2001
Snyder, John	Easement	4.00-2-8.1 JS	45.9	2014-00000500	889	1035
Sullivan, Charles and Shirley	Leased/Secured	110.00-02-08.100 CS	171.5	2014-003960	596	264
Taylor, Raymond and Helen	Leased/Secured	109.00-01-15.100 RT/HT	71.9	2008-01498	No Liber	No Page
Tousant, Bryan C.	Easement	92.10-1-1.4 BT	17.24	2014-00000499	1578	134
Tousant, Bryan C.	Easement	92.10-1-2 BT	6.99	2014-00000499	1578	134
Tousant, Charles	Easement	3.00-2-11 CT	172.16	2014-00000498	914	40
Tousant, Craig	Easement	3.00-2-4.2 CT	207.99	2014-00000504	1364	162
Tug Hill, LLC	Leased/Secured	140.00-03-01.000 TH	209.6	In process of recording		
Tug Hill, LLC	Leased/Secured	122.00-01-13.130 TH	107.32	In process of recording		
Yancey, Herbert and Merle	Leased/Secured	124.00-02-12.000 HY/MY	147.6	2014-003844	No Liber	No Page
Zehr, Lauren and Debra	Leased/Secured	141.00-03-05.000 LZ/DZ	115.3	In process of recording		
Zehr, Lauren and Debra	Leased/Secured	141.00-03-07.000 LZ/DZ	87.2	In process of recording		
Zehr, Lauren and Debra	Leased/Secured	124.00-01-02.000 LZ/DZ	108.06	In process of recording		
Zehr, Norman	Leased/Secured	143.00-01-01.100 NZ	14.58	In process of recording		

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 (or cause to be provided and maintained), 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 builder's all 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 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 the Facility.

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 having a loss in excess of \$250,000 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 or REC of Products Delivered by Seller during such month, the Price per MWh or REC set forth in Appendix X (as adjusted pursuant to the applicable provisions of this Exhibit E).

2. Adjustment for Negative LMP

In the event that the LMP for the Scheduled Energy at the Delivery Point is less than \$0.00 per MWh in any hour, Seller shall credit or reimburse Buyer (at Buyer's discretion) the difference between \$0 and such negative LMP per MWh for that Scheduled Energy for each such hour. Each monthly invoice shall reflect a credit or reimbursement for all hours in the applicable month in which the LMP for the Scheduled Energy at the Delivery Point is less than \$0.00 per MWh.

Examples. If delivered Scheduled Energy equals 1 MWh and Price for Scheduled Energy equals \$50.00/MWh:

LMP at the Delivery Point equals (or is greater than) \$0.00/MWh

Buyer payment of Price to Seller = \$50.00

Seller credit/reimbursement for negative LMP to Buyer = \$0.00

Net Result: Buyer pays Seller \$50 for that hour

LMP at the Delivery Point equals -\$150.00/MWh

Buyer payment of Price to Seller = \$50.00

Seller credit/reimbursement for negative LMP to Buyer = \$150.00

Net Result: Seller credits or reimburses Buyer: $\$150 - \$50 = \$100$ for that hour

3. Adjustment to Scheduled Energy 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 Price per MWh paid for Scheduled Energy delivered in that calendar month shall be adjusted in accordance with Section 4.2(a).

4. Adjustment to Price(s) for Forward Capacity Market Payments. In the event that the Facility becomes eligible to participate in the Forward Capacity Market at materially no more cost or risk than would be incurred by a wind generating facility of comparable size within the ISO-NE control area, the Price per MWh of Scheduled Energy and/or per REC, as adjusted or escalated pursuant to Section 5.1(b) and 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). In the event that the Facility becomes eligible to participate in the Forward Capacity Market in the same manner as a wind generating facility of comparable size within the ISO-NE control area, if the Facility has not qualified as a Capacity Resource with the Seasonal Claimed Capacity equivalent to the Contract Capacity or received a Capacity Supply Obligation for the relevant Capacity Commitment Periods, 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: Price per MWh of Scheduled Energy and Price per REC

Appendix X to Exhibit E

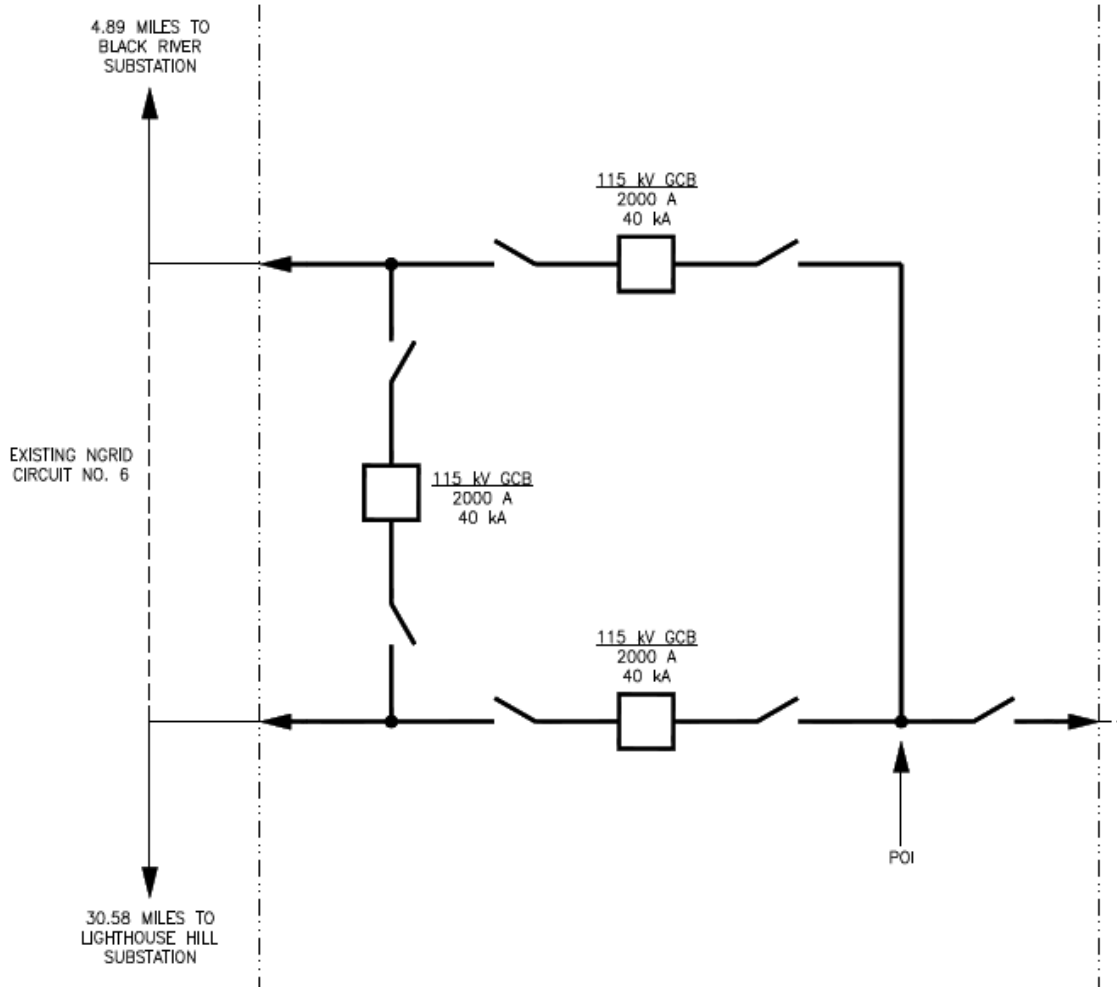
Scheduled Energy Price per MWh and Price per REC

The Price per MWh of Scheduled Energy shall be equal to \$28.75, commencing on the Commercial Operation Date. The Price per REC shall be \$50.00, commencing on the Commercial Operation Date. Subject to Section 5.1(b), the Price per MWh of Scheduled Energy and the Price per REC shall each escalate by a factor of two percent (2%) on each Escalation Date.

EXHIBIT F

Diagram of Interconnection Point and Delivery Point

Delivery Point: Roseton 345kv



Copenhagen Wind: 80 MW

ES&I Power Price Forecast					15 Yr PPA							
Year	WCMA Energy 7x24 (\$/MWh)	RI REC Forecast (\$/MWh)	Energy & RECs	Capacity \$/kW-mo	Delivered Energy (MWh)	Bundled Energy Rate (\$/MWh)	Market Cost	Contract Cost	Remuneration	Total Cost less Market Cost	Total Cost less Market Cost (from Monthly Production Table)	
2011												
2012												
2013					0			\$0	\$0			
2014					0			\$0	\$0			
2015					0			\$0	\$0			
2016					0			\$0	\$0			
2017					208,015	\$78.75		\$16,381,181	\$450,482			
2018					208,015	\$80.33		\$16,708,805	\$459,492			
2019					208,015	\$81.93		\$17,042,981	\$468,682			
2020					208,015	\$83.57		\$17,383,841	\$478,056			
2021					208,015	\$85.24		\$17,731,517	\$487,617			
2022					208,015	\$86.95		\$18,086,148	\$497,369			
2023					208,015	\$88.69		\$18,447,871	\$507,316			
2024					208,015	\$90.46		\$18,816,828	\$517,463			
2025					208,015	\$92.27		\$19,193,165	\$527,812			
2026					208,015	\$94.11		\$19,577,028	\$538,368			
2027					208,015	\$96.00		\$19,968,569	\$549,136			
2028					208,015	\$97.92		\$20,367,940	\$560,118			
2029					208,015	\$99.87		\$20,775,299	\$571,321			
2030					208,015	\$101.87		\$21,190,805	\$582,747			
2031					208,015	\$103.91		\$21,614,621	\$594,402			
2032												
2033												
2034												
2035												
2036												
2037												
					3,120,225	Total		\$409,477,690	\$283,286,597	\$7,790,381	(\$118,400,712)	(\$119,365,492)
					1,654,802	NPV (2015, 7%)		\$212,652,105	\$146,569,400	\$4,030,659	(\$62,052,046)	(\$62,595,816)

Delivery Zone	WCMA
Nameplate	80 MW
Capacity Factor for FCM	0.0%
Discount Rate	7.0%
Escalation	2.0%
Yr 1 Contract Price	\$78.75
Estimated Annual Output	208,015
Estimated COD	Jan-2017
Estimated Annual Capacity Factor	29.7% CF

Monthly Table									
WCMA Energy Prices		Production		Capacity	RECs	Market Costs	Contract Costs	Contract less Market Costs	
On-Peak	Off-Peak	On-Peak	Off-Peak	\$/kw-mo	\$/MWH				
2015	Sep-15								
2015	Oct-15								
2015	Nov-15								
2015	Dec-15								
2016	Jan-16								
2016	Feb-16								
2016	Mar-16								
2016	Apr-16								
2016	May-16								
2016	Jun-16								
2016	Jul-16								
2016	Aug-16								
2016	Sep-16								
2016	Oct-16								
2016	Nov-16								
2016	Dec-16								
2017	Jan-17						\$	1,338,150	
2017	Feb-17						\$	1,290,612	
2017	Mar-17						\$	1,638,199	
2017	Apr-17						\$	1,592,952	
2017	May-17						\$	1,492,944	
2017	Jun-17						\$	1,384,600	
2017	Jul-17						\$	1,296,039	
2017	Aug-17						\$	1,158,664	
2017	Sep-17						\$	1,215,606	
2017	Oct-17						\$	1,375,188	
2017	Nov-17						\$	1,271,521	
2017	Dec-17						\$	1,717,257	
2018	Jan-18						\$	1,364,913	
2018	Feb-18						\$	1,316,424	
2018	Mar-18						\$	1,670,963	
2018	Apr-18						\$	1,624,811	
2018	May-18						\$	1,522,803	
2018	Jun-18						\$	1,422,492	
2018	Jul-18						\$	1,321,940	
2018	Aug-18						\$	1,181,838	
2018	Sep-18						\$	1,239,918	
2018	Oct-18						\$	1,402,692	
2018	Nov-18						\$	1,296,951	
2018	Dec-18						\$	1,751,602	
2019	Jan-19						\$	1,392,212	
2019	Feb-19						\$	1,342,753	
2019	Mar-19						\$	1,704,382	
2019	Apr-19						\$	1,657,307	
2019	May-19						\$	1,553,259	
2019	Jun-19						\$	1,450,942	

		Monthly Table								
		WCMA Energy Prices		Production		Capacity	RECs	Market Costs	Contract Costs	Contract less Market Costs
		On-Peak	Off-Peak	On-Peak	Off-Peak	\$/kw-mo	\$/MWH			
2019	Jul-19								\$ 1,348,379	
2019	Aug-19								\$ 1,205,474	
2019	Sep-19								\$ 1,264,717	
2019	Oct-19								\$ 1,430,746	
2019	Nov-19								\$ 1,322,891	
2019	Dec-19								\$ 1,578,634	
2020	Jan-20								\$ 1,420,056	
2020	Feb-20								\$ 1,369,608	
2020	Mar-20								\$ 1,738,470	
2020	Apr-20								\$ 1,690,453	
2020	May-20								\$ 1,584,324	
2020	Jun-20								\$ 1,479,961	
2020	Jul-20								\$ 1,375,346	
2020	Aug-20								\$ 1,229,584	
2020	Sep-20								\$ 1,290,011	
2020	Oct-20								\$ 1,459,361	
2020	Nov-20								\$ 1,349,348	
2020	Dec-20								\$ 1,822,366	
2021	Jan-21								\$ 1,448,457	
2021	Feb-21								\$ 1,397,000	
2021	Mar-21								\$ 1,773,239	
2021	Apr-21								\$ 1,724,262	
2021	May-21								\$ 1,616,010	
2021	Jun-21								\$ 1,509,560	
2021	Jul-21								\$ 1,402,853	
2021	Aug-21								\$ 1,254,176	
2021	Sep-21								\$ 1,315,811	
2021	Oct-21								\$ 1,488,548	
2021	Nov-21								\$ 1,376,335	
2021	Dec-21								\$ 1,858,814	
2022	Jan-22								\$ 1,477,426	
2022	Feb-22								\$ 1,424,940	
2022	Mar-22								\$ 1,808,704	
2022	Apr-22								\$ 1,758,747	
2022	May-22								\$ 1,648,331	
2022	Jun-22								\$ 1,539,751	
2022	Jul-22								\$ 1,430,910	
2022	Aug-22								\$ 1,279,259	
2022	Sep-22								\$ 1,342,127	
2022	Oct-22								\$ 1,518,319	
2022	Nov-22								\$ 1,403,862	
2022	Dec-22								\$ 1,895,990	
2023	Jan-23								\$ 1,506,975	
2023	Feb-23								\$ 1,453,439	
2023	Mar-23								\$ 1,844,878	
2023	Apr-23								\$ 1,793,922	

Monthly Table									
	WCMA Energy Prices		Production		Capacity	RECs	Market Costs	Contract Costs	Contract less Market Costs
	On-Peak	Off-Peak	On-Peak	Off-Peak	\$/kw-mo	\$/MWH			
2023	May-23							\$ 1,681,297	
2023	Jun-23							\$ 1,570,546	
2023	Jul-23							\$ 1,459,528	
2023	Aug-23							\$ 1,304,844	
2023	Sep-23							\$ 1,368,970	
2023	Oct-23							\$ 1,548,685	
2023	Nov-23							\$ 1,431,939	
2023	Dec-23							\$ 1,933,910	
2024	Jan-24							\$ 1,537,114	
2024	Feb-24							\$ 1,482,508	
2024	Mar-24							\$ 1,881,776	
2024	Apr-24							\$ 1,829,801	
2024	May-24							\$ 1,714,923	
2024	Jun-24							\$ 1,601,957	
2024	Jul-24							\$ 1,488,719	
2024	Aug-24							\$ 1,330,941	
2024	Sep-24							\$ 1,396,349	
2024	Oct-24							\$ 1,579,659	
2024	Nov-24							\$ 1,460,578	
2024	Dec-24							\$ 1,972,588	
2025	Jan-25							\$ 1,567,856	
2025	Feb-25							\$ 1,512,158	
2025	Mar-25							\$ 1,919,411	
2025	Apr-25							\$ 1,866,397	
2025	May-25							\$ 1,749,222	
2025	Jun-25							\$ 1,633,996	
2025	Jul-25							\$ 1,518,493	
2025	Aug-25							\$ 1,357,560	
2025	Sep-25							\$ 1,424,276	
2025	Oct-25							\$ 1,611,252	
2025	Nov-25							\$ 1,489,790	
2025	Dec-25							\$ 2,012,040	
2026	Jan-26							\$ 1,599,214	
2026	Feb-26							\$ 1,542,401	
2026	Mar-26							\$ 1,957,800	
2026	Apr-26							\$ 1,903,725	
2026	May-26							\$ 1,784,206	
2026	Jun-26							\$ 1,666,676	
2026	Jul-26							\$ 1,548,863	
2026	Aug-26							\$ 1,384,711	
2026	Sep-26							\$ 1,452,762	
2026	Oct-26							\$ 1,643,477	
2026	Nov-26							\$ 1,519,585	
2026	Dec-26							\$ 2,052,281	
2027	Jan-27							\$ 1,631,198	
2027	Feb-27							\$ 1,573,249	

Monthly Table									
	WCMA Energy Prices		Production		Capacity	RECs	Market Costs	Contract Costs	Contract less Market Costs
	On-Peak	Off-Peak	On-Peak	Off-Peak	\$/kw-mo	\$/MWH			
2027	Mar-27							\$ 1,996,956	
2027	Apr-27							\$ 1,941,799	
2027	May-27							\$ 1,819,890	
2027	Jun-27							\$ 1,700,009	
2027	Jul-27							\$ 1,579,840	
2027	Aug-27							\$ 1,412,405	
2027	Sep-27							\$ 1,481,817	
2027	Oct-27							\$ 1,676,347	
2027	Nov-27							\$ 1,549,977	
2027	Dec-27							\$ 2,093,326	
2028	Jan-28							\$ 1,663,822	
2028	Feb-28							\$ 1,604,714	
2028	Mar-28							\$ 2,036,895	
2028	Apr-28							\$ 1,980,635	
2028	May-28							\$ 1,856,288	
2028	Jun-28							\$ 1,734,010	
2028	Jul-28							\$ 1,611,437	
2028	Aug-28							\$ 1,440,654	
2028	Sep-28							\$ 1,511,453	
2028	Oct-28							\$ 1,709,874	
2028	Nov-28							\$ 1,580,977	
2028	Dec-28							\$ 2,135,193	
2029	Jan-29							\$ 1,697,098	
2029	Feb-29							\$ 1,636,808	
2029	Mar-29							\$ 2,077,633	
2029	Apr-29							\$ 2,020,248	
2029	May-29							\$ 1,893,414	
2029	Jun-29							\$ 1,768,690	
2029	Jul-29							\$ 1,643,666	
2029	Aug-29							\$ 1,469,467	
2029	Sep-29							\$ 1,541,682	
2029	Oct-29							\$ 1,744,071	
2029	Nov-29							\$ 1,612,596	
2029	Dec-29							\$ 2,177,897	
2030	Jan-30							\$ 1,731,040	
2030	Feb-30							\$ 1,669,545	
2030	Mar-30							\$ 2,119,185	
2030	Apr-30							\$ 2,060,653	
2030	May-30							\$ 1,931,282	
2030	Jun-30							\$ 1,804,064	
2030	Jul-30							\$ 1,676,539	
2030	Aug-30							\$ 1,498,856	
2030	Sep-30							\$ 1,572,516	
2030	Oct-30							\$ 1,778,953	
2030	Nov-30							\$ 1,644,848	
2030	Dec-30							\$ 2,221,455	



Jennifer Brooks Hutchinson
Senior Counsel

July 31, 2015

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
Fourth 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 Grid¹, enclosed are ten (10) copies of the Company's summary report on the results of the fourth solicitation conducted by the Company pursuant to R.I.G.L. Section 39-26.1 *et seq.*, (Long-Term Contracting Standard) and the Rules and Regulations Governing Long-Term Contracting Standards for Renewable Energy (Regulations) promulgated by the Rhode Island Public Utilities Commission (PUC).

The Company is filing the enclosed summary report to provide the PUC with the results of the Company's fourth 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 an overview 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 PUC with the confidential version of those documents under separate cover.

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

Luly E. Massaro, Commission Clerk
Long-Term Contracts Fourth Solicitation
July 31, 2015
Page 2 of 2

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,

A handwritten signature in blue ink, appearing to read "Jennifer Brooks Hutchinson", with a long horizontal flourish extending to the right.

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
Fourth Solicitation for Long-Term Contracts for Renewable Energy Projects
Pursuant to Rhode Island General Laws Section 39-26.1 et seq.**

**NATIONAL GRID'S REQUEST
FOR PROTECTIVE TREATMENT OF CONFIDENTIAL INFORMATION**

National Grid¹ hereby requests that the Rhode Island Public Utilities Commission (PUC) provide confidential treatment and grant protection from public disclosure of certain confidential, competitively sensitive, and proprietary information submitted in this proceeding, as permitted by PUC 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 PUC preliminarily grant National Grid's request for confidential treatment pursuant to Rule 1.2 (g)(2).

I. BACKGROUND

On July 31, 2015, National Grid filed with the PUC a summary report of its fourth solicitation for long-term contracts, which 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, which is confidential, contains a detailed summary

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 PUC'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 PUC falls within one of the designated exceptions to the public records law, the PUC 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; 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.

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 PUC 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.

III. 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.

IV. CONCLUSION

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

WHEREFORE, the Company respectfully requests that the PUC 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: July 31, 2015

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

The Narragansett Electric Company d/b/a National Grid

July 31, 2015

national**grid**

Long-Term Contracting Standards for Renewable Energy
Summary Report on Fourth Solicitation
July 31, 2015

Introduction

On July 1, 2014, National Grid¹ issued its fourth 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 (Long-Term Contracting Standard).² Pursuant to Section 4.12 of the Regulations³, National Grid has prepared this summary report to provide the Rhode Island Public Utilities Commission (PUC) information regarding the results of the Company’s fourth solicitation.

Background

National Grid is required to conduct solicitations at least once a year beginning in 2014 until one hundred percent (100%) of the minimum, long-term-contract capacity is met; provided, however, that no contracts shall be awarded unless the pricing under such contract(s) is below the forecasted market price of energy and renewable energy certificates over the term of the proposed contract.⁴ The Long-Term Contracting Standard also requires that the PUC approve the timetable and method of solicitation and execution of contracts.⁵ The PUC approved the timing and method of this annual solicitation process at the Open Meeting on June 17, 2010 in Docket 4150, and the PUC issued a written order on December 1, 2010. Pursuant to the Regulations, the PUC approved the Company’s revisions to the method of annual solicitation, with modifications, first at its Open Meeting on June 12, 2012 in Docket 4316⁶ and subsequently at its Open Meeting on May 30, 2014 in Docket 4491.⁷ The PUC issued a written order in Docket 4316 on July 12, 2012. Under the Long-Term Contracting Standard, the minimum long-term contract capacity that National Grid is required to reach is 90 MW.⁸

¹ The Narragansett Electric Company d/b/a National Grid (herein referred to as National Grid or the Company).
² The 2014 amendments to R.I.G.L. §§ 39-26.1-3(c)(2) and (f) required that the electric distribution company reach 100% of the 90 MW requirement after December 2013 and contracts are to be awarded only to projects offering pricing below market price forecasts. *See* Pub. Law 2014, ch. 200, § 2, Pub. Law 2014, ch. 216, §2. Notably, subsection (b) was also amended in 2014 to extend the timeframe for the PUC to review and approve contracts from 60 to 90 days; however, this amendment is not reflected in the official online version of the statute. *See* Pub. Law 2014, ch. 61, § 1, Pub. Law 2014, ch. 63, § 1.
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(f).
⁵ *See* R.I.G.L. §39-26.1-3(b).
⁶ The changes proposed in Docket 4316 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.*
⁷ The changes proposed in Docket 4491 were to reflect ISO-New England’s negative pricing rule proposal.
⁸ 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).

The Company was expressly authorized under that statute to procure long-term contracts for two specific projects: (1) the Town of Johnston Project (landfill gas)⁹ and (2) the Town of New Shoreham (Block Island) Project (including an undersea transmission cable to the Rhode Island mainland).¹⁰ Accordingly, on May 29, 2010, National Grid executed a Power Purchase 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 (Division) filed the executed PPA and required certifications with the PUC on July 9, 2010. This landfill gas project provides 27.3 MW of contract capacity,¹¹ and represents approximately 30.3 % of the 90 MW requirement.

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 PUC approved on August 17, 2010. This offshore wind project, as currently planned, is 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 and represents approximately 13.3 % of the 90MW requirement. Together with the RI LFG Genco PPA, the Deepwater Wind PPA brought the total contract capacity to approximately 43.6 % of the minimum 90 MW requirement.

In addition to the foregoing, National Grid also conducted four (4) competitive solicitations as authorized under the statute. As a result of the first solicitation, National Grid filed a PPA with Orbit Energy Rhode Island, LLC (Orbit) with the PUC on June 22, 2011 for a biogas project, which the PUC approved on July 28, 2011. This biogas project contributes 2.6 MW of contract capacity, which represents approximately 2.9 % of the 90 MW requirement. Together with the RI LFG Genco PPA and the Deepwater Wind PPA, the Orbit Energy PPA brought the Company's total contract capacity to approximately 46.5 % of the 90 MW requirement.

The second solicitation resulted in a PPA with Black Bear Development Holdings, LLC (Black Bear) filed on March 19, 2012, as amended by a First Amendment to Power Purchase Agreement filed on May 9, 2012, which the PUC approved on May 11, 2012 . This hydro project contributes 3.6 MW of contract capacity which represents 4.0 % of the 90 MW requirement. Together with the RI LFG Genco PPA, the Deepwater Wind PPA, and the Orbit Energy PPA, the Black Bear PPA brought the Company's total contract capacity to approximately 50.5% of the 90 MW requirement.

As a result of the third solicitation, National Grid filed a PPA with Champlain Wind, LLC (Champlain Wind), which the PUC approved on October 25, 2013. This onshore wind project contributes 18.2 MW of contract capacity which represents approximately 20.2 % of the 90MW requirement. Together with the RI LFG Genco PPA, the Deepwater Wind PPA, the Orbit Energy PPA, and the Black Bear PPA, this Champlain Wind PPA brought the Company's total contract capacity to approximately 70.7% of the 90 MW requirement.

⁹ See R.I.G.L. §39-26.1-9

¹⁰ See R.I.G.L. §39-26.1-7

¹¹ R.I.G.L. §39-26.1-2(7) requires that "the capacity under contract shall be adjusted by the capacity factor of each renewable generator as determined by the ISO-NE rules, as they may change from time to time. By way of example, a contract with a one hundred (100) megawatt facility with a thirty percent (30%) capacity factor would be counted as providing thirty (30) megawatts to the minimum long-term contract capacity requirement."

Project	Nameplate Capacity (MW)	Contract Capacity (MW)	% of 90 MW Requirement	Cumulative % of 90 MW Requirement
RI LFG Genco	32.1	27.3	30.3%	30.3%
Deepwater Wind Block Island	30.0	12.0	13.3%	43.6%
Orbit Energy Johnston RI	3.2	2.6	2.9%	46.5%
Black Bear Hydro	3.9	3.6	4.0%	50.5%
Champlain Wind Bowers	48.0	18.2	20.2%	70.7%

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 in ten enrollment periods over four years or 10% of the minimum long-term contract capacity under the Long-Term Contracting Standard by the end of 2014, which was estimated to range between 2-6 MW of contract capacity, dependent on the final outcome of the enrollments.

Thus, as of July 1, 2014, the opening date of the fourth solicitation, the Company had approximately 25% of contract capacity or 22.5 MW¹² remaining to satisfy the 90 MW minimum long-term contract capacity requirement.

Fourth Solicitation

National Grid issued its request for proposals (RFP) on July 1, 2014, with bids due on August 5, 2014. 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 15, 2014, the Company held an informational conference for prospective bidders at its office in Providence, Rhode Island.

The Company received fourteen bids totaling approximately 80 MW of contract capacity in response to its fourth solicitation. The following table summarizes the bids received in terms of generation source, location, nameplate capacity (MW), and contract capacity.¹³

¹² Included in this amount will be any capacity contracted for through DG enrollments, net of any terminated contracts.

¹³ Dividing the estimated annual energy production by 8,760 hours/year 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.

Summary of Initial Bids Received in Fourth Solicitation

Technology	Location	Nameplate Capacity (MW)	Capacity Factor ¹⁴	Contract Capacity (MW)	% of 90 MW Requirement
Anaerobic Digestion	Middleboro, MA	5.2	93.7%	4.9	5.4%
Hydroelectric	Lyons Falls, NY ¹⁵	6.2	47.9%	3.0	3.3%
Solar Photovoltaic	North Kingstown, RI	4.1	13.6%	0.6	0.6%
Solar Photovoltaic	East Providence, RI	3 MW-AC (Phase II) 3.92 MW-AC (Phase III)	18.5% (Phase II) 32.6% (Phase III)	0.6 (Phase II) 1.3 (Phase III)	0.7% (Phase II) 1.4% (Phase III)
Solar Photovoltaic	Johnston, RI	16.0	15.0%	2.4	2.7%
Solar Photovoltaic	Cranston, RI	10.0	19.2%	1.9	2.1%
Solar Photovoltaic	Montville, CT	20.0	20.4%	4.1	4.5%
Solar Photovoltaic	Scituate, RI	15.0	19.2%	2.9	3.2%
Wind	Canton, ME	22.8	31.3%	7.1	7.9%
Wind	Denmark, NY	80.0	29.7% ¹⁶	23.7	26.4%
Wind	Union and Ashford, CT	11.5	Coye Hill: 19.1% Snow Hill: 11.8%	Coye Hill: 2.2 Snow Hill: 1.4	Coye Hill: 2.4% Snow Hill: 1.6%
Wind	Antrim, NH	28.8	37.4%	10.8	12.0%
Wind	Near Eastbrook, Maine	61.0	28.1%	17.2	19.1%
Wind	Near Eastbrook, Maine	99.0	28.1%	27.9	31.0%

The Company evaluated all of the eligible bids based on price and non-price factors as described in the RFP. In the price evaluation (See Appendix A, Table 2), 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)

¹⁴ Based on initial information provided by bidders. The capacity factor = estimated annual output / (nameplate capacity in MW * 8,760 hours/year).

¹⁵ Section 1.2 of the RFP requires that a generator be a “newly developed renewable energy resource” pursuant to the Long-Term Contracting Standard and Regulations. This project did not satisfy that requirement and was therefore deemed ineligible for participation in the fourth solicitation.

¹⁶ At ISO-NE delivery point, including estimated transmission curtailment.

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.

The Company also considered several non-price factors in its evaluation of the bids received in the fourth solicitation.¹⁷ A project may receive a maximum of 20 points in the non-price evaluation (See Appendix A, Table 3).

During the course of the Company's initial evaluation of all eligible proposals, a bidder expressed interest in revising the bid price that it submitted to National Grid in response to the RFP. National Grid is interested in fulfilling its obligations under the RFP in a manner that is fair and transparent to all bidders and yields the most cost-effective results for its customers. To achieve this goal in light of this request, National Grid offered all eligible bidders a one-time opportunity to revise their bid pricing submitted to National Grid in response to the 2014 RFP. This decision was made after consultation with the Division in a meeting on October 22, 2014 in which the Company shared the results of its initial evaluation of eligible bids. On October 23, 2014, National Grid informed all eligible bidders of this opportunity and requested a response by November 6, 2014 at 5 PM EPT.¹⁸ Two bidders elected to submit revised prices for two projects.¹⁹ After reviewing all eligible proposals, including those for which bidders submitted revised pricing, the Company identified two bidders from which it sought additional information. The remaining eligible proposals were rejected based on the price and non-price factors previously described and on December 8, 2014, were notified by email that they had not been selected for further negotiations.

After further evaluation of the two bids, including the additional information received, the final scoring of the bids was completed (See Appendix A, Table 4). The Company initially selected the number one ranked, highest scoring proposal for a 72.6 MW land-based wind project located in Maine for negotiation of a PPA.²⁰ However, in an email communication to the Company dated December 29, 2014, the bidder indicated that it did not intend to proceed with its proposal and withdrew its offer.²¹ Consequently, the Company selected the number two ranked²², second-highest proposal for an 80.0 MW land-based wind project located in New York for negotiation of a PPA. The Company and the selected project's developer have executed a PPA as of July 24,

¹⁷ The non-price scoring methodology 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.

¹⁸ Eastern Prevailing Time.

¹⁹ Another bidder submitted revised pricing after the stated deadline, and for that reason the bidder's revised pricing was not considered.

²⁰ The bidder chose to submit a revised bid for a project with a nameplate rating of 72.6 MW, which more closely matched the requirement. Initially, the project was proposed as two offers: one with a nameplate rating of 61 MW and another with a nameplate rating of 99 MW, noting the project was scalable.

²¹ In its email communication to the Company the bidder stated that its project had been awarded a long-term contract as a result of another RFP and it had chosen to move forward with that contract.

²² There was little separation in the final combined price/non-price scores of the two highest ranking bids. See Appendix A, Table 4.

2015, which will be filed with the PUC for its review and approval pursuant to the Long-Term Contracting Standard and the Regulations. If approved by the PUC, this project will contribute 23.7 MW of contract capacity, bringing the total contract capacity to approximately 103.8 % 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 11, 2014, copies of the bids received were provided to the Division. On December 18, 2014, 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.

Lessons Learned

After awarding the number one ranked project, the bidder withdrew its offer because it had chosen to move forward with another contract as a result of another RFP. In the event of any future solicitations, the Company would seek to require bidders to disclose whether they are participating in other RFPs and, if they are, be required to inform National Grid of the status of those bids.

Distributed Generation Standard Contracts Enrollment

As of this writing, Distributed Generation Standard Contracts Act enrollments have resulted in 44 active Standard Contracts for approximately 36.8 MW of nameplate capacity. Based on the estimated annual energy production of the enrolled projects, the nameplate capacity is equivalent to 6.1 MW of contract capacity under the Long Term Contracting Standard. Approximately 3.2 MW of unused nameplate capacity is expected to be absorbed into the anticipated Rhode Island Renewable Energy Growth Program in accordance with the statute.²³ In total, inclusive of previously executed long-term contracts, distributed generation standard contracts, and the 2014 RFP winner, to the extent approved by the PUC, National Grid has procured almost 94 MW of contract capacity in Rhode Island.

Project	Nameplate Capacity (MW)	Contract Capacity (MW)	% of 90 MW Requirement	Cumulative % of 90 MW Requirement
RI LFG Genco	32.1	27.3	30.3%	30.3%
Deepwater Wind Block Island	30.0	12.0	13.3%	43.6%
Orbit Energy Johnston RI	3.2	2.6	2.9%	46.5%
Black Bear Hydro	3.9	3.6	4.0%	50.5%
Champlain Wind Bowers	48.0	18.2	20.2%	70.7%
Total Distributed Generation Standard Contracts	36.8	6.1	6.8%	77.5%
2014 RFP Winner	80.0	23.7	26.3%	103.8%

²³ R.I.G.L. §39-26.6 *et seq.*

Appendix A

RHODE ISLAND LONG-TERM CONTRACTS FOR RENEWABLE ENERGY SOLICITATION

RFP Released July 1, 2014

SUMMARY OF BIDS, SCORING AND RANKING

Table 1
2014 Rhode Island Renewable Energy Bid Evaluation - Final Bid Summary

July 1, 2014 RFP

Project & Location	Technology	Nameplate Capacity (MW)	Yearly MWH	Capacity Factor	Contract Capacity (MW)	Operational Date	Bundled \$/MWh (15yr)	Escalation Rate	Delivery Zone
	Anaerobic Digestion	5.2	42,662		4.9				
	Hydroelectric	6.2	26,000		3.0				
	Solar Photovoltaic	4.1	4,867		0.6				
	Solar Photovoltaic	3 MW-AC (Phase II)	4,852 (Phase II)		0.6 (Phase II)				
	Solar Photovoltaic	3.92 MW-AC (Phase III)	11,197 (Phase III)		0.7 (Phase III)				
	Solar Photovoltaic	16.0	21,069		2.4				
	Solar Photovoltaic	10.0	16,820		1.9				
	Solar Photovoltaic	20.0	35,576		4.1				
	Solar Photovoltaic	15.0	25,265		2.9				
	Wind	22.8	62,609		7.1				
	Wind	80.0	208,015		23.7				
	Wind	11.5	Coye Hill: 19,200 Snow Hill: 11,900		Coye Hill: 3.6 Snow Hill: 3.6				
	Wind	28.8	94,320		10.8				
	Wind	72.6	150,385		17.2				
	Wind	72.6	193,063		22.0				

Table 2
Project Ranking Based on Final Price Evaluation

Project	Market Costs		RANK
	80 Point Award	Points Awarded	
	Above Market Cost (\$/MWh)		
[Redacted]			

Notes

- Ranking includes only 15 year contract terms.

- 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 submitted price.

Table 3
Project Ranking Based on Non-Price Evaluation

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

Note: Only projects that had pricing forecasted to be below market were evaluated on a non-price basis.

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