

**APPENDIX A**

**SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY**

**PRELIMINARY Q1 & Q2 2024 TERM SHEET**

**FOR**

[Developer Name]

Note: Where requested, Seller shall check appropriate box indicating whether Seller agrees or disagrees with provision as stated. If Seller disagrees, Seller shall provide description of specific point(s) of disagreement and proposed counterproposal, where applicable.

|  |  |  |  |
| --- | --- | --- | --- |
| 1. **Date** | [Date] | |  |
| 1. **Buyer** | Southern California Public Power Authority, and, together with Seller, the “***Parties***” and each, a “***Party****.”* | |  |
| 1. **Seller** | [Owner’s Name, LLC] (**“**[\_\_\_\_\_\_\_\_\_\_\_\_]”) | |  |
| 1. **Name of Facility** | [Name of Facility] (the “***Facility***”), a [indicate resource type] generating facility with a net nameplate capacity of [\_\_\_\_] MW located in [county and state]. | |  |
| 1. **Agreement; Term** | The Parties intend to negotiate a Power Purchase Agreement by and between Seller and Buyer (“***PPA***”);  The term of the PPA shall be [\_\_\_\_\_] Contract Years from the occurrence of the commercial operation date (*“****COD”***) of the Facility (“***Term***”). Contract years shall be measured in calendar years but shall also include an initial stub year and a final stub year (each, a “***Contract Year***”). | |  |
| 1. **Effective Date** | The PPA shall become effective upon execution by both Seller and Buyer (the “***Effective Date***”).  Prior to execution of the PPA by Buyer, the Facility shall have received a final notice of determination under the California Environmental Quality Act (“***CEQA***”), the National Environmental Policy Act (“***NEPA***”) and/or other comparable environmental law of the state where the Facility is located. | |  |
| 1. **Technology** | [Type of facility, including major equipment and manufacturers, as well as tracking mechanism, if any] | |  |
| 1. **Product** | Seller shall sell to Buyer, and Buyer shall purchase from Seller, all Portfolio Content Category 1, a.k.a. Bucket 1, energy (per CPUC Section 399.16 (b)(1) (“***PCC1***”)) from the Facility, as well as any and all associated environmental attributes, capacity attributes, services and all ancillary products similar to the foregoing which are or can be, now and in the future, produced by or associated with the Facility, including, without limitation, renewable attributes; renewable energy credits (“***RECs***”); resource adequacy (“***RA***”) and local capacity requirement (“***LCR***”), if applicable to the Facility; capacity attributes as defined by the California Independent System Operator (“***CAISO***”); and any other future capacity value or renewable attributes (together, the “***Product***”). Seller will deliver LCR and RA system capacity, if any, to Buyer as of the COD until the end of the Term.  Seller acknowledges that PCC1-eligible energy products must be generated by a generation facility that has been certified (or satisfies all of the requirements to be certified and will be certified within six (6) months after the COD) as an eligible renewable energy resource facility by the California Energy Commission (“***CEC***”) and must be scheduled into a California balancing authority. Seller shall achieve such CEC certification within six (6) months after COD. | | Agree  Disagree  Comments: |
| 1. **Guaranteed Commercial Operation Date** | Seller anticipates achieving COD as of [Date] (“***Target COD***”). Seller may achieve COD prior to the Target COD so long as Seller gives written notice thereof to Buyer not less than 12 months prior to such Target COD, but in no event shall COD be achieved earlier than [Date]. Seller shall achieve COD no later than [Date] (the “***GCOD***”). | | Agree  Disagree  Comments: |
| 1. **Monthly Attestation Certification** | Seller shall include an Environmental Attribute Attestation or Bill of Sale in every monthly invoice. Seller shall confirm, on a monthly basis, its compliance with the PPA provisions related to delivery of RECs and deliver to Buyer the associated RECs certified by the CEC, which RECs must comply with all requirements of the most-current CEC RPS Guidebook. Seller shall promptly confirm that it has uploaded all RECs to the WREGIS System (“***WREGIS Certificates***”).  The PPA shall contain provisions pursuant to which Seller shall send Buyer monthly invoices setting forth prescribed information, including (among other items): (a) the total quantity of energy delivered in the prior month in MWhs and (b) the total quantity of WREGIS Certificates confirmed to have been credited to Buyer’s WREGIS account during the prior month. Buyer shall pay Seller for the delivered Product no later than the sixtieth (60th) day after receipt by Buyer of Seller’s invoice.  For the month covered by the invoice, (i) Buyer shall pay for all energy deliveries referenced in such month an amount per MWh equal to the applicable Contract Price (per MWh), provided that Buyer may withhold from payment an amount equal to [$\_\_] per MWh (such amount, the “***WREGIS Withhold Amount***”) until the WREGIS Certificate associated with such MWh has been credited to Buyer’s WREGIS account and (ii) Buyer shall pay the WREGIS Withhold Amount previously withheld by Buyer for each MWh for which a WREGIS Certificate was credited to Buyer’s WREGIS account in such month. | | Agree  Disagree  Comments: |
| 1. **Monthly Progress Reports; Operational Reports** | Prior to the Facility achieving COD, Seller shall provide Buyer with monthly progress reports advising Buyer of the current status of the development, construction, start-up and testing of the Facility, including any significant developments or delays and Seller’s estimate of any changes to the Target COD. If Seller anticipates that it will not achieve a milestone by the applicable milestone date set forth in Appendix 2, then Seller shall deliver to Buyer a remedial action plan that identifies (i) the anticipated period of delay; (ii) the basis for such delay; and (iii) a remedial action plan outlining the commercially reasonable steps that Seller is taking to address the delay and to ensure that future milestones, including the GCOD, will be achieved.  Following the achievement of COD, Seller shall provide monthly reports of past generation performance that include, but are not limited to: a Facility performance summary with month/year to date, Facility performance on MWh, capacity factor, comparison of actual vs. expected, availability, wind speed/average illumination, operational summary including weather for the month, reasons for downtime, scheduled maintenance and repairs, curtailment events, safety, and a summary of any environmental issues or concerns. | | Agree  Disagree  Comments: |
| 1. **Metering Connection** | Seller shall provide Buyer (including any of Buyer’s participating members) with a live data metering connection that may be accessed using the Inter-Control Center Communications Protocol (“***ICCP***”) as defined by the International Electrotechnical Commission to enable the exchange of real-time and historical power system monitoring and control data, including measured values and accounting data. Metering shall comply with the most-current CEC RPS Guidebook  Distributed Network Protocol (“***DNP3***”), based on the standards of the International Electrotechnical Commission, is an alternative option for metering connection.  Depending on the utility, DNP3 may be the preferred method for metering connection. For instance, LADWP prefers DNP3 to be the primary method over ICCP. | | Agree  Disagree  Comments: |
| 1. **Point of Delivery** | The point of delivery for the Facility (“***POD***”) shall be the [Substation] in [County, State]. All transmission and ancillary service costs, including scheduling from the Facility to the POD and any transformer crossover fees for transmitting energy between substations, is included in the Contract Price. Buyer shall only be obligated to purchase and pay for energy delivered to Buyer at the POD, which energy shall be net of parasitic load and transmission and transformation losses all in conformance with the latest version of the CEC RPS Guidebook.  If the Facility delivers energy through the CAISO system, the appropriate PNODE will be [provide POD]. | | Agree  Disagree  Comments: |
| 1. **Point of Interconnection** | The first point of Interconnection will be: [POI] | |  |
| 1. **Curtailment** | Seller shall provide two Contract Prices in Section 30:  1) A Contract Price that assumes Buyer has no economic curtailment rights; and  2) A Contract Price that assumes Buyer has the right to curtail the output of the Facility by an amount equal to up to 4% of the Annual Contract Quantity (as defined below and provided in Appendix 1) for each full Contract Year after COD, at no additional cost to Buyer and without additional compensation to Seller.  Buyer shall have the right and set-point control capability to curtail the output of the Facility for any reason, including economic reasons. Lost output due to an economic curtailment after COD (above the 4% threshold if applicable) shall be compensable by Buyer, to the extent of the actual curtailment, at the Contract Price, (“***Compensable Curtailments***”). Buyer shall have the right to curtail startup and test energy without compensation to Seller. Reliability curtailments, including without limitation, curtailments of a transmission provider or system operator due to system emergencies, system improvements, scheduled or unscheduled maintenance at or downstream of the POD, and events of Force Majeure at or downstream of the POD shall not be compensable by Buyer and shall be further defined by the Parties in the PPA (“***Non-Compensable Curtailments***”). | | Agree  Disagree  Comments: |
| 1. **Guaranteed Generation** | The Facility shall generate no less than [80% -- for wind and solar][90% -- for base-load or other non-intermittent eligible renewable energy] of the expected annual energy generation from the Facility set forth in Appendix 1 (the “***Expected Annual Contract Quantity***”), measured over each Contract Year beginning with the first full Contract Year occurring after COD (each, a “***Measurement Period***”), which amount shall be adjusted for (a) hours during which Seller is unable to generate, schedule or deliver energy to POD due to an event of Force Majeure (to be defined in the PPA); (b) Buyer’s failure to schedule the energy from the POD; or (c) periods during which generation or transmission is curtailed or interrupted for whatever reason on the Buyer's side of the POD, including but not limited to system emergencies, event of Force Majeure, reliability, congestion or over-generation (such amount, the “***Guaranteed Generation***”).  To the extent the Facility delivers excess energy in an amount between 105% and 120% of the Expected Annual Contract Quantity, Buyer shall pay Seller for each such MWh an amount equal to 40% of the Contract Price. Buyer shall pay Seller for any energy delivered in excess of 120% of the Expected Annual Contract Quantity in an amount equal to 25% of the Contract Price. | | Agree  Disagree  Comments: |
| 1. **Shortfall** | If the Facility delivers less than the Guaranteed Generation for any given Measurement Period (a “***Shortfall***”), Seller shall cure such Shortfall by delivering to Buyer the equivalent replacement Product during the Contract Year immediately following the Measurement Period in which the Shortfall has occurred (such Contract Year, the “***Cure Period***”). During any Contract Year that is a Cure Period, the Product delivered will not be counted toward the Shortfall from the previous Contract Year until such time as [80% -- for wind and solar][90% -- for base-load or other non-intermittent eligible renewable energy] of the Expected Annual Contract Quantity has been delivered for the then-current Contract Year. If Seller does not cure the Shortfall within the Cure Period, Seller shall pay Buyer cover damages for any remaining Shortfall based on an energy index to be specified in the PPA within sixty (60) days after the end of the Cure Period. In addition, Seller shall reimburse Buyer for any and all amounts of reasonably documented penalties or fines incurred by Buyer as a result of Buyer’s noncompliance with EPS law or RPS law to the extent such non-compliance was caused by Seller’s failure to make up the full amount of any Shortfall before the end of any RPS compliance period. Notwithstanding the foregoing, Seller shall immediately pay Buyer cover damages for any Shortfall that occurs in a Contract Year that is the last year of an RPS compliance period.  For CAISO Members, in instance where there is a shortfall in RA (a “RA Shortfall”) Seller will need to include RA Shortfall provisions to make Buyer whole on the expected RA Capacity loss from facility due to an RA Shortfall event.  Note: Some of Buyer’s members may opt for immediate payment of cover damages without allowing for a Cure Period. | | Agree  Disagree  Comments: |
| 1. **RPS and EPS Compliant** | Seller shall cause the Facility to be, at the time of COD and throughout the Term (a) RPS compliant (including under CPUC Section 399.16(b)(1), i.e., Portfolio Content Category 1 resource), and (b) EPS compliant. Subject to this Section 18, Seller shall assume any risk that the Facility falls out of RPS compliance, or EPS compliance, as applicable, and shall bring the Facility back into RPS compliance, or EPS compliance, as applicable, should the Facility fall out of compliance with the RPS, or EPS, at any time after COD and throughout the Term.  Seller shall be responsible for any compliance obligations, and other regulatory or legal obligations associated with the Facility and delivery of the Product, including but not limited to costs and expenses incurred by Seller to third parties in connection with or related to environmental liabilities, losses, damages or costs, Greenhouse Gas Emissions Reporting, WREGIS, CEC certification and verification, and future environmental and facility attributes comprising the Product.  If, at any time after the COD, the Facility is no longer RPS compliant or EPS compliant, as applicable, as a result of a change in law occurring after the effective date of the PPA, then Seller shall: (a) first, take all commercially reasonable actions to bring the Facility back into RPS compliance or EPS compliance, as applicable, including incurring costs in an aggregate amount up to [$\_\_\_\_\_\_\_\_\_\_\_\_] per MW of [\_\_\_\_\_\_\_\_] nameplate capacity in the aggregate throughout the Term (the “***Compliance Expenditure Cap***”), and (b) thereafter, take such actions as may be necessary to cause the Facility to remain RPS compliant and EPS compliant. If after a commercially reasonable period of time after such change in law, Seller reasonably determines that such efforts are reasonably likely to require Seller to incur costs in excess of the Compliance Expenditure Cap, Seller shall provide Buyer with notice containing a detailed description of prior compliance actions, the basis for Seller’s expectation that required compliance actions will exceed the Compliance Expenditure Cap, Seller’s projected overage (the “***Excess Compliance Cost***”) and Seller’s projected timeline for successful completion of such compliance actions (an “***Excess Expenditure Notice***”).  During any period of time in which the Facility is not RPS compliant or EPS compliant, as applicable, Buyer shall pay Seller an amount to be specified in the PPA (“***Replacement Price***”) in lieu of the original Contract Price, which price excludes the value of the environmental attributes. In no event shall the Replacement Price be more than the original Contract Price. The Replacement Price shall remain in place until such time as the Facility is brought back into both RPS compliance and EPS compliance, as applicable, or Buyer elects to terminate pursuant to the following paragraph.  If at any time after the earliest to occur of (i) six (6) months of paying the Replacement Price, (ii) Seller’s delivery of an Excess Expenditure Notice, or (iii) Seller’s expenditure of funds in an amount equal to or exceeding the Compliance Expenditure Cap, Buyer determines, in its reasonable discretion, that notwithstanding Seller’s commercially reasonable efforts, Seller will be unable to bring the Facility into RPS or EPS compliance, as applicable, and neither Buyer nor Seller are willing to pay the Excess Compliance Cost, Buyer may elect by notice to Seller, at its sole discretion to terminate the PPA. | | Agree  Disagree  Comments: |
| 1. **Change in Market Structure** | If a regionalization or major change in the market structure of the Western Interconnection occurs during the Term, then the Parties agree to negotiate such modifications to the PPA as necessary to enable the Parties to continue to perform their respective obligations under the PPA, while preserving, to the maximum extent possible, the benefits, burdens, and obligations set forth in the PPA as of the Effective Date. | | Agree  Disagree  Comments: |
| 1. **Energy Imbalance Market (“EIM”) and/or Extended Day-Ahead Market (EDAM)** | Seller shall, at its sole cost and expense (i) design, and thereafter at all times maintain, the Facility in compliance at with the New Resource Implementation requirements (or the equivalent) and (ii) subject to the EIM Compliance Cost Cap, (a) include in the design, construction, and operation of the Facility any equipment or software that may be required to enable the Facility to participate in the EIM, and (b) register the Facility into the EIM. If Seller reasonably determines that the Facility will not be able to participate in the EIM without exceeding the EIM Compliance Cost Cap, and neither Buyer nor Seller is willing to pay the incremental costs above the EIM Compliance Cost Cap, then Seller shall be excused from its obligations with respect to participation in the EIM.  “***EIM Compliance Cost Cap***” means [$\_\_\_\_\_\_\_\_\_\_\_\_\_\_].  EDAM may require additional criteria. | | Agree  Disagree  Comments: |
| 1. **Right of First Offer and First Refusal** | Buyer shall have a right of first refusal and a right of first offer for any proposed sale of the Facility, or any interest held by Seller in the Facility, provided that this right of first refusal and right of first offer shall not apply with respect to the sale of interests in Seller solely in connection with a tax equity financing. | | Agree  Disagree  Comments: |
| 1. **Facility Purchase Option** | Buyer shall have the right to purchase the Facility by providing a tentative notice to Seller of its right to exercise its purchase option at the following times during the Term:   1. 1 year prior to the 10th anniversary of COD, with closing to occur on the 10th anniversary of COD; 2. 1 year prior to the 15th anniversary of COD, with closing to occur on the 15th anniversary of COD; 3. 1 year prior to every subsequent five years after the 15th anniversary of COD until the end of the term of the PPA; and 4. Upon an event of default by Seller.   ((a) through (e) above, the “***Purchase Option***”).  An Option Agreement which shall be executed concurrently with the PPA shall specify that the fair market value of the Facility is to be determined after receipt of Seller’s updated disclosure schedules, which shall be provided within 45 days following receipt of a notice that Buyer intends to exercise the Purchase Option. The Parties shall establish the minimum, maximum, and final purchase prices, as well as other terms and conditions in the Option Agreement. | | Agree  Disagree  Comments: |
| 1. **Interconnection Agreement**   **Full Capacity Deliverability (CAISO Projects)** | Seller shall have entered into a fully executed large generator interconnection agreement (“***LGIA***”) or small generator interconnection agreement (“***SGIA***”), as applicable, at the time of the Effective Date.  CAISO Projects only: The LGIA or SGIA with CAISO provides for energy and full capacity deliverability for the Facility in order for it to qualify for RA and LCR benefits, if applicable. Seller shall reasonably support Buyer in Buyer’s efforts to obtain LCR, if applicable. | | Agree  Disagree  Comments: |
| 1. **Site Control** | Seller shall have established, and shall maintain throughout the Term, site and resource control for the entire Facility (including all real property, water rights, easements, access and related rights, and including the Facility gen-tie, if applicable), pursuant to site lease agreements and easements or fee interests, all of which shall be valid for a period of not less than the Term. Seller shall provide copies of such interests in the Facility site to Buyer.  All such real property and associated rights shall be transferable to Buyer upon Buyer’s exercise of the Purchase Option.  In addition, Seller shall provide Buyer with step-in rights to cure any defaults arising under any real property agreement(s) comprising the Facility site. | | Agree  Disagree  Comments: |
| 1. **Credit Support and Security** | Seller shall provide, or cause to be provided, as appropriate, a separate letter of credit (“***LOC***”) or cash meeting the qualifications to be provided in the PPA (each, an “***Acceptable Form of Performance Assurance***”).  An Acceptable Form of Performance Assurance shall be provided within ten (10) days following the Effective Date. The amount of the Acceptable Form of Performance Assurance for prior to COD shall be for a minimum amount equal to $100/kW (“***Development Security***”).  An Acceptable Form of Performance Assurance securing performance after COD and for the Term shall be provided concurrently with the achievement of COD in an amount equal to $150/kW. For the avoidance of doubt, if a battery energy storage facility is included in the Facility, the nameplate capacity of the battery shall be included in such kW calculation.  All such Acceptable Form of Performance Assurance shall be promptly replenished in full at any time drawn upon by Buyer. | | Agree  Disagree  Comments: |
| 1. **Termination Rights** | Buyer shall have the unilateral right to terminate the PPA if:   * Seller fails to timely achieve any Key Milestone, provided Buyer shall not terminate during such time as Seller continues to pay Daily Delay Damages in accordance with the PPA; provided that notwithstanding the foregoing, Buyer has the right to terminate the PPA if COD has not occurred by an outside date, to be negotiated in the PPA; * Seller incurs liability for Daily Delay Damages in an amount equal to the Development Security amount; * Seller fails to obtain CEC certification within six (6) months following COD; * Seller defaults under the PPA and fails to timely cure such default during the applicable cure period(s) to be provided in the PPA; and * Buyer otherwise has a right of termination specified in the PPA. | | Agree  Disagree  Comments: |
| 1. **Delay Damages** | If Seller fails to timely achieve the Key Milestones designated in Appendix 2, including the milestone for achievement of COD by the GCOD, Seller shall pay liquidated damages to Buyer in an amount equal to the amounts indicated in Appendix 2 (the “***Daily Delay Damages***”). The amount of Daily Delay Damages shown in Appendix 2 shall reflect a fair and reasonable compensation for any loss that may be sustained as a result of Seller’s failure to timely perform. Seller shall be liable for Daily Delay Damages from the date of any missed Key Milestone and every day between such date and the earlier of: (a) the date the missed Key Milestone is achieved, or (b) the date, if any, on which the PPA is terminated by Buyer.  If Seller has failed to timely achieve multiple Key Milestones on any given day, Seller shall pay Buyer the aggregate amount of Daily Delay Damages for all of the Key Milestones that have not been timely achieved as of such date. | | Agree  Disagree  Comments: |
| 1. **Special Purpose Entity** | Seller shall be, as of the Effective Date, and shall remain throughout the Term, a bankruptcy remote special purpose entity, in conformance with the general requirements and standard structure of such an entity and the requirements to be set forth in the PPA.  Seller shall deliver a non-consolidation opinion, as to the non-consolidation of Seller in a bankruptcy of any member of Seller, addressed and delivered to Buyer, on or before the effective date of the PPA.  Seller shall cause the Facility debt to be equal to or less than seventy percent (70%) of the Facility cost. | | Agree  Disagree  Comments: |
| 1. **Assignment and Change in Control** | Seller shall not assign the PPA without the prior written consent of Buyer, other than that Seller may without consent assign the PPA for the sole purpose of financing the Facility to any project lender or a tax equity investor, provided that the terms of any such consent including all agreements thereto conform with the requirements of the PPA.  Buyer may assign the PPA to any of its creditworthy members.  Buyer’s consent shall be required prior to the occurrence of any change in control. Change in control and permitted transfers shall be agreed to and defined in the PPA. | | Agree  Disagree  Comments: |
| 1. **Contract Price** | The “***Contract Price***” shall be: (please provide all available pricing including with and without economic curtailment under Section 15; and available pricing including with and without facility purchase option under Section 22)  $\_\_\_\_/MWh fixed with \_\_\_% annual escalation starting in Contract Year 2 after COD for \_\_ years.  **AND/OR**  $\_\_\_\_\_\_\_/MWh fixed for the term of the PPA.  **AND/OR**  \_\_\_\_\_\_\_\_Index plus $\_\_\_\_\_ fixed for \_\_ years and excess energy above.  **AND**  $\_\_\_\_\_\_\_/MWh fixed without purchase option  **AND**  $\_\_\_\_\_\_\_/MWh fixed for $1 purchase option at the end of term  Seller shall include separate, reduced pricing for startup and test energy.  Separate pricing shall be provided for energy storage products in $/MWh and $/kW-mo. | |  |
| 1. **Future Phases; Additional Projects** | Buyer shall have a right of first offer to evaluate and negotiate a PPA and an Option Agreement for the output from any additional phases of the Facility, as well as any separate projects that being developed by Seller or any affiliates of Seller, and that will use or share interconnection, infrastructure, land, equipment (including the ability to jointly procure equipment), or other facilities. In addition, should Buyer decline to purchase the output from any such additional project or projects, Seller shall covenant that it will not subsequently offer more favorable monetary terms to another buyer for the same without providing Buyer with a subsequent right to purchase the output for the more favorable price. | | Agree  Disagree  Comments: |
| 1. **Storage** | a) If storage is not included in the Facility: In recognition of emerging technologies and opportunities that will continue to evolve during the Term of the PPA, the PPA will include a provision that gives the Parties the right to incorporate the use of storage technologies into the Facility on terms and conditions that are acceptable to Buyer and Seller.  b) If storage is included in the Facility: The terms set forth in Appendix B, “Southern California Public Power Authority Battery Energy Storage System Specifications Projects Within LADWP’s Balancing Authority” shall apply for projects for which LADWP is a participating member.  $\_\_\_\_\_/MWh adder for each additional cycle above the 366 equivalent cycles per calendar year. | | Agree  Disagree  Comments: |
| 1. **Storage Grid-Charging** | Seller shall indicate the extent to which combined energy storage can utilize energy charged from the grid. Grid charging % defined as allowed volume of grid charging energy divided by total charging energy by energy storage system per year.  The facility shall provide 5% grid charging capability. | | Agree  Disagree  Comments: |
| **Accommodations to Financing Parties** | Where necessary and appropriate, Buyer shall enter into a reasonable consent and agreement with Seller and any project lender providing customary requirements with respect to the collateral assignment of the PPA and financing of the Facility, including, among others, relating to a lender’s step in and cure rights, and rights of foreclosure following a default by Seller For the avoidance of doubt, Buyer shall have no obligation to agree to any amendment or other modification to the PPA that is proposed by a lender in such consent and agreement. | | Agree  Disagree  Comments: |
| 1. **Project Labor Agreement** | Seller shall describe to what extent a project labor agreement can be in place. | | Agree  Disagree  Comments: |
| 1. **Appendices** | Appendix 1: The Annual Contract Quantities shall be listed by Contract Year in Appendix 1 of this Term Sheet.  Appendix 2: The Milestone Schedule for the Facility shall be completed by Seller in Appendix 2 of this Term Sheet. | |  |
| 1. **Authorized Contact Information** | **SELLER:** Name:  Title:  Contact Information: | **BUYER:** Name:  Title:  Contact Information: |  |

Each of Seller and Buyer agree that this Term Sheet does not contain all of the requisite terms and conditions of a definitive PPA, and is not intended to create, nor does it create, a binding and enforceable commitment between the Parties. Each of Seller and Buyer agree that no binding contract will exist between the Parties until the Parties execute a definitive PPA. Each of Seller and Buyer agree that any costs or obligations incurred as a result of or during the course of negotiation or other associated work on this Term Sheet shall be the sole responsibility of each individual Party and shall not implicate the other Party for any costs whatsoever.

|  |  |
| --- | --- |
| **SELLER:** | **BUYER:** |
| Owner’s Name, LLC | **Southern California Public Power Authority** |
|  |  |
|  |  |
| By: | By: |
| Name: | Name: |
| Title: | Title: |

**Appendix 1: Annual Contract Quantities for**

**[Facility Name] (XXX MW)**

(Table To be completed by Seller)

|  |  |  |
| --- | --- | --- |
| **Contract Year** | **Expected Annual Contract  Quantity, MWH** | **Guaranteed Annual Contract  Quantity, MWH** |
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**Appendix 2: Milestone Schedule**

**(Table To be completed)**

\* Designates a Key Milestone

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Pre-COD** | | | | |
| **No.** | **Guaranteed Date** | **Milestone Description** | **Daily Liquidated Damages for Delay ()** | **Security deposit at milestone achievement** |
|  | 10 days following Effective Date | Provision of development security |  |  |
|  | Earlier of 241 days following Effective Date  Or 12 months in advance of COD notification | Post-COD security |  |  |
|  | [Date] | Execute Site Control Agreements | $XX,000 for up to 180 days of delay |  |
|  | [Date] | Execute Interconnection Agreement | Mitigation Plan to complete |  |
|  | [Date] | Execute Facility financing documents | Mitigation Plan to complete |  |
|  | [Date}  Or an earlier date notified by the Seller | Begin construction of the Facility. | $XX,000 for up to 180 days of delay |  |
|  | [Date]  Or an earlier date notified by the Seller | GCOD | $XX,000 for up to 180 days of delay (up to amount of Facility development security) |  |
| **Post-COD** | | | | |
|  | Within 6 months after COD | Proof of CEC certification |  |  |
|  | Ongoing | Verification of WREGIS Registration (pre-COD Seller must provide sufficient evidence to Buyer that it has prepared and registered all required documents and have taken all necessary steps for final WREGIS approval, including the Notice of Substantial Completion or COD notice to WREGIS, as appropriate. Post-COD Seller must provide sufficient evidence to Buyer that substantial completion of the Facility is verified, and it has provided WREGIS with the notice of COD and are only waiting for WREGIS to approve the unit so that RECs can be created. |  |  |
|  | Monthly on-going | Seller to provide monthly reports of expected generation and indicators of when there may be a Shortfall. |  |  |
|  | Monthly on-going | Seller to provide monthly reports of past generation performance that include but are not limited to: Facility performance summary with month/year to date Facility performance on MWh, capacity factor, comparison of actual vs. expected, availability, wind speed/average illumination; operational summary including weather for the month, reasons for downtime, scheduled maintenance and repairs, curtailment events; safety and environmental summary. |  |  |