



ADDENDUM 4 to RFP

**APPENDIX A
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY
NEW RESOURCE AND TRANSMISSION 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 a description of specific point(s) of disagreement and counterproposal, where applicable.

1. Date	[Date]	
2. Buyer	[Southern California Public Power Authority or SCPPA Member Agency], and, together with Seller, the " Parties " and each, a " Party ."	
3. Seller	[Owner's Name, LLC] ("[]")	
4. Name of Generation Facility	[Name of Facility] (the " Facility "), a [indicate resource type] generating facility with a net nameplate capacity of [] MW located in [county and state].	
5. Transmission	<p>Seller shall provide a brief description of the associated transmission infrastructure ("Transmission") required for delivery of the energy sold in the PPA to one or more of the Points of Delivery ("PODs") designated in Section 14.</p> <p>Seller shall deliver Facility energy on firm Transmission to one of the designated PODs. Seller shall be responsible for designing, permitting, and building the dedicated Transmission and everything needed to connect the Facility to one of the designated PODs. The generation Facility must be developed in conjunction with the Transmission and the Transmission shall be fully operational by the project's Facility's Commercial Operation Date ("COD").</p> <p>All transmission and ancillary service costs, including scheduling from the Facility to the POD, transformer crossover fees for transmitting energy between substations, any associated Transmission under Seller's control, and other costs or services required to deliver Facility energy to the POD are included in the</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	<p>Contract Price.¹ 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 losses.</p> <p>Transmission shall be owned and operated by Seller and shall be within Buyer's (or where SCPPA is the Buyer, its Member Agency's) electric balancing authority area.</p>	
6. Agreement; Term	<p>The Parties intend to negotiate a Power Purchase Agreement by and between Seller and Buyer ("PPA");</p> <p>The term of the PPA shall be [] Contract Years from the occurrence of the 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").</p>	
7. Effective Date/ Approvals Date	<p>The PPA shall become effective upon execution by both Seller and Buyer (the "Effective Date") and after all required approvals are obtained and written notice thereof is delivered by Buyer to Seller ("Approvals Date").</p> <p>Concurrently with the execution of the PPA, Seller shall execute and deliver to Buyer an option to purchase the Facility (Purchase Option) and Transmission (Transmission Purchase Option) (together, the "Option Agreements"). The attributes of the Option Agreements are described in: (a) Sections 23 and 26 related to the Facility, (b) Sections 24 and 27 related to Transmission, and (c) Section 28 related to credit support and security.</p> <p>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.</p>	
8. Technology	[Type of facility and transmission, including major equipment and manufacturers.]	
9. Product	Seller shall sell to Buyer, and Buyer shall purchase from Seller, all Portfolio Content Category 1, 2, and 3, a.k.a. Bucket 1, 2, and 3, energy (per CPUC Section 399.16	Agree <input type="checkbox"/>

¹ For purposes of this Term Sheet, Contract Price refers to the all-inclusive contract price for all products, otherwise expressly indicated. However, Respondent shall include in its proposal both all-inclusive pricing, as well as separate pricing for the transmission and the energy, RECS, capacity and other products.

	<p>(b)(1) ("PCC1"), b(2) ("PCC2"), and b(3) ("PCC3") and/or carbon-free energy, from the Facility; as well as any and all associated environmental attributes, capacity attributes, services and 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"); carbon-free properties; resource adequacy ("RA") and local capacity requirement ("LCR"); capacity attributes, including as defined by the California Independent System Operator ("CAISO"); and any other future capacity value, renewable attributes, or carbon-free properties (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.</p> <p>Seller acknowledges that PCC1-, PCC2-, and PCC3-eligible energy products must be generated by a generation facility that has been certified (or satisfies all of the requirements to be certified as an eligible renewable energy resource facility by the California Energy Commission ("CEC") and must be scheduled into the LADWP Balancing Authority. Seller shall achieve such CEC certification within one hundred and eighty (180) days after COD.</p>	<p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>10. Guaranteed Commercial Operation Date</p>	<p>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 one hundred and eighty (180) days 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"). In no event shall the COD occur later than one hundred and eighty (180) days after the GCOD (the "Outside COD").</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>11. Monthly Attestation Certification</p>	<p>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 shall 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 use WREGIS to evidence the transfer of any Environmental Attributes under applicable laws or any voluntary program ("WREGIS Certificates") associated with Facility Energy or Replacement Energy.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	<p>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 forty-five (45) days after receipt by Buyer of Seller's invoice.</p> <p>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 if Buyer has not received in Buyer's WREGIS account a WREGIS Certificate for each associated MWh within thirty (30) days of the date of the invoice, Buyer may withhold from payment an amount equal to \$35 per MWh for each such undelivered WREGIS Certificate (such amount, the "WREGIS Withhold Amount") until the WREGIS Certificate associated with such MWh has been credited to Buyer's WREGIS account.</p>	
<p>12. Monthly Progress Reports; Operational Reports</p>	<p>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 and Transmission, including any significant developments or delays and Seller's estimate of any changes to the Target COD. In addition, Seller shall provide right-of-way acquisition and permitting updates (including environmental). If Seller anticipates that it will not achieve a milestone by the applicable milestone date set forth in <u>Appendix 2</u>, 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.</p> <p>Following the achievement of COD, Seller shall provide monthly reports of the Facility and Transmission. Monthly reports should include, but are not limited to, performance summary with month and year to date, performance on MWh, capacity factor, comparison of actual vs. expected, availability, wind speed/average irradiance (as applicable), operational summary including weather for the month, reasons for downtime, scheduled maintenance and repairs, curtailment</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	events, safety, and a summary of any environmental issues or concerns.	
13. Metering Connection	<p>Metering shall comply with the most-current CEC RPS Guidebook and the LADWP Metering Policies, as applicable. Seller shall provide Buyer (including any of Buyer’s participating Member Agencies) with a live data metering connection that may be accessed using Buyer’s participating Member Agency’s Supervisory Control and Data Acquisition (“SCADA”) system to enable the exchange of real-time and historical power system monitoring and control data, including measured values and accounting data. All data points shall be provided through the Facility’s Distributed Control Systems (“DCS”) or Remote Terminal Units (“RTU”).</p> <p>Distributed Network Protocol (“DNP3”), based on the standards of the International Electrotechnical Commission, is an alternative option for metering connection.</p> <p>Depending on the utility, DNP3 may be the preferred method for metering connection and communication process. For instance, DNP3 is the primary method for LADWP.</p>	Agree <input type="checkbox"/> Disagree <input type="checkbox"/> Comments:
14. Point of Delivery	<p>The POD for the Facility shall be one <u>or more</u> of the following substations designated by Buyer. Each POD is assigned to a group (e.g., Group A, B, C). The maximum energy each group can accept is as follows.</p> <p>a) <u>Group A:</u> 500 MW by 2036</p> <ul style="list-style-type: none"> • <u>PODs included in this group:</u> Harbor 138kV Generating Station <p>b) <u>Group B:</u> 1000 MW by 2036</p> <ul style="list-style-type: none"> • <u>PODs included in this group:</u> Scattergood 230kV Generating Station, Fairfax 138kV Receiving Station, and Century 230kV Receiving Station <p>c) <u>Group C:</u> 1500 MW by 2036</p> <ul style="list-style-type: none"> • <u>PODs included in this group:</u> Haynes 230Kv Generating Station 	Agree <input type="checkbox"/> Disagree <input type="checkbox"/> Comments:

	<p>d) Group D: 100 MW by 2036</p> <ul style="list-style-type: none"> • PODs included in this group: Toluca 69Kv Receiving Station E <p>e) Group E: 100 MW by 2036</p> <ul style="list-style-type: none"> • PODs included in this group: Airway 230Kv Generating Station <p>Maximum energy limits are per group with a maximum not to exceed amount of 2500 MW per proposal. Energy proposals delivered at the listed PODs will need to be evaluated through applicable processes to determine System Impacts and adherence to NERC and WECC reliability criteria.</p> <p>Seller may not propose additional delivery points.</p>	
<p>15. Point of Interconnection</p>	<p>The first Point of Interconnection will be: [POI]. Seller agrees to include any associated Transmission needed to reach the POI.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>16. Curtailment</p>	<p>Buyer shall have the right and set-point control capability to curtail the output of the Facility for any reason. Buyer shall have the sole 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 repairs or maintenance at or downstream of the POD (other than events of Force Majeure at or downstream of the POD), and Seller caused access failures shall not be compensable by Buyer and shall be further defined by the Parties in the PPA ("Non-Compensable Curtailments"). A curtailment after COD shall be a compensable curtailment if it results from (i) Buyer's failure or inability to schedule Delivered Energy from the POD (other than due to an event of Force Majeure), or (ii) any other curtailment directed by Buyer in its sole discretion. Lost output shall be compensable by Buyer to the extent of the actual curtailment at the Contract Price ("Compensable Curtailments").</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

<p>17. Guaranteed Generation</p>	<p>The Facility shall generate no less than [80% -- for wind and solar][90% -- for base-load or other non-intermittent eligible renewable energy and/or carbon free energy] of the expected annual energy generation from the Facility set forth in <u>Appendix 1</u> (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 the 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 Buyer's side of the POD, including but not limited to system emergencies, an event of Force Majeure, reliability concerns, congestion or over-generation (such amount, the “Guaranteed Generation”).</p> <p>To the extent the Facility delivers excess energy in an amount over 100% but less than 105% of the Expected Annual Contract Quantity, Buyer shall pay Seller for each such MWh an amount equal to the Contract Price. 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.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>18. Shortfall</p>	<p>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 and/or carbon free 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</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	<p>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.</p> <p>To account for instances where there may be a shortfall in RA (an “RA Shortfall”), Seller shall include RA Shortfall provisions to make Buyer whole on the expected RA Capacity loss from the Facility due to an RA Shortfall event.</p> <p>Note: Some of Buyer’s members may opt for immediate payment of cover damages without allowing for a Cure Period.</p>	
<p>19. Regulatory Compliance</p>	<p>Seller shall meet all applicable CEC requirements and 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),(2), or (3), as applicable, i.e., a Portfolio Content Category 1, 2, or 3 resource, and including the CEC’s Long-Term Agreement requirements as applicable); (b) EPS compliant (i.e., satisfies the CPUC Performance Standard and the CEC Performance Standard in effect at the time); (c) compliant with all applicable carbon-free regulations, standards, and programs in effect during the Term; and (d) CEC Certified and Verified. “CEC Certified and Verified” means that the Facility is certified by the CEC as an “Eligible Renewable Energy Resource” (as defined in Section 399.12(e) of the California Public Utilities Code and California Public Resources Code Section 25741(a), as either is amended from time to time) and that all Facility energy delivered to the POD qualifies as generation from an Eligible Renewable Energy Resource. Notwithstanding the foregoing, for a Facility that is carbon free but does not qualify as an Eligible Renewable Energy Resource (for example, a nuclear energy Facility), such Facility must comply with the requirements in subsections (b) and (c) in the previous sentence, but does not need to</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

comply with subsections (a) and (d). Subject to this Section 19, Seller shall assume any risk that the Facility is not compliant with such requirements, and Seller shall cause the Facility to be compliant should the Facility fail to be compliant at any time after COD and throughout the Term.

Seller shall be responsible for any compliance, regulatory, and legal obligations associated with the ownership and operation of the Facility and Transmission, and the performance of Seller's obligations under the PPA and the Option Agreements, 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, carbon-free compliance, and future environmental and facility attributes comprising the Product, standards established by the North American Electric Reliability Corporation ("**NERC**") and Western Electricity Coordinating Council ("**WECC**"), and requirements of the Federal Energy Regulatory Commission.

If, at any time after the COD, the Facility or Transmission is no longer compliant with one or more of the requirements specified in this Section, as a result of a change in law occurring after the effective date of the PPA, then Seller shall take all commercially reasonable actions to bring the Facility or Transmission back into compliance, and thereafter, take such actions as may be necessary to cause the Facility and Transmission to remain compliant.

During any period where the Facility or Transmission is not compliant with one or more of the requirements specified in this Section, Buyer may 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 compliance, or Buyer elects to terminate pursuant to the following paragraph.

If at any time after six (6) months of paying the Replacement Price, Buyer determines, in its reasonable discretion, that notwithstanding Seller's commercially reasonable efforts, Seller will be unable

	to bring the Facility or Transmission into compliance, Buyer may elect by notice to Seller, at Buyer's sole discretion, to terminate the PPA.	
20. 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 <input type="checkbox"/> Disagree <input type="checkbox"/> Comments:
21. Energy Imbalance Market ("EIM") and Extended Day-Ahead Market ("EDAM")	Seller shall, at its sole cost and expense (i) design, and thereafter at all times maintain, the Facility and Transmission in compliance with the New Resource Implementation requirements (or the equivalent), and (ii) include in the design, construction, and operation of the Facility and Transmission any equipment or software that may be required to enable the Facility and Transmission to participate in the EIM and EDAM. Seller shall deliver notice to Buyer for the expected first delivery date of Startup and Test Energy at least twelve (12) months prior to the anticipated date of the Facility's first delivery of any Startup and Test Energy, and following receipt of such notice Buyer shall start the registration process to register the Facility into EIM or EDAM.	Agree <input type="checkbox"/> Disagree <input type="checkbox"/> Comments:
22. Right of First Offer and First Refusal	Buyer shall have a right of first offer and a right of first refusal for any proposed sale of the Facility or the Facility assets or Transmission or one hundred percent (100%) of the interests held directly or indirectly by Seller in the Facility or Transmission, <u>provided</u> 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 <input type="checkbox"/> Disagree <input type="checkbox"/> Comments:
23. 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: a) 1 year prior to the 10 th anniversary of COD, with closing to occur on the 10 th anniversary of COD; b) 1 year prior to the 15 th anniversary of COD, with closing to occur on the 15 th anniversary of COD;	Agree <input type="checkbox"/> Disagree <input type="checkbox"/> Comments:

	<p>c) 1 year prior to every subsequent five years after the 15th anniversary of COD until the end of the term of the PPA; and</p> <p>d) Upon an event of Default by Seller.</p> <p>((a) through (d) above, the “Purchase Option”).</p> <p>The Option Agreements, provided for in Section 7, 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 Tentative Exercise Notice that Buyer intends to exercise the Purchase Option.</p>	
<p>24. Transmission Purchase Option</p>	<p>Buyer shall have the right to purchase the Transmission by providing a tentative notice to Seller of its right to exercise its purchase option at the following times during the Term:</p> <p>a) 1 year prior to the 10th anniversary of COD, with closing to occur on the 10th anniversary of COD;</p> <p>b) 1 year prior to the 15th anniversary of COD, with closing to occur on the 15th anniversary of COD;</p> <p>c) 1 year prior to every subsequent five years after the 15th anniversary of COD until the end of the term of the PPA; and</p> <p>d) Upon an event of Default by Seller.</p> <p>((a) through (d) above, the “Transmission Purchase Option”).</p> <p>The Option Agreements, provided for in Section 7, which shall be executed concurrently with the PPA, shall specify that the fair market value of the Transmission is to be determined after receipt of Seller’s updated disclosure schedules, which shall be provided within 45 days following receipt of a Tentative Exercise Notice that Buyer intends to exercise the Transmission Purchase Option.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>25. Interconnection Agreements</p>	<p>Seller shall have established by the Effective Date and shall maintain throughout the Term (a) if applicable, an interconnection agreement for the generating facility with the Transmission (GIA), (b) an interconnection agreement with Buyer at the POD for the Transmission, (c) if applicable, a transmission-to-transmission interconnection agreement at the other end of the</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	Transmission, and (d) a balancing authority agreement with Buyer (or Buyer's Member Agency).	
26. Facility Site Control	<p>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) 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.</p> <p>All such real property and associated rights shall be transferable to Buyer upon Buyer's exercise of the Purchase Option.</p> <p>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.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
27. Transmission Site Control	<p>Seller shall have established, and shall maintain throughout the Term, site control for all Transmission. Such interests shall be secured through valid easements, rights-of-way agreements, or fee ownership, each of which shall remain effective for a period not less than the Term. Seller shall provide Buyer with copies of such agreements evidencing control of the Transmission site.</p> <p>All such transmission-related property interests and associated rights shall be assignable and transferable to Buyer upon Buyer's exercise of the Purchase Option.</p> <p>Seller shall further provide Buyer with step-in rights to cure any defaults under the real property agreements comprising the Transmission, ensuring continuity of transmission service and preservation of Buyer's rights.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
28. Credit Support and Security	<p>Seller shall provide, or cause to be provided, as appropriate, a separate letter of credit ("LOC") 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 guaranteeing Seller's</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	<p>performance prior to COD shall be in the amount of \$100/kW ("Development Security").</p> <p>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 ("Performance Security"). 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.</p> <p>Buyer may draw on the Performance Assurance for any amounts owed to Buyer under the PPA and Option Agreements, including any liquidated damages. Promptly, and in no event more than five (5) business days following any draw by Buyer on the Performance Assurance, Seller shall replenish the amount drawn on the Performance Assurance such that the Performance Assurance is restored to the full amount.</p>	
<p>29. Termination Rights</p>	<p>Buyer shall have the unilateral right to terminate the PPA if:</p> <ul style="list-style-type: none"> a) Seller fails to achieve any Key Milestone by the applicable Milestone Date; b) Seller fails to obtain CEC certification within one-hundred eighty (180) days following COD; c) 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 d) Seller fails to provide real-time access to Facility data or to promptly restore such access following a seller caused access failure, as further specified in the PPA. <p>In addition to the foregoing, Buyer shall have additional termination rights specified in the PPA.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>30. Delay Damages</p>	<p>If Seller fails to timely achieve the Key Milestones designated in <u>Appendix 2</u>, Seller shall pay liquidated damages to Buyer in an amount equal to the amounts indicated in <u>Appendix 2</u> (the "Daily Delay Damages"). The amount of Daily Delay Damages shown in <u>Appendix 2</u> 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 until the earlier of (a) the date the missed Key</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	<p>Milestone is achieved, or (b) the date, if any, on which the PPA is terminated by Buyer. Buyer may draw on the Development Security to satisfy any Daily Delay Damages owed.</p> <p>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.</p>	
31. Special Purpose Entity	<p>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.</p> <p>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.</p> <p>Seller shall cause the Facility debt to be equal to or less than seventy percent (70%) of the Facility cost and shall cause the Transmission debt to be equal to or less than seventy percent (70%) of the Transmission cost.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
32. Assignment and Change in Control	<p>Seller shall not assign the PPA or transfer the Facility, Facility assets, Transmission, or Transmission assets without the prior written consent of Buyer, other than that Seller may without consent collaterally assign the PPA solely for the purpose of financing the Facility or Transmission to any project lender or a tax equity investor, <u>provided</u> that the terms of any such consent including all agreements thereto conform with the requirements of the PPA and Seller provides prior notice to Buyer.</p> <p>Buyer may assign the PPA to any entity.</p> <p>Buyer's written consent shall be required prior to the occurrence of any change in control (as such term will be defined in the PPA), and any successor shall assume Seller's obligations under the PPA. Seller shall reimburse Buyer for incremental direct costs incurred in connection with any assignment or change in control. Permitted transfers shall be agreed to and defined in the PPA.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
33. Contract Price	<p>The "Contract Price" shall be:</p>	<p>Agree <input type="checkbox"/></p>

	<p>\$ [REDACTED] /MWh fixed with purchase option for the term of the PPA.</p> <p>\$ [REDACTED] /MWh fixed without purchase option for the term of the PPA.</p> <p>Please see Footnote 1 to this Term Sheet for other pricing requested.</p> <p>Seller shall include separate, reduced pricing for startup and test energy.</p> <p>Separate pricing shall be provided for energy storage products in \$/MWh and \$/kW-mo. Seller shall maintain the provided contract price for the entire duration of negotiation and approval of the agreement.</p>	<p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>34. Future Phases; Additional Projects</p>	<p>Buyer shall have a right of first offer to evaluate and negotiate a PPA and Option Agreements for the output from any additional phases of the Facility and Transmission, as well as any separate projects being developed by Seller or any affiliates of Seller, and that will use or share the Transmission, 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.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
<p>35. Energy Storage</p>	<p>a) <u>If storage is not included in the Facility:</u> 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.</p> <p>b) <u>If storage is included in the Facility:</u></p> <p>(i) The terms set forth in <u>Appendix B</u>, "Southern California Public Power Authority Energy Storage System Specifications for Projects Within LADWP's Balancing Authority" of the RFP shall apply for projects for which LADWP is a participating member. Not meeting performance requirements may trigger liquidated damages or penalties per <u>Appendix B</u>.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>

	<p>(ii) Identify whether the resource will be hybrid or co-located.</p> <p>(iii) \$ [REDACTED] /MWh adder for each additional cycle above the 366 equivalent cycles per calendar year.</p>	
36. Storage Grid-Charging	<p>Seller shall indicate the extent to which combined energy storage can utilize energy charged from the grid. Grid charging percentage is defined as the allowed volume of grid charging energy divided by total charging energy by the energy storage system per year.</p> <p>The storage facility shall provide a minimum of 5% grid charging capability. Please indicate grid charging allowance below based on proposal.</p> <p>[REDACTED] % grid charging capability.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
37. Accommodations to Financing Parties	<p>Buyer may, upon Seller's or project lender's reasonable request, provide a consent and assignment, provided that the terms of such financing or refinancing and the documentation relating thereto comply with applicable terms and conditions of the PPA and Option Agreements. The consent and agreement shall provide the lender with the opportunity to cure a default, and provide Buyer the right, but not the obligation, at any time, to act as necessary to protect Buyer's ability to exercise the Option Agreements. Additional obligations of Buyer, Seller, and financing parties will be further described in the PPA.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
38. Project Labor Agreement	<p>Seller shall describe to what extent a project labor agreement can be in place.</p>	<p>Agree <input type="checkbox"/></p> <p>Disagree <input type="checkbox"/></p> <p>Comments:</p>
39. Appendices	<p><u>Appendix 1</u>: The Annual Contract Quantities shall be listed by Contract Year in <u>Appendix 1</u> of this Term Sheet.</p> <p><u>Appendix 2</u>: The Milestone Schedule for the Facility shall be completed by Seller in <u>Appendix 2</u> of this Term Sheet.</p>	
40. Authorized Contact Information	<p>SELLER: Name: [REDACTED] Title: [REDACTED]</p>	<p>BUYER: Name: _____ Title: _____</p>

	Contact Information: <div style="background-color: yellow; height: 15px; width: 100%;"></div> <hr/> <div style="background-color: yellow; height: 15px; width: 100%;"></div> <hr/> <div style="background-color: yellow; height: 15px; width: 100%;"></div> <hr/>	Contact Information: <hr/> <hr/> <hr/>	
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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.

During the RFP period, communications with SCPPA or its Members, other than in the manner specified in the solicitation, are prohibited. No contact should be made with the Board of Directors, SCPPA staff, committees, or working group representatives, or SCPPA Members concerning this RFP. Any verbal or written communications between any Respondent/Seller (potential or actual), or its representatives and SCPPA’s Board of Directors or any SCPPA Member’s Commissioner, executive management, employee, Council District Office, Council Members, Council staffers, elected or non-elected city officials, and others than have direct or indirect influence on evaluation, selection, negotiation, and approval regarding this procurement are strictly prohibited from the date of RFP advertisement through the date of the execution of the contract. Any violation of the requirements set forth in this Section may constitute grounds for immediate disqualification of the offending firm from participation in this procurement

SELLER:
Owner’s Name, LLC

BUYER:
[Southern California Public Power Authority]

By: _____
Name: _____
Title: _____

By: _____
Name: _____
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
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
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Appendix 2: Milestone Schedule
(Table To be completed)

Note – a “*” designates a Key Milestone

Pre-COD				
No.	Guaranteed Date	Milestone Description	Daily Liquidated Damages for Delay	Other Remedies for Delay
1.	Prior to the Effective Date	Execute and deliver the Generator Interconnection Agreement, if applicable		
2.	50% within 5 Business Days after the Effective Date and 50% within 10 Business Days after the Approvals Date	Provision of Development Security		
3.	Commercial Operation Date	Provision of Performance Security		
4.	[Date]	Provide evidence of Site Control		Mitigation Plan to complete
5.	[Date]	Execute Facility and Transmission financing documents		Mitigation Plan to complete
6.	[Date] Or an earlier date upon notice from Seller	*Construction Commencement Milestone achieved following issuance of NTP.	\$XXXX for up to 180 days of delay (up to amount of Development Security)	
7.	Twelve (12) months prior to the first delivery of Startup and Test Energy	Seller shall cooperate with Buyer to register the Facility into the EIM and EDAM.		
8.	[Date]	Target Commercial Operation Date		
9.	[Date] Or an earlier date upon notice from Seller	*Guaranteed Commercial Operation Date	\$XXXX for up to 180 days of delay (up to amount of Development Security)	
Post-COD				
10.	Within one hundred eighty (180) days of the Commercial Operation Date	Seller shall furnish proof reasonably acceptable to Buyer that the Facility is CEC Certified.		
11.	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.		
12.	Monthly Ongoing	Seller to provide monthly reports of expected generation and indicators of when there may be a Shortfall.		
13.	Monthly Ongoing	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.		