414 Nicollet Mall
Minneapolis, MN 55401

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November 7, 2014

- Via Email and Federal Express -

Darrell Nitschke, Executive Director
North Dakota Public Service Commission
State Capitol Building, Dept 408
600 East Boulevard
Bismarck, ND 59505-0480

RE: NORTHERN STATES POWER COMPANY REQUEST FOR APPROVAL OF AN ADVANCE DETERMINATION OF PRUDENCE FOR A 187 MW SOLAR PORTFOLIO
CASE NO. PU-14-____

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission this Application for an Advanced Determination of Prudence for a 187 MW solar energy portfolio. The 187 MW Solar Portfolio consists of Purchase Power Agreements to purchase the output of the Marshall Solar project, located near Marshall, Minnesota; the MN Solar I project, located near Tracy, Minnesota; and the North Star Solar project, located near North Branch, MN.

The Company's Application contains trade secret information. In accordance with Section 69-02-09-02 of the North Dakota Administrative Code, an Application for Trade Secret Protection is being provided along with a single copy of the trade secret version of the Application and supporting testimony in a sealed envelope marked **TRADE SECRET-PRIVATE**.

An original and nine copies of the public version of our Application are also being provided, along with the following:

- Direct testimonies of Company Witnesses Laura McCarten and Kurtis Haeger, supporting the Company's Application;

- Verifications for the testimonies of Ms. McCarten and Mr. Haeger;
- CD containing the public version of the Application, testimonies and verifications, and Application for Trade Secret Protection; and
- A filing fee of $175,000..

The Company views the 187 MW Solar Portfolio as a single resource addition and, based on a discussion with Staff, request that the Commission open only a single Case for this proceeding. Further, as a single resource addition, the Company is providing the $175,000 filing fee as required by N.D.C.C. § 49-05-16(1)(b). Should the Commission determine that the 187 MW Solar Portfolio should be considered as three distinct resources, the Company respectfully requests that the Commission waive any additional filing fees pursuant to N.D.C.C. § 49-05-16(1)(b) or, in the alternative, the Company will provide the additional $350,000 in filing fees upon notice by the Commission.

We look forward to working with the Commission in the review of this filing.

Sincerely,

DAVID H. SEDERQUIST
Sr. Consultant, Regulation & Finance
Enclosures

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STATE OF NORTH DAKOTA
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR AN ADVANCE DETERMINATION OF PRUDENCE FOR A 187 MW PORTFOLIO OF UTILITY SCALE SOLAR RESOURCES

Case No. PU-14-_____

APPLICATION FOR ADVANCE DETERMINATION OF PRUDENCE

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission this Application for an Advance Determination of Prudence (ADP) for a portfolio of utility scale solar generation resources totaling 187 MW to be added to the NSP System through three power purchase agreements (PPA). This application is made pursuant to N.D.C.C. § 49-05-16, the Settlement Agreement in Case No. PU-07-776, the Company's commitments in Case No. PU-12-59, and the Settlement Agreement in Case No. PU-12-813. The 187 MW Solar Portfolio consists of:

- *Marshall Solar* – a 62.25 MW project located near Marshall, Minnesota to be developed by NextEra, with the levelized cost of energy over the 25-year term of the agreement calculated to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**;
- *MN Solar I* – a 24.75 MW project located near Tracy, Minnesota to be developed by juwi solar, Inc. with the levelized cost of energy over the 25-year term of the agreement calculated to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**; and
- *North Star Solar* – a 100 MW project located near North Branch, Minnesota to be developed by Community Energy Resources with the 25-year levelized cost of electricity is calculated to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**

The 187 MW Solar Portfolio resource addition represents a prudent opportunity for the Company to cost effectively meet its Minnesota Solar Energy Standard (SES)

requirements while further diversifying our overall energy supply mix and providing clean, emissions-free capacity and energy to customers.

As the Commission is aware, the State of Minnesota recently enacted a law that requires the Company to serve 1.5 percent of its retail customers with solar energy by the end of 2020, and establishes a 10 percent solar energy goal by 2030.[1] To help cost-effectively fulfill its obligations under this new law, the Company initiated a Solar RFP for utility-scale solar resources in April 2014. There was ample response to the RFP; we received over 100 proposals for over 2,100 MW of solar photovoltaic generating capacity from 36 developers. The RFP results also confirmed that utility-scale solar generation development offers significant benefits to customers through economies of scale, which results in more favorable pricing for our customers.

We have evaluated the 187 MW Solar Portfolio from both a long-term and near-term rate impact perspective. By acquiring the 187 MW Solar Portfolio now, we are able to capture pricing that includes the Federal 30 percent Investment Tax Credit (ITC). The Federal ITC offers a significant incentive to developers that results in attractive pricing for solar energy at this time. Our analysis indicates that adding the 187 MW Solar Portfolio resources to the NSP System would increase the present value of our overall cost of energy by approximately $14 million system-wide over the lives of the projects.[2] We believe that this relatively modest cost impact, balanced by the qualitative benefits of the 187 MW Solar Portfolio such as providing a natural gas price hedge, supports the prudence of acquiring these resources to meet our Minnesota SES obligations.

In support of this Application, the Company provides the Direct Testimony of Company Witnesses Ms. Laura McCarten and Mr. Kurtis J. Haeger. Ms. McCarten's Direct Testimony provides additional information with respect to the impact of the 187 MW Solar Portfolio on the issues raised in the Company's last rate case around the divergent energy policies among some of the states in which the Company provides electric service. Ms. McCarten specifically discusses the impact on the system "Restack concept" embodied in the previous rate case Settlement Agreement and the status of the impending Negotiated Agreement expected to formalize the Restack process. Mr. Haeger provides additional information on the Company's analysis of the 187 MW Solar Portfolio as well as its impacts on the Company's out-year capacity needs.

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[1] Minn. Stat. § 216B.1691, subd. 2f(a)-(c).

[2] The $14 million increase in costs is a Present Value Revenue Requirement (PVRR) amount that excludes any assumptions regarding the future cost of CO2 or externalities.

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The remainder of this Application will provide:

- Description of the Applicant;
- Communications and Service;
- Standard of Review;
- Project Descriptions;
- The Selection Process;
- Portfolio Analysis;
- Reasonable Mitigation of Risks;
- Prudence of the Resource Acquisition;
- Impact on Capacity Needs;
- Prudence of Resource Acquisition; and
- Conclusion

I. DESCRIPTION OF THE APPLICANT

Xcel Energy is a Minnesota corporation duly authorized to conduct business in the State of North Dakota as a foreign corporation. The Company conducts business in the State of North Dakota as a public utility subject to the jurisdiction and regulation of the Commission pursuant to Title 49 of the North Dakota Century Code. The name and address of Xcel Energy is:

Northern States Power Company
414 Nicollet Mall
Minneapolis, Minnesota 55401

Xcel Energy also operates in North Dakota from the following address:

Northern States Power Company
2302 Great Northern Drive
Fargo, North Dakota 58102

The Company's Certificate of Incorporation with amendments and Certificate of Authority were filed with the Commission on September 30, 2009 and October 12, 2009, respectively, in Case No. PU-09-664. Current Certificates of Good Standing issued by the North Dakota and Minnesota Secretaries of State were filed in the same docket on January 1, 2014, and are incorporated herein by reference.

Xcel Energy has service territory in five upper Midwest states including North Dakota. We presently serve approximately 90,000 retail electric customers in and around Fargo, Grand Forks, and Minot, North Dakota. We own just over 250 miles

of transmission lines and 14 substations in North Dakota.

II. COMMUNICATIONS AND SERVICE

We respectfully request that the following persons be placed on the Commission's official service list for all official communications in this case:

David H. Sederquist
Senior Consultant, Regulation and Finance
Xcel Energy
2302 Great Northern Drive
Fargo, ND 58102
dave.sederquist@xcelenergy.com

Tiffany Hughes
Records Analyst
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

III. STANDARD OF REVIEW

North Dakota Century Code Section 49-05-16 (1)(d) authorizes the Commission to issue an ADP if it "determines that the resource addition is prudent." Section 49-05-16 (7) further provides that "[t]here is a rebuttable presumption that a resource addition located in the state is prudent."

This standard is similar to the "honestly and prudently invested" standard that the Commission uses for ratemaking. *See* N.D.C.C. § 49-06-02. The general prudence standard calls for determining whether the utility action was reasonable at the time it was taken under all relevant circumstances. *See* Charles F. Philips, Jr., *The Regulation of Public Utilities – Theory and Practice* at 292 (Public Utility Reports 1988); *see also* David. J. Muchow, William A. Mogel, *Energy Law and Transactions* at § 4.02[3][b] (2009). Under N.D.C.C. § 49-05-16 (1), the Commission may issue an order approving the prudence of a proposed project if four conditions are met:

a. The public utility files with its application a projection of costs to the date of the anticipated commercial operation of the resource addition;
b. The public utility files with its application a fee in the amount of one hundred twenty-five thousand dollars;
c. The commission provides notice and holds a hearing, if appropriate, in accordance with section 49-02-02; and
d. The commission determines that the resource addition is prudent. For facilities located or to be located in this state the commission, in determining whether the resource addition is prudent, shall consider the benefits of having the resource addition located in this state.

IV. PROJECT DESCRIPTIONS

We have negotiated PPAs for three solar generation projects which comprise the single 187 MW Solar Portfolio for which this ADP is being requested. These projects are described below.

A. NextEra: Marshall Solar

The *Marshall Solar* project will be a 62.25 MW solar energy generation facility on approximately 464 acres in an agricultural area east of Marshall, Minnesota in Lyon County. We have developed a 25-year PPA with NextEra Energy Resources to purchase all of the electric energy produced at *Marshall Solar*.

Source: NextEra Energy Resources

The purchase price of electric energy from *Marshall Solar* starts at **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**. We calculate the levelized cost of energy over the term of the Agreement to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**.

Marshall Solar will consist of 30º fixed tilt configuration, photovoltaic modules and will interconnect at the existing Company Lyon County substation at 69 kV.

The bulk of construction of the *Marshall Solar* project is expected to begin in spring 2016, with engineering, procurement and some construction occurring in 2015. This schedule is designed such that the project will qualify for the 30 percent federal ITC, which will be used by NextEra Energy Resources to offset its cost of construction.

We provide the *Marshall Solar* PPA as Trade Secret Exhibit___(KJH-1), Schedule 3 to the Direct Testimony of Mr. Haeger.

B. juwi solar, Inc.: MN Solar I

The *MN Solar I* project is a 24.75 MW solar energy generation facility located on approximately 166 acres in an agricultural area north of Tracy, Minnesota in Lyon County. We have negotiated a 25-year PPA with juwi solar, Inc. to purchase all of the electric energy produced at *MN Solar I*.

Source: juwi solar, Inc.

Similar to wind-related PPAs, we have designed PPA pricing on a pay for production basis. However, under the structure of the contract, the Company will receive all accredited capacity from the project as well. The purchase price of electric energy from *MN Solar I* starts at **[TRADE SECRET BEGINS...**

...TRADE SECRET ENDS]. We calculate the levelized cost of energy over the term of the Agreement to be **[TRADE SECRET BEGINS...**

...TRADE SECRET ENDS].

MN Solar I consists of a ground-mounted single-axis tracking system of multi-crystalline solar cells. Actual equipment will be selected at a later time. *MN Solar I* plans to interconnect at a new substation on the Tracy to Walnut Grove 69 kV line.

The bulk of construction of the *MN Solar I* project is expected to begin in spring 2016, with engineering, procurement and some construction occurring in 2015. This schedule is designed so that the project will qualify for the 30 percent federal ITC, which will be used by juwi solar, Inc. to offset its cost of construction.

We provide the *MN Solar I* PPA as Trade Secret Exhibit___(KJH-1), Schedule 4 to the Direct Testimony of Mr. Haeger.

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C. Community Energy Renewables: North Star Solar

North Star Solar is a 100 MW solar energy generation facility located on approximately 800 acres in an agricultural area southeast of North Branch, Minnesota in Chisago County. We have negotiated a 25-year PPA with Community Energy Renewables, LLC to purchase all of the electric energy produced at *North Star Solar*.

Source: Community Energy Renewables, LLC

Similar to wind-related PPAs, we have designed PPA pricing on a pay for production basis. However, under the structure of the contract, the Company will receive all accredited capacity from the project as well. The purchase price of electric energy from *North Star Solar* starts at **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**. We calculate the levelized cost of energy over the term of the Agreement to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**.
North Star Solar will consist of single axis tracking panels. The project plans to interconnect at 115 kV to the existing NSP Chisago County Substation.

The bulk of construction of the *North Star Solar* project is expected to begin in spring 2016, with engineering, procurement and some construction occurring in 2015. This schedule is designed such that the project will qualify for the 30 percent federal ITC, which will be used by Community Energy Renewables, LLC to offset its cost of construction.

We provide the *North Star Solar* PPA as Trade Secret Exhibit___(KJH-1), Schedule 5 to the Direct Testimony of Mr. Haeger.

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V. SELECTION PROCESS

The three PPAs we present in this Petition are the result of an RFP issued to specifically select solar resources on April 22, 2014. We used several communication vehicles to provide notice of the RFP to potential bidders, including key media outlets and trade press. We also provided a link to our website where the RFP, model Power Purchase Agreement, and standard bidder forms were located.

All bids were due by 5:00 P.M. Central Daylight Time on June 20, 2014. Eligible proposals needed to be based on a photovoltaic solar resource with a nominal AC electrical output of at least 5 MW, and offer to sell to the Company, all energy, associated capacity, ancillary services, and all RECs generated by the project. Our Resource Planning department led the evaluation team and logged all bids on a tracking spreadsheet and maintained the bids in a locked room accessible only by the Company's Resource Planning group.

We designed the RFP process to be rigorous, competitive, and fair – and conducted it in a focused manner to make every effort to ensure that any projects selected could meet the December 31, 2016 expiration deadline of the 30 percent ITC.

Developer response to our RFP was robust. One hundred eleven proposals totaling over 2,100 MW of solar photovoltaic generating capacity were submitted by 36 developers. Individual projects ranged in size from 5 MW to 100 MW. Submissions included a number of ownership structures from independently owned and operated facilities to offers of partnerships with the Company.

Initial screening identified 15 projects, in aggregate totaling 630 MW of generation capacity, submitted by eleven companies, each with a levelized energy cost of $85/MWh or less. Copies of these proposals were provided to our Transmission, Land and Siting and Purchased Power staff for further evaluation.

A significant consideration for any project is its ability to interconnect with the transmission system. Therefore, our Transmission Access group performed a detailed multi-factor review of the status of each project's MISO interconnection request and potential transmission requirements. This review identified a potential for significant issues around transmission interconnection cost and curtailment risk for several of the projects. Based on this analysis, the Transmission Access group recommended that a number of these projects be eliminated from further consideration.

The results of these evaluations and further due diligence supported the selection of three bidders, which are discussed in this Application. These three bids proceeded to PPA negotiations which were successfully completed in late September. The three

fully negotiated, but unsigned PPAs are presented in this Application.

To certify that the process used for obtaining and evaluating responses to the RFP was unbiased and provided transparency to help facilitate expeditious review of our Petition, we engaged an independent consultant to perform an audit of the RFP process. The audit was designed to examine whether the process for obtaining and evaluating responses to the RFP was biased. The consultant's report, provided as Trade Secret Exhibit___(KJH-1), Schedule 2 to the Direct Testimony of Mr. Haeger, concluded that the Company's RFP process was free from bias and afforded each proposal equitable care and consideration. In addition, the report noted that the process was rigorous, robust and that the Company administered the process professionally and was thorough in its efforts.

VI. PORTFOLIO ANALYSIS

A. Portfolio Size

In this Petition, we propose to add 187 MW of solar generation to our NSP System. In selecting the size of the portfolio of solar resources, we have attempted to balance competing market forces.

As mentioned, the Federal 30 percent ITC represents a significant incentive to developers that results in very attractive pricing for solar energy at this time. The incentive drops significantly, to 10 percent at the end of 2016, and future federal incentives are increasingly uncertain. Existing federal tax policy provides a short window of opportunity to deliver solar energy to our customers at a cost very close to that of the fossil energy it displaces. These circumstances indicate it is prudent to make a substantial purchase now, so that developers can utilize and our customers can realize the 30 percent ITC. Mr. Haeger discusses how acquiring this large of a portfolio now is prudent in light of longer term trends in the development of solar technology.

B. Impact Analysis

To evaluate the cost-effectiveness of the 187 MW Solar Portfolio, we used the Strategist resource planning model, and present the results in Present Value Revenue Requirements (PVRR) terms.[3] Strategist simulates the operation of the NSP System and estimates the total cost of energy over the life of the projects on a present value basis. We also use the model to test results under a range of input assumptions. To

[3] PVRR excludes any assumptions regarding the future cost of CO_2 or externalities.

assess the impact on customer costs, we simulated the operation of the NSP System with and without the addition of the 187 MW Solar Portfolio proposed in this Petition.

MISO generally dispatches solar production ahead of other generation such as gas- and coal-based generation. Consequently, the more solar energy produced, the less fossil generation is operated. Therefore, when the energy from solar resources is produced, it displaces a similar amount of energy that would have been produced by the Company or otherwise purchased elsewhere. The Strategist analysis assumes a displacement of the approximately 370,000 MWh of fossil generation, which accounts for the differences in cost of system operation with and without the solar resource addition.

Our analysis estimates that the cost of energy from the 187 MW Solar Portfolio over the 25-year term of the PPAs (without considering any costs associated with CO_2 emissions or externalities) is $14 million higher than it would have been without the solar resources.

Table 1 below presents these results and various sensitivity tests that test the veracity of these results. Sensitivities analyzed include the effect of lower natural gas price forecasts, a scenario where Strategist is not allowed to make purchases from the MISO market (Markets Off), and higher or lower annual capacity factors. As Table 1 below shows, our economic analysis indicates that the addition of the 187 MW Solar Portfolio can result in a net savings of $5 million on a PVRR basis when the analysis is performed merely displacing the Company's native generation, to a $43 million cost on a PVRR basis if natural gas prices continue to remain very low. We believe that the $14 million PVRR cost impact over the lives of the projects is a reasonable cost for the 187 MW Solar Portfolio when weighed against the more qualitative benefits such as fuel and environmental regulation hedges.

Table 1: Differences in Total System Cost with and without 187 MW Solar Portfolio Addition

Change in PVRR Cost ($ millions)	Reference Case	Low Gas Cost (1.4% growth rate)	Markets Off	+2.5% Capacity Factor	-2.5% Capacity Factor
RFP Portfolio compared to displaced energy – net cost (savings)	**$14**	**$43**	**($5)**	**$25**	**$6**

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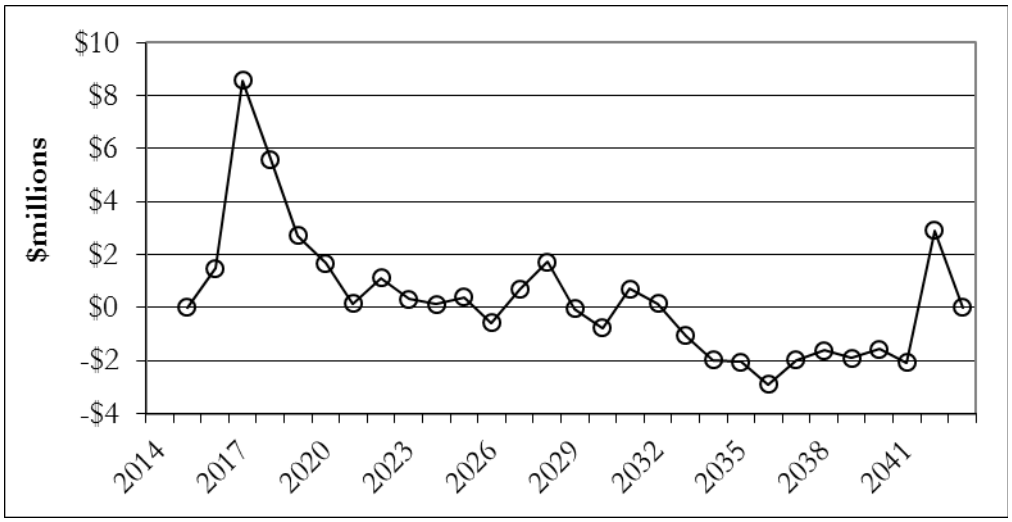
Figure 1 below illustrates annual net costs or savings over the 25-year life of the PPAs for the 187 MW Solar Portfolio that lead to the $14 million PVRR impact. As shown over the term, the 187 MW Solar Portfolio moves from net cost to net savings on an annual basis due to the displacement of increasing costs of thermal resources.

Figure 1: Annual Net Costs (Savings)



As mentioned, the 187 MW Solar Portfolio will displace other generation sources that serve the NSP System. Through this displacement of generation, the 187 MW Solar Portfolio provides qualitative benefits through fuel hedge benefits through the displacement of fossil based generation. The displacement of fossil based generation also provides a hedge against future environmental regulation, such as new carbon rules. Figure 2a below illustrates the results of the Strategist dispatch simulations under the Markets Off scenario, *i.e.* when just the NSP System is analyzed and only the Company's native generation is displaced by the 187 MW Solar Portfolio. In this scenario, the majority of the solar generation (approximately 84 percent) displaces natural gas-based generation, with the remaining expected to displace coal generation.

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Figure 2a: Strategist Simulations – Displaced Energy Markets Off

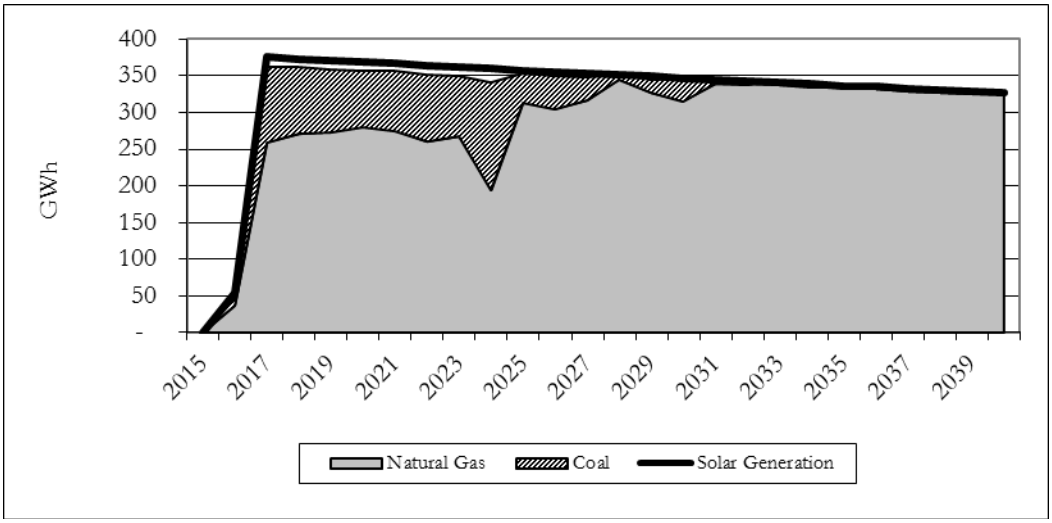
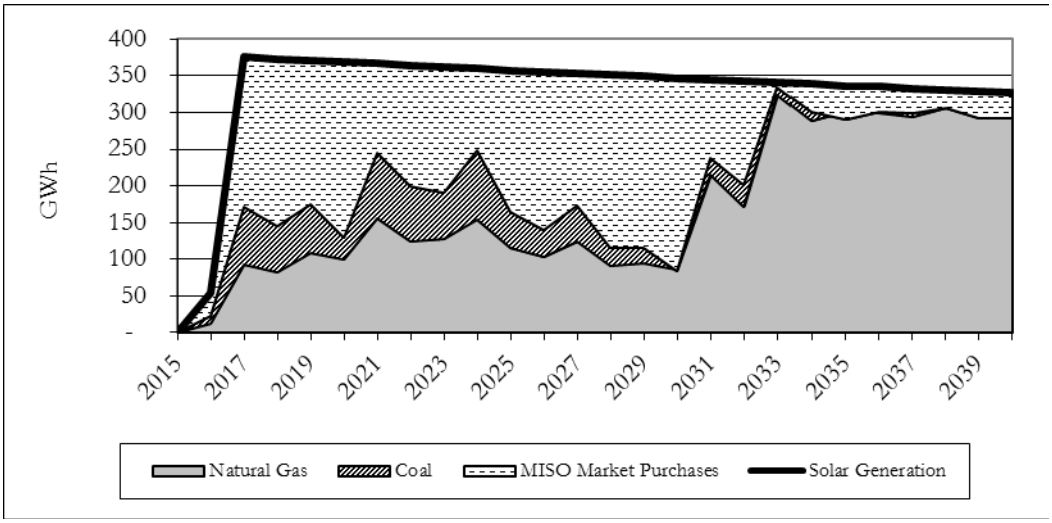


Figure 2b below illustrates the results of the Strategist dispatch simulations in a "Markets On" scenario, where Strategist may choose to purchase market energy to meet system needs. In this scenario, approximately 40 percent of the solar generation displaces natural gas-based generation, 15 percent displaces coal, and 45 percent displaces market energy.

Figure 2b: Strategist Simulations – Displaced Energy Markets On



As shown, the primary impact of the 187 MW Solar Portfolio on the operation of the NSP system is displaced generation from fossil fuel resources. This impact provides a qualitative hedge against both future environmental regulations and increases in natural gas prices. We also obtain additional benefits from the 187 MW Solar

Portfolio through the accreditable capacity value of the resource addition which we currently estimate to be approximately 52 percent of the nameplate capacity of the 187 MW Solar Portfolio, or about 100 MW in the first several years of the PPA.

Table 2 below illustrates how the levelized costs of the PPAs are offset by the value of avoided fossil fuel generation, and additional capacity credits. The result is a net levelized *cost* of $5.19/MWh for every megawatt hour produced by the 187 MW Solar Portfolio during the 25-year term.

Table 2: Levelized Cost Analysis - $/MWh

	RFP Portfolio
PPA Price	$73.20
Avoided Fossil Fuel	($53.16)
Capacity Credit	($14.86)
Net Cost (Savings)	$5.19

To further illustrate the hedge value impact of these projects, Table 3 below shows the Reference Case (*i.e.* a view of the NSP System without the 187 MW Solar Portfolio) volumes of natural gas and market purchases – and the differences against these values due to the addition of the 187 MW Solar Portfolio. As shown, the 187 MW Solar Portfolio is projected to displace 38 Bcf of natural gas and offset over 3 million MWhs of market purchases during the 25-year term of the PPAs. The displacement of these resources provides the Company with a hedge against increases in natural gas or market prices; a qualitative benefit of the 187 MW Solar Portfolio.

Table 3: Hedge Value

Total System	**Natural Gas**	**Market Purchases**
2016-2042	*bcf*	*GWh*
Base Case (No Solar)	2,085	146,269
Full Portfolio	(38)	(3,326)

C. Estimated Customer Rate Impacts

While the 187 MW Solar Portfolio represents the largest utility scale solar energy acquisition we have made, we estimate that the customer rate impacts will be minor, because the NSP System is so large in comparison. In fact, we expect that soon after

initial operation, customers' overall bills will go from being slightly higher to gradually reducing to a net increase by 2025 of about 0.015¢ per kWh.[4] As shown in Table 4 below, our Strategist dispatch simulation forecasts for most years, the rate impact of the 187 MW Solar Portfolio will be nearly offset by decreases in the cost of fossil fuel and other purchased energy.

In addition, Table 4 below estimates how average rates will be affected by the proposed solar projects. The rate impact of the 187 MW Solar Portfolio is expected to be approximately 0.020¢ per kWh initially in 2017, and gradually decrease over the 25-year life of the projects.[5]

Table 4: Annual Rate Impact Analysis – NSP System

	2015	2016	2017	2018	2019	2020
Base Rates	0.000¢/kWh	0.000¢/kWh	0.000¢/kWh	0.000¢/kWh	0.000¢/kWh	0.000¢/kWh
Fuel Clause	0.000¢/kWh	0.008¢/kWh	0.054¢/kWh	0.055¢/kWh	0.055¢/kWh	0.056¢/kWh
Avoided Fuel & Purchased Power	0.000¢/kWh	-0.004¢/kWh	-0.034¢/kWh	-0.035¢/kWh	-0.035¢/kWh	-0.039¢/kWh
Net Rate Impact	**0.000¢/kWh**	**0.003¢/kWh**	**0.020¢/kWh**	**0.020¢/kWh**	**0.020¢/kWh**	**0.017¢/kWh**

	2021	2022	2023	2024	2025
Base Rates	0.000¢/kWh	0.000¢/kWh	0.000¢/kWh	0.000¢/kWh	0.000¢/kWh
Fuel Clause	0.057¢/kWh	0.057¢/kWh	0.058¢/kWh	0.059¢/kWh	0.060¢/kWh
Avoided Fuel & Purchased Power	-0.042¢/kWh	-0.041¢/kWh	-0.043¢/kWh	-0.044¢/kWh	-0.044¢/kWh
Net Rate Impact	**0.014¢/kWh**	**0.016¢/kWh**	**0.015¢/kWh**	**0.015¢/kWh**	**0.015¢/kWh**

VII. REASONABLE MITIGATION OF RISKS

As with any large generating project, there are risks associated with the development and operation of the *Marshall Solar*, *MN Solar I*, and *North Star Solar* projects. We believe that we have identified, assessed, and mitigated major risks through prudent contracting practices, and that it is reasonable and in our customer's interest for the Commission to authorize us to proceed with these projects. We discuss each of the primary areas of risk and our mitigating actions in this section.

[4] Applying this to average residential usage of 750 kWh per month would amount to about $0.15/month in 2017, dropping to $0.12/month by 2025.

[5] To develop our rate impact estimates, we used the output of our Strategist model and included only the forecasted costs (savings) that would be expected to impact Customers' rates. Specifically, surplus capacity credits are excluded. The remaining net costs (savings), including PPA costs, avoided fuel and purchased power, and avoided variable O&M, are divided by forecasted NSP System-wide sales to calculate the expected rate impact.

A. Development Risk

1. Federal ITC Risk

In 2008, the 30 percent ITC for solar projects was extended and now expires on December 31, 2016. We believe these projects will meet the requirements necessary to qualify for the ITC, and that the risk has been reasonably mitigated in the relevant agreements. In the agreements, each developer assumes the risk of qualifying for the ITC, and the failure to qualify for the ITC will not result in any price increase or other increased liability for us or our customers.

2. Construction Risks

By contracting only for the output of *Marshall Solar*, *MNSolar I*, and *North Star Solar*, the Company has fully-shifted the risks of development and construction to the developers. In the PPAs for all three projects, the parties have provided for pre– and post– COD security funds as follows:
[TRADE SECRET BEGINS…

….TRADE SECRET ENDS].

In addition, we have provided for the payment of liquidated damages for each day the projects fail to meet their Commercial Operation Milestone.

3. Transmission Risk

a. Interconnection

As with many PPAs, the interconnection arrangements have not been finalized. As a result, all three PPAs contain a condition precedent that permits the developer to terminate the agreement if it is unable to obtain an interconnection agreement by a certain date. In addition, the *North Star Solar* agreement permits the developer to terminate the agreement if the interconnection costs to be imposed upon the Seller are materially greater than its budgeted projections. In any event, our risks are mitigated because all three PPAs provide for the developer to bear all interconnection costs. All three projects are located close to the proposed point of interconnection to the transmission system with a relatively strong network of transmission facilities in the vicinity. We do not anticipate any significant transmission improvements will be necessary for direct interconnection.

The *Marshall Solar* and *MN Solar I* projects are interconnected at or near the Lyon County substation, which now has connections to the new Brookings County to Twin Cities 345 kV transmission line. Lyon County Substation also has a 345 kV connection to Minnesota Valley and the existing 230 kV line to the Twin Cities along with several 115 kV and 69 kV lines.

The *North Star Solar* project will interconnect to the Chisago Substation just north of the Twin Cities. The Chisago Substation is connected to the metro area through two major 345 kV transmission lines and several 115 kV transmission lines. The Chisago Substation also has a connection to the Dorsey to Forbes to Chisago 500 kV transmission line between Manitoba Canada and the Twin Cities.

b. Capacity accreditation

In order for the projects to contribute accreditable capacity toward our resource adequacy calculation, MISO requires generators to achieve unconditional interconnection status. Under the current MISO generator interconnection and resource adequacy requirements, generators with conditional Generator Interconnection Agreements (GIAs) will not be eligible for capacity accreditation until all upgrades required under the project's GIA are complete and in-service.

Over the past several years GIAs for projects located in the Minnesota area have been conditioned upon the completion of various MISO Multi-Value Projects including the North La Crosse to Madison 345 kV line – which has a planned in service date of December 2018. If the solar projects have GIAs that are conditional on this line, and the line goes into service as scheduled, the solar projects would not be eligible to qualify as capacity resources until the MISO 2019/2020 planning year. MISO is aware of this concern and is working with its stakeholders to identify ways for conditional GIAs to qualify as capacity resources.

c. Environmental Risk

Under all three PPAs, we will own all environmental and renewable energy credits and attributes of the facilities. In addition, the developers are responsible for all applicable environmental permits, licenses and approvals from any governmental authority required under applicable laws for construction, ownership, operation and maintenance of the facilities.

B. Operational Risks

All three PPAs require their respective projects to deliver a defined level of Committed Solar Energy (CSE) in each commercial operation year. If a project fails to achieve 85 percent of the CSE during an annual Measurement Period, the Seller has

thirty days to cure the failure, or if such cure cannot reasonably be effected within thirty days, the Seller must commence the cure within thirty days and then diligently pursue such cure to completion as soon as practicable thereafter. The Seller's efforts to cure the failure to deliver the CSE must result in the project delivering more than 85 percent of the CSE during the subsequent annual Measurement Period.

Under each PPA, we may curtail the production from the project for any reason at our sole discretion, and need not pay any curtailment payments if the curtailment occurs for the following reasons: Seller's failure to deliver to Point of Delivery; an emergency; curtailment directive(s) from the Transmission Provider or Market Operator pursuant to the Interconnection Agreement; planned or unplanned maintenance and/or testing outages of the transmission system; Seller's failure to maintain or respond to Automatic Generation Control Instructions; or, Seller's failure to maintain permitting.

We do not expect that the solar projects will experience significant levels of curtailment or unreasonable Locational Marginal Price differentials between the solar projects and NSP load. The solar projects are more peaking resources that will not compete with wind for transmission capacity since wind generation occurs more frequently during off peak conditions. In addition, the solar projects are located in areas with significant transmission infrastructure that provides sufficient outlet to accommodate the solar generation and are interconnected to transmission facilities that have strong electrical ties to the Company's load in the metro area.

Finally, the PPAs also include other protective measures and remedies such as: specific performance; step-in rights; the right to terminate the agreement upon the occurrence of certain events; and, the ability to seek damages for breach or upon termination for breach.

VIII. IMPACT ON CAPACITY NEEDS

The Company is acquiring the 187 MW Solar Portfolio resource addition to the integrated NSP System primarily to comply with Minnesota's SES. The Direct Testimony of Ms. McCarten provides additional information with respect to the policy implications in North Dakota of this compliance obligation.

The 187 MW Solar Portfolio will also provide some accredited capacity for the integrated NSP System. We currently estimate that the 187 MW Solar Portfolio will provide approximately 100 MW of additional accredited capacity as early as 2019 (we discuss certain capacity accreditation risk in Sections VI and VII, above). The value of these added capacity benefits are discussed further in Mr. Haeger's Direct Testimony.

In Case Nos. PU-13-194 and PU-13-195 (Gas CT Cases), the Company brought forth its proposal to meet an identified capacity need in the 2017 to 2019 time frame. The Commission granted an ADP for the Company's proposal by adopting the Settlement in the Company's most recent rate case (Case No. PU-12-813). As discussed in the Gas CT Cases, the Minnesota Public Utilities Commission (MPUC) is undertaking a competitive acquisition process (CAP) to identify its preferred resource for meeting that capacity need. The Company currently expects the CAP to conclude and a resource selected by the end of December, 2014. Consistent with the commitments, the Company will seek Commission approval through an application for an ADP prior to proceeding with any resource addition that it may pursue based on the MPUC's input through the CAP proceeding.

We note that as part of the CAP process, the Company has submitted a revised forecast of the Company's capacity needs in the 2017-2019 timeframe. This revised forecast indicates that the resource need identified in the 20017-2019 time frame has been delayed until at least 2019. Mr. Haeger provides more information with respect to this updated forecast and the status of the CAP proceeding.

Additionally, the Company notes that a solar resource, Geronimo Energy's 100 MW Aurora Project, has been proposed as a potential resource addition in the CAP proceeding. Should the Company move forward with the Geronimo solar project, we will file an application for an ADP with the Commission to provide the Commission an opportunity to assess the prudence of the project consistent with the circumstances surrounding it at that time. We will also update this Application should undertaking the Geronimo solar project impact our acquisition of the 187 MW Solar Portfolio. Mr. Haeger provides additional information with respect to the Aurora Project's potential impact on the 187 MW Solar Portfolio in his Direct Testimony.

IX. PRUDENCE OF THE RESOURCE ACQUISITION

As a multi-jurisdictional utility, the Company is required to comply with the laws and policies in each of the states we serve. The acquisition of the 187 MW Solar Portfolio represents our efforts to meet this Minnesota requirement at minimal cost to our customers while obtaining material qualitative benefits. Utilizing utility-scale resources that can capture the pricing benefits of the Federal ITC helps to drive down the cost of compliance with the Minnesota SES. The 187 MW Solar Portfolio will also produce clean energy, reduce our annual carbon emissions and thereby provide a hedge against future environmental regulation. This resource addition will also further diversify the Company's resource mix thereby providing an additional hedge against increases in natural gas prices. In all, the Company has been able to acquire attractively priced solar resources to meet its compliance obligations.

Thus Company is cost-effectively acquiring the resources necessary to meet the regulatory requirements of all the jurisdictions in which we provide service; the Company's acquisition of the 187 MW Solar Portfolio is prudent.

CONCLUSION

The addition of the 187 MW Solar Portfolio will have a relatively modest cost impact on the Company's costs while allowing us to comply with the Minnesota SES. Additionally, the 187 MW Solar Portfolio will provide an important fuel and regulatory hedge. Consequently, the 187 MW Solar Portfolio is a prudent resource addition.

Dated: November 7, 2014

Northern States Power Company

Respectfully submitted by:

/s/

Laura McCarten
REGIONAL VICE PRESIDENT
STATE AND REGULATORY AFFAIRS

Direct Testimony and Schedule
Laura McCarten

Before the North Dakota Public Service Commission
State of North Dakota

In the Matter of the Application of Northern States Power Company for an Advance Determination of Prudence for a 187 MW Portfolio of Utility Scale Solar Resources

Case No. PU-14-_____
Exhibit ___(LM-1)

Policy Testimony

November 7, 2014

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Schedules

Resume Schedule 1

I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND TITLE.

A. My name is Laura McCarten. I am Regional Vice President for Northern States Power Company (NSP or the Company).

Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.

A. I am responsible for regulatory, legislative, and customer and community relations in North Dakota, South Dakota, and Minnesota. I provide strategic leadership regarding the development and implementation of our initiatives to cost effectively meet the energy needs of our retail customers and the communities we serve. My resume is included as Exhibit___(LM-1), Schedule 1.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I provide support for our request for an Advance Determination of Prudence (ADP) for our proposed acquisition of a single portfolio consisting of 187 MW of solar generating resources (Solar Portfolio) for the NSP integrated System. In my testimony, I:

- Describe our proposed 187 MW Solar Portfolio;
- Discuss the prudence of the Solar Portfolio;
- Discuss the rate and regulatory impacts; and
- Discuss the impact on our resource plans.

Q. WHO ARE THE WITNESSES FOR THE COMPANY IN THIS PROCEEDING?

A. In addition to my Policy Testimony, the Company sponsors the following witness:

- *Kurtis J. Haeger* – who provides more detailed information with respect to our resource additions and resource planning.

Q. PLEASE SUMMARIZE THE COMPANY'S PROPOSED 187 MW SOLAR PORTFOLIO.

A. We are proposing to acquire the single 187 MW portfolio comprised of three solar projects through fixed price power purchase agreements (PPA). Our proposal will enable us to meet our requirements under Minnesota's Solar Energy Standards (SES) in the most cost-effective manner while adding clean, carbon-free y capacity to the NSP System.

II. PROPOSED RESOURCE ACQUISITIONS

Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED RESOURCE ACQUISITION.

A. We are proposing to purchase the energy from three solar projects consisting of (1) a PPA for the output of the Marshall Solar Project, a 62.25 MW solar facility to be developed by NextEra and located near Marshall, Minnesota; (2) a PPA for the output of the MN Solar 1 Project, a 24.75 MW solar facility to be developed by juwi solar and located near Tracy, Minnesota; and (3) a PPA for the output of 100 MW North Star Solar project to be developed by Community Energy Resources and located near North Branch, Minnesota. We expect all of these projects to begin operation in late 2016.

Q. WHY IS THE COMPANY MAKING THESE RESOURCE ADDITIONS?

A. We are purchasing energy (and obtaining the associated accredited capacity) from these resources primarily to comply with the Minnesota SES. The state of Minnesota recently enacted a law (Minn. Stat. § 216B.1691, subd. 2f(a)-(c)) that requires the Company to serve 1.5 percent of its Minnesota retail

customer load with solar energy by 2020, and establishes a 10 percent solar energy objective for Minnesota by 2030. But the Solar Portfolio will also allow the Company to avoid additional purchases of natural gas and other market energy that we would have otherwise needed to obtain to fuel the production of generation from other resources.

To help fulfill our obligations under this new Minnesota law, the Company initiated a Request for Proposal (RFP) for utility-scale solar resources in April 2014. We received over 100 proposals for over 2,100 MW of solar photovoltaic (PV) generating resources from 36 developers. The responses we received provided relatively attractive pricing for solar resources, with 15 projects comprising 630 MW of generating capacity falling at or below our initial screening threshold of $85/MWh.

The three projects comprising our 187 MW Solar Portfolio were selected because (1) we need significant solar resources for SES compliance, and (2) the pricing reflects a 30 percent investment tax credit (ITC). We believe that purchasing power from the 187 MW Solar Portfolio, combined with increasing behind-the-meter solar generation and community solar gardens, will allow us to meet our minimum SES obligations through at least 2030.

Q. WHY IS THE COMPANY SEEKING AN ADP FOR RESOURCE ADDITIONS NECESSARY TO MEET MINNESOTA'S SOLAR ENERGY STANDARDS?

A. As the Commission is aware, the Company and its affiliate Northern States Power Company, a Wisconsin corporation (NSPW) operate a five state integrated electric system serving customers in ND, SD, MN, WI, and MI. Through the operation of this integrated system, the energy and capacity

provided by the 187 MW Solar Portfolio will be used to serve our customers in all five of these states. Therefore, a proportional share of the costs of these solar resources will also be allocated to each of these jurisdictions, if approved by the respective regulatory bodies. Consequently, we are seeking Commission approval for these resources pursuant to our commitments to file applications for ADPs with the Commission when we add resources over 50 MW of size to the integrated system.

III. PRUDENCE OF THE RESOURCE ADDITION

Q. ARE THE PROPOSED RESOURCE ADDITIONS PRUDENT?

A. Yes. As a multi-jurisdictional utility, the Company is required to comply with the laws and policies in all of the states we serve. As mentioned, this 187 MW Solar Portfolio will help enable us to comply with Minnesota's SES. By contracting for the output of utility-scale projects that will capture the pricing benefits of the ITC, the Company has secured reasonably priced resources that will help meet our SES obligations, have a modest impact on rates, and provide valuable system energy, fuel hedge value, and environmental regulation hedge value for the benefit of all our customers in all of the states we serve. Consequently, acquisition of the 187 MW Solar Portfolio is prudent.

Q. PLEASE SUMMARIZE THE QUALITATIVE BENEFITS OF THE RESOURCE ADDITIONS.

A. Although the proposed 187 MW Solar Portfolio will modestly increase costs to our customers, these projects will increase the diversity of our resource mix by providing clean emission free energy, a hedge against volatile natural gas

prices and potential environmental regulation. The projects will also provide accreditable capacity that will help to displace the need for future capacity resources. The 187 MW Solar Portfolio will also generate Solar RECs (S-RECs) for our North Dakota customers that may be able to be monetized in the future as the S-REC market matures. These qualitative benefits partially offset the modest cost impact of this Solar Portfolio, further demonstrating its prudence. Company Witness Mr. Kurtis J. Haeger discusses these impacts in more detail in his Direct Testimony.

Q. PLEASE SUMMARIZE THE COST IMPACTS OF THE ACQUISITION OF THE 187 MW SOLAR PORTFOLIO.

A. Based on our analysis (which does not reflect environmental externalities such as carbon costs), we conservatively estimate that the 187 MW Solar Portfolio will have a $14 million system-wide annual present value revenue requirement (PVRR) impact over the lives of the three projects.

The 187 MW Solar Portfolio represents some of the most attractively priced solar energy available in the region, is cost-effective when the qualitative impacts and additional capacity of the resources are considered, is required for Minnesota SES compliance, and is therefore a prudent resource addition. Mr. Haeger discusses the impact of these projects in more detail in his Direct Testimony.

IV. POLICY IMPACTS

Q. MAY THE COMPANY RECOVER ANY COSTS FOR THE 187 MW SOLAR PORTFOLIO IN NORTH DAKOTA WITHOUT AN ADP?

A. Without approval of an ADP, the Company will not be able to include these PPAs in the derivation of its monthly Fuel Cost Rider (FCR) rate. As mentioned above, the Company committed to filing applications for ADPs for resource additions over 50 MW in our 2008 rate case (Case No. PU-07-776). Additionally, the Company committed to filing ADP applications in a timely manner in the Prairie Rose Wind ADP proceeding (Case No. PU-12-059). Lastly, in the Settlement approved in our most recent rate case (Case No. PU-12-868) the Company agreed that the ADP process will perform a gatekeeping function and that no resource acquisition over 50 MW may be included in the calculation of our FCR without an ADP.

The Company is meeting its commitments by filing this ADP Application at this time. Under the Settlement in our last rate case, the Company may not be able to recover the full costs of the 187 MW Solar Portfolio through the FCR without the Commission affirmatively granting an ADP.

Q. ARE THE COMPANY'S OBLIGATIONS UNDER THE PPAS CONDITIONED ON APPROVAL OF THE COMMISSION?

A. Yes. All of the relevant agreements contain what is known as a "condition precedent," which requires that the Commission grant an ADP for each of the projects *before* the Company is required to perform under the contracts. We also have the right to waive the condition precedent and move forward with the projects if all required regulatory approvals are not timely attained.

Q. IS THE 187 MW SOLAR PORTFOLIO CONSISTENT WITH NORTH DAKOTA ENERGY POLICY?

A. The Company believes that it is the Commission's role to determine if a

particular resource addition is consistent with state energy policy. This ADP proceeding will provide the Commission an opportunity to review the proposed resource addition and make such a determination.

We do, however, recognize the Commission's continuing concern with the impact of Minnesota energy policies on our North Dakota customers, due to the integrated nature of our system. In light of this concern, and consistent with our commitments in the Settlement of our most recent rate case, the Company has been working with Commission Staff to develop a Negotiated Agreement to implement a system "Restack" as contemplated in the Settlement.

The Company believes this work has been constructive in developing a reasonable Restack approach, as well as identifying the potential impacts of the Restack, and ways to mitigate those impacts on our North Dakota customers, the Company, and our customers in all of our other affected jurisdictions. We believe we are on track to file a Negotiated Agreement with the Commission by the June 30, 2015 deadline provided for in the Settlement, if not sooner.

Q. IF THE COMMISSION DENIES THE COMPANY'S APPLICATION FOR AN ADP FOR THE 187 MW SOLAR PORTFOLIO, WOULD THIS RESOURCE ADDITION BE INCLUDED IN THE NEGOTIATED AGREEMENT?

A. The Company does not want to prejudge the outcome of the Restack negotiations. However, generally speaking, should the Commission deny the Company's application for an ADP for the 187 MW Solar Portfolio because it is incompatible with North Dakota energy policy, it would be the Company's

intention that this resource addition would be addressed in the Negotiated Agreement implementing the Restack.

V. RESOURCE PLANNING IMPACTS

Q. WILL THE COMPANY BE MAKING ANY ADDITIONAL RESOURCE ADDITIONS TO COMPLY WITH THE MINNESOTA SES?

A. The 187 MW Solar Portfolio is intended to be the principal utility-scale resource addition the Company will make to meet its 1.5 percent SES obligations in Minnesota. Our current plans are to meet the remainder of our SES obligations through small, behind-the-meter solar installations, such as rooftop solar, and through Minnesota's new Community Solar Garden program. I note that the Company is required to meet ten percent of its SES obligations through these small scale solar programs. Mr. Haeger provides additional information with respect to the Company's Minnesota SES compliance plans.

Q. WILL ANY OF THE COSTS OF THESE SMALL SCALE SOLAR PROGRAMS BE ALLOCATED TO THE COMPANY'S NORTH DAKOTA CUSTOMERS?

A. To the extent that any of the costs of these small scale solar programs would be allocated to our North Dakota customers through the Company's normal allocation processes, the terms of the Settlement Agreement in our most recent rate case would not allow the permanent inclusion of these costs in the Company's North Dakota rates without ultimate Commission review. More specifically, in our last rate case, the Company and Advocacy Staff agreed to a process that will provide for timely Commission review of smaller resource additions to the integrated system to determine whether the resource's energy

and related costs should be included in the Company's North Dakota FCR. In the event we would allocate the costs of these small scale solar resources under our normal allocation procedures to our North Dakota jurisdiction, Commission review of the resources will be conducted through the agreed-to FCR review process.

Q. DOES THE CAPACTIY FROM THE 187 MW SOLAR PORTFOLIO AFFECT THE COMPANY'S CAPACITY NEEDS IN THE 2017-2019 TIME FRAME IDENTIFIED IN CASE NOS. PU-13-194 AND PU-13-195 OR ITS COMMITMENTS TO CONSTRUCT THERMAL GENERATION IN NORTH DAKOTA BY 2036?

A. The 187 MW Solar portfolio will provide some additional capacity beginning June of 2018. We do not believe that the addition of this capacity will have a material impact on our resource needs in 2017 to 2019 or our commitments with respect to construction of North Dakota based generation that were made in the Settlement Agreement in our most recent rate case.

Q. HAS THE COMPANY SELECTED A RESOURCE TO MEET ITS IDENTIFIED CAPACITY NEEDS IN THE 2017-2019 TIME FRAME?

A. Not yet. The Minnesota Competitive Acquisition Process (CAP) is still ongoing. The CAP proceeding is currently scheduled for hearing before the Minnesota Public Utilities Commission (MPUC) in early December 2014, and we expect a final order from the MPUC by the end of the year. Mr. Haeger provides further information with respect to the Company's forecasted resource needs and the status of the CAP proceeding.

As agreed-to in the Settlement in our most recent rate case, and consistent with other commitments the Company has made to the Commission, should

the Company seek to acquire a resource addition as part of the CAP process (other than a resource for which the Commission has already issued an ADP), the Company will file an application for an ADP for that resource.

Q. DOES THE COMPANY STILL PLAN TO MOVE FORWARD WITH THE 187 MW SOLAR PORTFOLIO IF THE GERONIMO SOLAR PROJECT IS SELECTED AS PART OF THE CAP PROCEEDING?

A. The Company believes that the 187 MW Solar Portfolio is the most prudent and cost-effective way for the Company to meet its Minnesota SES requirements, and has recommended that the MPUC approve the portfolio. If the MPUC finds the Geronimo project in the public interest in the CAP proceeding, we have recommended that only two of the PPAs that makeup the Solar Portfolio proceed, so that the total amount of utility-scale solar additions to our system remains at 187 MW.

Should the MPUC direct us to move forward with the Geronimo solar project, we will file an application for an ADP with the Commission to provide the Commission an opportunity to asses the prudence of that project consistent with the circumstances surrounding it at that time. We will also update this Application should undertaking the Geronimo solar project impact our proposed 187 MW Solar Portfolio power purchase.

VI. CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. The 187 MW Solar Portfolio is a cost-effective way for the Company to meet its Minnesota SES requirements at modest cost while adding clean, carbon-

free capacity and energy to the integrated system. The addition of this solar capacity provides a hedge against volatile fuel prices, and the clean nature of this resource provides a hedge against future environmental regulation. Consequently, when viewed as a whole, the Company respectfully requests the Commission finds the 187 MW Solar Portfolio resource addition prudent.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes, it does.

STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR AN ADVANCE DETERMINATION OF PRUDENCE FOR A 187 MW PORTFOLIO OF UTILITY SCALE SOLAR RESOURCES

Case No. PU-14-_____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Laura McCarten, being first duly sworn on oath, deposes and says that she is the Regional Vice President for Applicant Northern States Power Company, in the above captioned matter, that she has read the testimony and schedules submitted in the above captioned matter under her name were prepared under her direction, that she knows the contents thereof, and that the same is true and correct to the best of her knowledge and belief.

Laura McCarten

Laura McCarten

Subscribed and sworn to before me this 5th day of November, 2014.

CYNTHIA D. HARRINGTON
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2015

Notary Public
My Commission Expires: 1-31-15

Laura McCarten

Experience

2008-Present | Xcel Energy | Minneapolis, MN

Regional Vice President, NSPM

- For Xcel Energy's North Dakota service territory, responsible for regulatory and legislative interface and strategies, customer and community relations and public affairs, gas business development, and provide strategic leadership on initiatives to effectively serve customers.
- For Xcel Energy's Minnesota service territory, responsible for managing relationships with communities and large customer accounts, gas business development and our HomeSmart service.
- For Xcel Energy's South Dakota service territory, responsible for regulatory and legislative interface and strategies, customer and community relations and public affairs, and provide strategic leadership on initiatives to effectively serve customers.

2006-2008 | Xcel Energy | Minneapolis, MN

Director, Regional Transmission Development

1997-2005 | Xcel Energy | Minneapolis, MN

Director, Minnesota Community Services

1994-1997 | Xcel Energy | Mankato, MN

Regional General Manager

1992-1994 | Northern States Power | Minneapolis, MN

Manager, Regulatory Affairs

1979-1991 | Northern States Power | Minneapolis, MN

Nuclear Generation: Spent Nuclear Fuel Project Manager, Engineer

Education

1979 | University of Wisconsin | Madison, WI

Bachelor of Science in Nuclear Engineering

Professional Development

- Xcel Energy Leadership Advantage Program (2004)
- University of Michigan Business School, Strategic Marketing Planning (1998)
- University of Minnesota, Carlson School of Management, Minnesota Management Institute (1996)

Community Service

- Lignite Energy Council, Board of Directors
- Minneapolis Regional Chamber of Commerce, Board of Directors
- North Central Electrical League, Board of Directors
- Ordway Center for the Performing Arts, Board of Directors
- University Enterprise Laboratories, Board of Directors

PUBLIC DOCUMENT –
TRADE SECRET DATA EXCISED

Direct Testimony and Schedules
Kurtis J. Haeger

Before the North Dakota Public Service Commission
State of North Dakota

In the Matter of the Application of Northern States Power Company for an Advance Determination of Prudence for a 187 MW Portfolio of Utility Scale Solar Resources

Case No. PU-14-_____
Exhibit ___(KJH-1)

Resource Planning Testimony

November 7, 2014

PUBLIC DOCUMENT –
TRADE SECRET DATA EXCISED

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I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME AND TITLE.

A. My name is Kurtis J. Haeger. I am the Managing Director of Resource Planning for Xcel Energy Services Inc., the service company subsidiary of Xcel Energy.

Q. PLEASE DESCRIBE YOUR QUALIFICATIONS AND EXPERIENCE.

A. I have been employed by Xcel Energy or one of its predecessors for over 30 years and assumed my current position as Managing Director of Resource Planning in 2004. My resume is provided as Exhibit___(KJH-1), Schedule 1

I am responsible for managing the development and implementation of the electric resource plans for all the Operating Companies of Xcel Energy. I also have responsibility for managing the bidding and evaluation processes for acquiring new electric generation resources and for managing the technical analysis for supporting Xcel Energy's regulatory filings associated with its requests to construct and own new generation facilities. Additionally, I am responsible for directing the analytical support for Xcel Energy's renewable energy plan filings.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

A. I present the three solar projects that together constitute our proposed acquisition of 187 MW of solar generation resources for the NSP System:

- *Marshall Solar* – a 62.25 MW project located near Marshall, Minnesota to be developed by NextEra;
- *MN Solar I* – a 24.75 MW project located near Tracy, Minnesota to be developed by juwi solar, Inc.; and

- *North Star Solar* – a 100 MW project located near North Branch, Minnesota to be developed by Community Energy Resources.

My testimony also addresses the quantitative and qualitative customer and Company benefits of acquiring these projects in combination as a solar portfolio.

In addition, I address the following:

- The process for the Company's 2014 Request For Proposals (RFP) for solar resources to be added to our system, including a discussion of Minnesota's new Solar Energy Standard (SES);
- An update on our system capacity need, and the impact of acquiring the three solar projects on that need; and
- The effects of our current system need and the solar resource acquisitions on the gas units we proposed to add to our system in Case Nos. PU-13-194 and PU-13-195.

II. MINNESOTA SOLAR ENERGY STANDARD

Q. WHY IS THE COMPANY ACQUIRING THE 187 MW SOLAR PORTFOLIO RESOURCE ADDITION?

A. The Company is acquiring the 187 MW Solar Portfolio primarily to comply with Minnesota's SES but also to provide the NSP System with an additional source of clean energy that will displace other fuel and energy purchases. While also allowing NSP to comply with the Minnesota Solar Energy Standard, this solar energy will displace fuel and energy that would have been purchased in the absence of this new generation. As a fixed price source of

clean energy, the solar energy will provide a hedge against increases in natural gas fuel prices and future environmental regulation.

Q. PLEASE DESCRIBE THE MINNESOTA SES.

A. In 2013, the Minnesota legislature enacted Minnesota Statutes Section 216B.1691, subdivision 2f, requiring by the end of 2020 that 1.5 percent of the electricity the Company sells to its Minnesota retail customers be generated by solar power. This is commonly referred to as the Solar Energy Standard, or SES. The Company determined that it would need to add approximately 300 MW of solar power to our system by 2020 to meet the Minnesota SES requirement. The statute also sets a goal, rather than a requirement, that 10 percent of all retail electric sales in Minnesota be generated by solar energy by 2030.

Q. IS THE SES PART OF MINNESOTA'S RENEWABLE ENERGY STANDARD REQUIRING 30 PERCENT OF THE COMPANY'S RETAIL ELECTRICITY SALES TO BE PROVIDED BY RENEWABLE GENERATION RESOURCES BY 2020?

A. No. Minnesota Statutes Section 216B.1691, subdivision 2a(b) requires the Company to have 30 percent of its retail electric sales generated by renewable generation by 2020, with at least 25 percent of the 30 percent provided by wind or solar generation, and the remaining 5 percent provided by other eligible renewable generation technologies. Minnesota Statutes Section 216B.1691, subdivision 2f(e) prohibits the Company from using the solar generation that satisfies the SES to also satisfy the 30 percent Renewable Energy Standard, and vice versa. The Company, therefore, has an obligation to have 31.5 percent of its retail customer electricity sales be generated by renewable resources by 2020.

Q. HAS THE COMPANY DEVELOPED A PLAN TO COMPLY WITH THE MINNESOTA SES?

A. Yes. We estimate that we will need a total of approximately 300 MW of solar capacity to meet the Minnesota SES.

To meet this, we plan to leverage the economics of large-scale solar systems to keep the cost of compliance as low as possible for our customers. We believe that large-scale solar, such as the 187 MW Solar Portfolio, allows us to capture the value of solar at a much lower cost than distributed solar generation. If implemented, the 187 MW Solar Portfolio will provide almost two-thirds of our estimated solar capacity needs.

At the same time, we support our customers' interest in distributed generation and will offer new programs in Minnesota and incentives required by Minnesota's solar legislation to help the solar industry develop in Minnesota. At this time, we believe it is reasonable to expect up to one third, or 100 MW, of our solar needs to be met through new customer offerings and solar projects receiving funding through Minnesota's Renewable Development Fund. These new program offerings include a Community Solar Gardens program, new Solar*Rewards program, and the Made in Minnesota program administered by the Minnesota Department of Commerce.

III. SOLAR REQUEST FOR PROPOSAL

Q. WHAT LEAD THE COMPANY TO ISSUE ITS SOLAR RFP IN 2014?

A. We determined that we should issue an RFP to help ensure that we would have an adequate number of options to consider in the process of adding solar resources to our system to meet the Minnesota SES. Issuing the RFP in 2014 would help ensure that any projects selected could meet the December 31, 2016 expiration deadline for the 30 percent federal Investment Tax Credit (ITC), since the ITC significantly offsets the development costs for projects eligible for the credit. We believed that by capturing the ITC we could capture more attractive pricing for utility scale solar projects.

Q. PLEASE DESCRIBE THE COMPANY'S RFP.

A. We issued the Solar RFP on April 22, 2014, identifying eligible projects as those based on a photovoltaic solar resource with a nominal AC electrical output of at least five MW, that offered to sell to the Company all energy, associated capacity, ancillary services, and all RECs generated by the project. We used several communication vehicles to provide notice to potential bidders, including key mass media and trade press. We also provided a link to our website where the RFP, model Power Purchase Agreement and standard bidder forms were located. All bids were due by 5:00 P.M. Central Daylight Time on June 20, 2014.

Q. WHAT WAS THE RESPONSE TO THE RFP?

A. Developer response to our RFP was robust. There were 111 proposals totaling over 2,100 MW of solar photovoltaic generating capacity submitted by 36 developers. Individual projects ranged in size from 5 MW to 100 MW. Submissions included a number of ownership structures from independently owned and operated facilities to offers of partnerships with the Company.

Q. HOW DID THE COMPANY ANALYZE THE PROPOSALS?

A. Our Resource Planning department led the evaluation team, logging all bids on a tracking spreadsheet and maintaining the bids in a locked room accessible only by the Company's Resource Planning group. Initial screening identified 15 projects, in aggregate totaling 630 MW of generation capacity, submitted by 11 companies, each with a levelized energy cost of $85/MWh or less. Copies of these proposals were then provided to our Transmission, Land and Siting, and Purchased Power staff for further evaluation.

A significant consideration for any project is its ability to interconnect with the transmission system. Therefore, our Transmission Access group performed a detailed multi-factor review of the status of each project's Midcontinent Independent System Operator, Inc. (MISO) interconnection request and potential transmission requirements. This review identified potential significant issues around transmission interconnection cost and curtailment risk for several of the projects. Based on this analysis, the Transmission Access group recommended that a number of these projects be eliminated from further consideration.

The results of these evaluations and further due diligence supported the selection of the three projects that are the subject of this Application. The project bids proceeded to Purchase Power Agreement (PPA) negotiations which were successfully completed in late September. The three fully negotiated but unsigned PPAs are included as Trade Secret Schedules 3, 4, and 5 to my testimony.

Q. HOW DID THE COMPANY DOCUMENT THAT ITS RFP PROCESS WAS TRANSPARENT AND UNBIASED?

A. To certify that the process used for obtaining and evaluating responses to the RFP was unbiased and provided transparency to help facilitate expeditious review of our Petition, we engaged an independent consultant to perform an audit of the RFP process. The audit was designed to examine whether the process for obtaining and evaluating responses to the RFP was biased. The consultant's report, provided as Trade Secret Exhibit__(KJH-1), Schedule 2 to my testimony, concluded that the Company's RFP process was free from bias and afforded each proposal equitable care and consideration In addition, the report noted that the process was rigorous, robust and that the Company administered the process professionally and was thorough in its efforts.

IV. PROPOSAL TO ACQUIRE THE 187 MW SOLAR PORTFOLIO

Q. WHY IS THE COMPANY SEEKING TO ADD THE 187 MW SOLAR PORTFOLIO PROPOSAL?

A. Our proposal to add a 187 MW portfolio of solar generation is based on our belief that we should purchase enough solar energy now to comply with Minnesota's 2020 1.5 percent of sales SES while capturing the 30 percent federal ITC.

Q. WHY HAS THE COMPANY CONCLUDED IT SHOULD BUY ENOUGH SOLAR ENERGY NOW TO MEET THE SES RATHER THAN SPREAD ITS ACQUISITION OF SOLAR RESOURCES OVER TIME?

A. As I mentioned previously, the federal ITC of 30 percent represents a significant incentive to developers that results in very attractive pricing for

solar energy at this time. The incentive decreases significantly to 10 percent at the end of 2016, and future federal incentives are increasingly uncertain. These circumstances suggest it is prudent to make a substantial purchase now, so that developers can utilize -- and our customers can benefit from -- the 30 percent ITC. That said, we recognize that continuing technology improvements in the solar generation market may result in solar prices that reflect only a 10 percent ITC declining to a level of pricing comparable to these new projects.

If federal incentives continue, we can make additional purchases to take advantage of those policies. If federal incentives are removed, we will have the flexibility to monitor technology improvements and time further acquisitions accordingly. Therefore, strategically acquiring the 187 MW Solar Portfolio we present in this Application now is a reasonable and prudent way to manage these issues.

V. DESCRIPTION OF THE 187 MW SOLAR PORTFOLIO

Q. PLEASE DESCRIBE THE MARSHALL SOLAR PROJECT.

A. The *Marshall Solar* project will be a 62.25 MW solar energy generation facility on approximately 464 acres in an agricultural area east of Marshall, Minnesota in Lyon County. The project will consist of 30º fixed tilt configuration, photovoltaic modules and will interconnect at the existing Company Lyon County substation at 69 kV.

Q. WHAT IS THE MARSHALL SOLAR PROJECT'S CONSTRUCTION SCHEDULE?

A. The bulk of construction of the *Marshall Solar* project is expected to begin in

spring 2016, with engineering, procurement and some construction occurring in 2015. This schedule is designed such that the project will qualify for the 30 percent federal ITC, which will be used by NextEra Energy Resources to offset its cost of construction.

Q. WHAT ARE THE TERMS OF THE MARSHALL SOLAR PPA?

A. The project's PPA is for 25 years, and similar to wind-related PPAs, the pricing is designed on a pay for production basis. The purchase price of electric energy from *Marshall Solar* starts at **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**. We calculate the levelized cost of energy over the term of the Agreement to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**.

Q. PLEASE DESCRIBE THE MN SOLAR I PROJECT.

A. *MN Solar I* is a 25 MW solar energy project near Tracy, Minnesota that will be developed, owned and operated by juwi solar, Inc. up through commercial operation. It will consist of a ground-mounted single-axis tracking system of multi-crystalline solar cells, and will interconnect at a new substation on the Tracy-to-Walnut Grove 69 kV line.

Q. WHAT IS THE MN SOLAR I PROJECT'S CONSTRUCTION SCHEDULE?

A. Like the other projects we are proposing, the bulk of construction of the *MN Solar I* project is expected to begin in spring 2016, with engineering, procurement and some construction occurring in 2015. This schedule is designed so that the project will qualify for the 30 percent federal ITC, which will offset juwi solar, Inc.'s cost to construct the project.

Q. WHAT ARE THE TERMS OF THE MN SOLAR I PPA?

A. We have negotiated a 25-year PPA with juwi solar, Inc. to purchase all of the electric energy produced at *MN Solar I*. The purchase price of electric energy from *MN Solar I* starts at **[TRADE SECRET BEGINS...**

...TRADE SECRET ENDS]. We calculate the levelized cost of energy over the term of the Agreement to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**.

Q. PLEASE DESCRIBE THE NORTH STAR SOLAR PROJECT.

A. *North Star Solar* is a 100 MW solar energy generation facility located on approximately 800 acres in an agricultural area southeast of North Branch, Minnesota in Chisago County. *North Star Solar* will consist of single axis tracking panels. The project plans to interconnect at 115kV to the existing NSP Chisago County Substation.

Q. WHAT IS THE NORTH STAR SOLAR PROJECT'S CONSTRUCTION SCHEDULE?

A. As with the other two projects, the construction schedule is designed so that the project will qualify for the 30 percent federal ITC to offset project construction costs. Engineering, procurement and some construction will occur in 2015, with the bulk of construction of the *North Star Solar* project expected to begin in spring 2016.

Q. WHAT ARE THE TERMS OF THE NORTH STAR SOLAR PROJECT'S PPA?

A. The purchase price of electric energy under the 25-year PPA with *North Star Solar* starts at **[TRADE SECRET BEGINS...**

TRADE SECRET ENDS]. We calculate the levelized cost of

energy over the term of the Agreement to be **[TRADE SECRET BEGINS... ...TRADE SECRET ENDS]**.

VI. PROJECT RISK MANAGEMENT

Q. PLEASE DESCRIBE WHAT PROJECT RISK MANAGEMENT REFERS TO.

A. As with the acquisition of any new resource addition for our system, there are risks associated with the projects comprising the 187 MW Solar Portfolio. We believe that we have identified, assessed, and mitigated major risks through prudent contracting practices, and that it is reasonable and in our customers' interests for the Commission to find the projects are prudent additions to the integrated NSP System.

Q. WHAT RISKS DID THE COMPANY IDENTIFY?

A. Risks fall into two general categories, development risks and operational risks. Development risks for solar projects include project financing, construction, transmission, and environmental issues. Operational risks include energy production levels, curtailment, and breaches in performance obligations.

Q. PLEASE DESCRIBE THE FINANCING RISK.

A. The principal financing risk involves the projects qualifying for the federal ITC. In 2008, the 30 percent ITC for solar projects was extended and now expires on December 31, 2016. We believe these projects will meet the requirements necessary to qualify for the ITC, and that the risk has been reasonably mitigated in the relevant agreements. In the Agreements, each developer assumes the risk of qualifying for the ITC, and the failure to qualify for the ITC will not result in any price increase or other increased liability for

us or our customers

Q. WHAT ARE THE CONSTRUCTION RISKS?

A. By contracting only for the output of *Marshall Solar, MNSolar I*, and *North Star Solar*, the Company has fully-shifted the risks of development and construction to the developers. In the PPAs for all three projects, the parties have provided for pre- and post-COD security funds as follows:

[TRADE SECRET BEGINS…

….TRADE SECRET ENDS]

In addition, we have provided for the payment of liquidated damages for each day the projects fail to meet their Commercial Operation Milestone.

Q. WHAT IS THE TRANSMISSION RISK?

A. There are two aspects of the transmission risk: (1) transmission interconnection; and (2) capacity accreditation.

Q. PLEASE DESCRIBE THE TRANSMISSION INTERCONNECTION RISK.

A. As with many PPAs, the interconnection arrangements have not been finalized. As a result, the PPAs for the 187 MW Solar Portfolio contain a condition precedent that permits the developer to terminate the agreement if it is unable to obtain an interconnection agreement by a certain date. In addition, the *North Star Solar* agreement permits the developer to terminate the agreement if the interconnection costs it must bear are materially greater than

its budgeted projections. In any event, our risks are mitigated because all three PPAs provide for the developer to bear all interconnection costs. In addition, all three projects are located close to the proposed point of interconnection to the transmission system with a relatively strong network of transmission facilities in the vicinity, so we do not anticipate any significant transmission improvements will be necessary for direct interconnection.

The *Marshall Solar* and *MN Solar I* projects are interconnected at or near the Lyon County substation, which now has connections to the new Brookings County to Twin Cities 345 kV transmission line. Lyon County Substation also has a 345 kV connection to Minnesota Valley and the existing 230 kV line to the Twin Cities along with several 115 kV and 69 kV lines.

The *North Star Solar* project will interconnect to the Chisago Substation just north of the Twin Cities. The Chisago Substation is connected to the metro area through two major 345 kV transmission lines and several 115 kV transmission lines. The Chisago Substation also has a connection to the Dorsey to Forbes to Chisago 500kV transmission line between Manitoba Canada and the Twin Cities.

Q. PLEASE DESCRIBE THE CAPACITY ACCREDITATION RISK.

A. As I describe further below, we currently predict that the 187 MW Solar Portfolio will receive approximately 52 percent capacity accreditation in around 2018. However, in order for the projects to contribute accreditable capacity toward our resource adequacy calculation, MISO requires generators to achieve unconditional interconnection status. Under the current MISO generator interconnection and resource adequacy requirements, generators

with conditional Generator Interconnection Agreements (GIAs) will not be eligible for capacity accreditation until all upgrades required under the project's GIA are complete and in-service. Over the past several years GIAs for projects located in the Minnesota area have been conditioned upon the completion of various MISO Multi-Value Projects including the North La Crosse to Madison 345 kV line – which has a planned in service date of December 2018.

If the solar projects have GIAs that are conditional on this line, and the line goes into service as scheduled, the solar projects would not be eligible to qualify as capacity resources until the MISO 2019/2020 planning year. MISO is aware of this concern and is working with its stakeholders to identify ways for conditional GIAs to qualify as capacity resources.

Q. WHAT IS THE ENVIRONMENTAL RISK?

A. Under all three PPAs, we will own all environmental and renewable energy credits and attributes of the facilities. In addition, the developers are responsible for all applicable environmental permits, licenses and approvals from any governmental authority required under applicable laws for construction, ownership, operation and maintenance of the facilities.

Q. PLEASE DESCRIBE THE RISK ASSOCIATED WITH ENERGY PRODUCTION.

A. All three PPAs require their respective projects to deliver a defined level of Committed Solar Energy (CSE) in each commercial operation year. If a project fails to achieve 85 percent of the CSE during an annual Measurement Period, the Seller has 30 days to cure the failure, or if such cure cannot reasonably be effected within 30 days, the Seller must commence the cure

within 30 days and then diligently pursue such cure to completion as soon as practicable thereafter. The Seller's efforts to cure the failure to deliver the CSE must result in the project delivering more than 85 percent of the CSE during the subsequent annual Measurement Period.

Q. WHAT IS THE RISK ASSOCIATED WITH CURTAILMENT?

A. Under each PPA, we may curtail the production from the project for any reason at our sole discretion, and need not pay any curtailment payments if the curtailment occurs for the following reasons: Seller's failure to deliver to Point of Delivery; an emergency; curtailment directive(s) from the Transmission Provider or Market Operator pursuant to the Interconnection Agreement; planned or unplanned maintenance and/or testing outages of the transmission system; Seller's failure to maintain or respond to Automatic Generation Control Instructions; or, Seller's failure to maintain permitting.

We do not expect that the solar projects will experience significant levels of curtailment or unreasonable Locational Marginal Price differentials between the solar projects and NSP load. The solar projects are more peaking daytime-only resources that will not compete with wind for transmission capacity, since wind generation also occurs during off peak periods with a tendency of higher output levels during this period.

In addition, the solar projects are smaller than the many wind projects, and are located in areas with significant transmission infrastructure that provides sufficient outlet to accommodate the solar generation and are interconnected to transmission facilities that have strong electrical ties to the Company's load in the Twin Cities metro area.

Q. HOW ARE THE RISKS ASSOCIATED WITH BREACHES IN PERFORMANCE OBLIGATIONS MITIGATED?

A. The PPAs include protective measures and remedies such as: specific performance; step-in rights; the right to terminate the agreement upon the occurrence of certain events; and the ability to seek damages or upon termination for breach.

VII. EVALUATION OF THE 187 MW SOLAR PORTFOLIO

Q. HOW DID THE COMPANY EVALUATE THE 187 MW SOLAR PORTFOLIO?

A. The Company performed two evaluations of the 187 MW Solar Portfolio: a quantitative analysis and a qualitative analysis. Based on the outcome of these analyses, we determined that the acquisition of the 187 MW Solar Portfolio is a prudent resource acquisition to allow us to cost effectively meet our Minnesota SES requirements while providing a source of clean energy that has key fuel and environmental hedging benefits. In addition, while solar generation is primarily a source of clean energy, it also provides some additional capacity to the system that can be used to offset future capacity needs.

To perform the quantitative analyses, we used the Strategist resource planning model, and present the results in Present Value Revenue Requirements (PVRR) terms, excluding any assumptions regarding the future cost of carbon dioxide (CO2) or externalities as required by North Dakota law. Strategist simulates the operation of the NSP System, and estimates the total cost of energy over the life of the projects on a present value basis. We also use the

model to test results under a range of input assumptions. To assess the impact on customer costs, we simulated the operation of the NSP System with and without the addition of the 187 MW Solar Portfolio.

We also performed a more qualitative analysis to identify the non-economic benefits of the 187 MW Solar Portfolio to the NSP System. When the quantitative analysis and the qualitative analysis are taken together, the 187 MW Solar Portfolio will add a relatively minor net cost to the NSP System, but provide material qualitative benefits which demonstrate the prudence of this resource addition.

A. Quantitative Analysis

Q. WHAT ARE THE RESULTS OF THE QUANTITATIVE ANALYSIS OF THE 187 MW SOLAR PORTFOLIO?

A. Our Reference Case analysis estimates that the cost of energy from the 187 MW Solar Portfolio over the 25-year term of the PPAs, without considering any CO2 or externality costs, is approximately $14 million on a PVRR basis, or approximately $5.19 on a levelized per MWh basis. We also analyzed the impact of adding the 187 MW Solar Portfolio to the system under various sensitivities, including a scenario where natural gas prices stay below our current market forecasts, a scenario where the system cannot make market purchases to meet increasing demand (Markets Off), and scenarios when capacity factors of the 187 MW Solar Portfolio are higher or lower than expected.

Table 1 below presents the results of these sensitivity tests. The table shows

the cost to the system to operate *without* the 187 MW Solar Portfolio (the Reference Case), and also shows that the operating the system *with* the 187 MW Solar Portfolio under the various sensitivities uniformly results in a relatively negligible net cost. Table 2 below presents the results of our Base Case analysis on a levelized $/MWh basis.

Table 1: Strategist PVRR Analysis

	Base	Low Gas	Markets Off	+2.5% Capacity Factor	-2.5% Capacity Factor
Base Case (No Solar)	$49,030	$46,192	$49,747	$49,030	$49,030
Full Portfolio	$49,044	$46,235	$49,742	$49,055	$49,036
	$14	$43	($5)	$25	$6

The Markets Off case indicates a $5 PVRR savings that reflects the impact of not having the availability/benefit of market energy purchases.

Table 2: Levelized Cost Analysis

	RFP Portfolio
PPA Price	$73.20
Avoided Fossil Fuel	($53.16)
Capacity Credit	($14.86)
Net Cost (Savings)	$5.19

Q. WHAT BENEFITS WILL THESE SOLAR PROJECTS BRING TO NORTH DAKOTA CUSTOMERS?

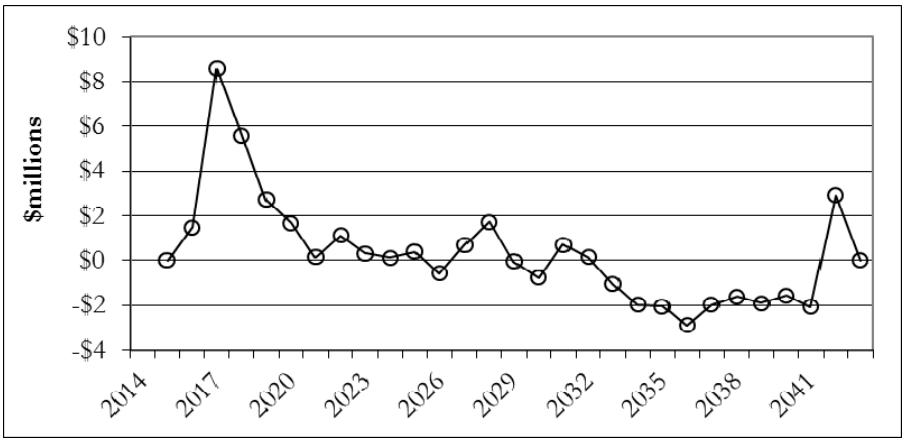
A. As identified in Table 2, the largest benefit of the proposed solar projects to North Dakota customers is the displacement of future fuel and other energy

purchases. Over 70 percent of the benefit of the solar resources is to reduce future purchases of natural gas, coal and market energy purchases. Since these solar resources are primarily energy resources, the value of displacing future capacity requirements is less than 20 percent of the total cost of the proposed new purchases.

Q. HOW IS THE IMPACT OF ADDING THE 187 MW SOLAR PORTFOLIO TO THE NSP SYSTEM SPREAD OVER TIME?

A. Figure 1 below illustrates the annual net costs/benefits associated with the 187 MW Solar Portfolio that lead to the $14 million PVRR impact calculation. As shown, over the 25-year term of the PPAs, the 187 MW Solar Portfolio moves from net cost to net savings, which is due to the net effect of the expected deterioration of the solar panels making up the 187 MW Solar Portfolio, and therefore less generation from these resources, while they are also displacing what is expected to be an increasing cost of fossil fuel when compared to the fixed price of the PPAs.

Figure 1: Annual Impact of 187 MW Solar Portfolio



Q. ON WHAT IS THIS ANALYSIS BASED?

A. Our quantitative analysis is based on the cost of electricity displaced by the 187 MW Solar Portfolio as well as the accredited capacity value of this resource.

The NSP System is dispatched by the MISO. MISO generally dispatches solar production ahead of other generation such as natural gas and coal-based generation. Consequently, the more solar energy produced, the less other fossil generation is operated and the less fossil fuel must be purchased. Therefore, when the energy from solar resources is produced, it displaces a similar amount of fuel that would have been acquired by the Company or other purchases of market energy. Our Base Case assumes a displacement of fuel that would have been purchased to generate approximately 370,000 MWh of fossil generation, accounting for the majority of differences in cost of system operation with and without the addition of the 187 MW Solar Portfolio.

Additionally, the 187 MW Solar Portfolio we propose in this Application will provide accredited capacity starting in June 2018. We expect the 187 MW Solar Portfolio to receive an approximately 52 percent capacity accreditation under MISO rules, or about 100 MW of accredited capacity. Under current MISO rules, the solar projects would not be able to qualify as a capacity resource until the MISO 2018/2019 planning year (June 1, 2018 through May 31, 2019).

The solar projects are required to provide MISO with a minimum of 30 consecutive days' of historical data during June, July or August for the hours

of 1500 – 1700 EST in order to be eligible to participating in the MISO Planning Reserve Auction (PRA) that takes place in March of every year. The earliest that this data could be collected would be during June, July or August of 2017 since the solar projects are scheduled to go into service in December 2016. Obtaining the data in 2017 would allow the projects to participate in the March 2018 PRA for the 2018/2019 planning year. For purposes of the economic evaluation, we assumed the projects will receive capacity accreditation for the 2018/2019 planning year. I discuss the impacts of these capacity accreditation on the Company's Resource Planning later in my Direct Testimony.

Q. FOR CONTEXT, WHAT IS THE MIX OF ENERGY THAT IS DISPLACED BY THE 187 MW SOLAR PORTFOLIO?

A. Figure 2 below illustrates the results of the Strategist dispatch simulations under the Markets Off scenario, that is, Strategist only allows increasing customer demand to be met by NSP System resources, not by purchases of energy from the market. In this scenario, the majority of the solar generation, approximately 88 percent, displaces natural gas purchases, with the remaining expected to displace coal purchases. This reflects the fact that during on peak periods more gas generation is dispatched to meet on peak conditions as compared to off peak periods when much less gas generation is needed.

Figure 2: Displaced Generation (Markets Off)

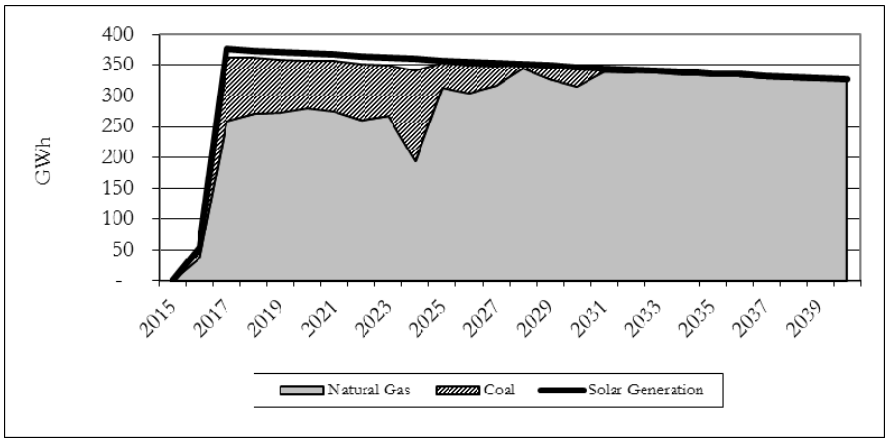
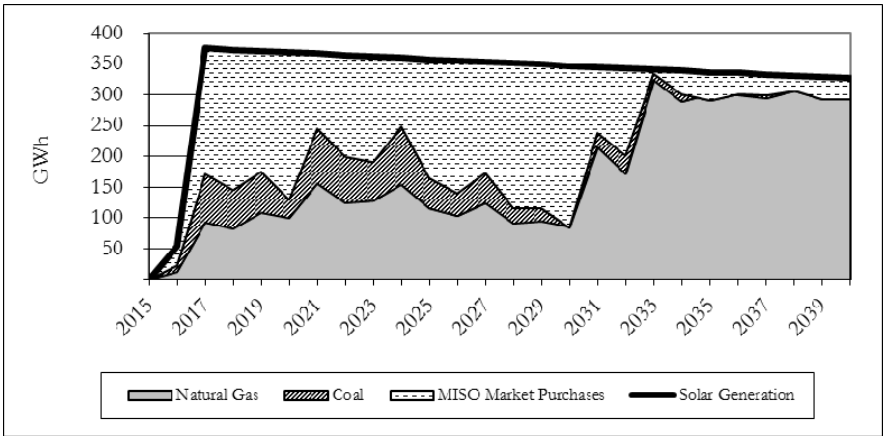


Figure 3 below illustrates the results of the Strategist dispatch simulations in a "Markets On" scenario, where Strategist may choose to purchase market energy to meet system needs. In this scenario, approximately 53 percent of the solar generation displaces natural gas purchases, 9 percent displaces coal purchases, and 37 percent displaces the purchase of market energy.

Figure 3: Displaced Generation (Markets On)



Q. WHAT IS THE ESTIMATED RATE IMPACT ON THE COMPANY'S NORTH DAKOTA CUSTOMERS?

A. While the 187 MW Solar Portfolio represents the largest utility solar energy acquisition we have made, we estimate that the customer rate impacts will be minor, because the NSP System is so large in comparison. In fact, we expect that soon after initial operation, customers' overall bills will go from being slightly higher to gradually reducing to a net increase by 2025 of about 0.015¢ per kWh. Applying this to average residential usage of 750 kWh per month would amount to about $0.15/month in 2017, dropping to $0.12/month by 2025.

As shown in Table 4 below, our Strategist dispatch simulation forecasts that for most years the rate impact of the 187 MW Solar Portfolio will be nearly offset by decreases in the cost of fossil fuel and other purchased energy.

Table 4: Customer Impacts

	2015	2016	2017	2018	2019	2020
Base Rates	0 000¢/kWh	0 000¢/kWh	0 000¢/kWh	0 000¢/kWh	0 000¢/kWh	0 000¢/kWh
Fuel Clause	0 000¢/kWh	0 008¢/kWh	0 054¢/kWh	0 055¢/kWh	0 055¢/kWh	0 056¢/kWh
Avoided Fuel & Purchased Power	0 000¢/kWh	-0 004¢/kWh	-0 034¢/kWh	-0 035¢/kWh	-0 035¢/kWh	-0 039¢/kWh
Net Rate Impact	**0.000¢/kWh**	**0.003¢/kWh**	**0.020¢/kWh**	**0.020¢/kWh**	**0.020¢/kWh**	**0.017¢/kWh**

	2021	2022	2023	2024	2025
Base Rates	0 000¢/kWh	0 000¢/kWh	0 000¢/kWh	0 000¢/kWh	0 000¢/kWh
Fuel Clause	0 057¢/kWh	0 057¢/kWh	0 058¢/kWh	0 059¢/kWh	0 060¢/kWh
Avoided Fuel & Purchased Power	-0 042¢/kWh	-0 041¢/kWh	-0 043¢/kWh	-0 044¢/kWh	-0 044¢/kWh
Net Rate Impact	**0.014¢/kWh**	**0.016¢/kWh**	**0.015¢/kWh**	**0.015¢/kWh**	**0.015¢/kWh**

B. Qualitative Analysis

Q. WHAT QUALITATIVE BENEFITS DOES THE 187 MW SOLAR PORTFOLIO PROVIDE?

A. The addition of the 187 MW Solar Portfolio provides qualitative benefits,

because is acts as a hedge against higher natural gas prices and future environmental regulations through the displacement of natural gas- and coal-based generation. If the Company were not to acquire these resources, future levels of natural gas consumption and MISO market purchases would be higher, creating higher cost uncertainty for our customers.

Q. HOW DOES THE 187 MW SOLAR PORTFOLIO PROVIDE THESE QUALITATIVE BENEFITS?

A. As I mentioned, the 187 MW Solar Portfolio will displace the purchase of fossil fuel, including fuel for gas-fired generation, as well as market purchases and replaces it with fixed price clean energy. Displacement of this generation by the 187 MW Solar Portfolio provides qualitative benefits to the NSP System and therefore to our customers.

More specifically, we expect that the 187 MW Solar Portfolio will provide almost 9,000 GWh of carbon-free energy over the life of their PPAs, displacing almost six million tons of carbon emissions. This will reduce our exposure to future environmental regulation and will lower the cost of compliance.

Additionally, the displacement of variable cost fossil-based and market energy with a fixed price energy source provides a commodity hedge against volatile gas process and market risk. The fixed price certainty provides an additional qualitative benefit to our customers.

VIII. IMPACT ON RESOURCE ADEQUACY

Q. WILL THE PROPOSED 187 MW RESOURCE ACQUISITION AFFECT THE COMPANY'S NEED FOR ADDITIONAL CAPACITY RESOURCES IN THE 2017-2019 TIMEFRAME AS DISCUSSED IN CASE NOS. PU-13-194 AND PU-13-195?

A. The first year that MISO will recognize any capacity accreditation of the 187 MW Solar Portfolio is the 2018/2019 planning year. As a result, the 187 MW Solar Portfolio will likely have a minimal or no impact on our need for capacity resources in the 2017 to 2019 time frame.

As the Commission is also aware, the Minnesota Public Utilities Commission (MPUC) opened a competitive acquisition process to select the resource(s) to meet the Company's identified capacity need (MPUC Docket No. E002/CN-12-1240).

MISO's Planning Reserve Margin calculation is relatively new and the Company had some reservation about whether the new methodology and associated calculation used by MISO would remain stable. Since then, we have gained more confidence in the approach and believe it represents a conservative estimate of our reserve obligations.

Q. WHAT IS THE STATUS OF THE COMPETITIVE RESOURCE ACQUISITION DOCKET?

A. On December 31, 2013, the ALJ issued his report recommending the MPUC select Geronimo Energy's 100 MW Aurora solar project. Exceptions to and comments on the ALJ report were filed by all the parties, and the MPUC heard oral argument on the exceptions and comments at a hearing held March

25 and 27, 2014.

In an order issued May 23, 2014, the MPUC determined that the Company should work with Calpine, Invenergy and Geronimo to develop the terms of the respective PPAs for the MPUC to evaluate the contract terms as part of its final decision. The MPUC also ordered the Company to update its cost estimate for Black Dog Unit 6, as necessary.

The Company negotiated with the three counterparties over June, July, and August 2014. On September 23, 2014, we filed the draft contracts we negotiated with Geronimo, Calpine, and Invenergy, and informed the MPUC that we did not need to update our estimated costs for Black Dog Unit 6. We also updated our need assessment as part of that filing, which indicated that our capacity need has been pushed out to 2019.

Q. WHAT ARE THE NEXT STEPS IN THE PROCEEDING?

A. We anticipate the MPUC will set a hearing to consider this matter in early December 2014. The issue before the MPUC will be whether it recommends that the Company move forward with any or none of the four resources that are before it.

Q. WHAT IMPACT WOULD THE MPUC'S SELECTION OF THE 100 MW GERONIMO AURORA SOLAR PROJECT IN THE COMPETITIVE ACQUISITION PROCESS HAVE ON THE COMPANY'S ACQUISITION OF THE 187 MW SOLAR PORTFOLIO?

A. Selection of the Geronimo proposal in the competitive acquisition process docket does not necessarily have any impact on our 187 MW Solar Portfolio; both could move forward. In the event that the Company moves forward

with the Geronimo solar project, we will file an application for an ADP with the Commission to provide the Commission an opportunity to assess the prudence of the project consistent with the circumstances surrounding it at that time. We will also update this Application should undertaking the Geronimo solar project impact our acquisition of the 187 MW Solar Portfolio.

IX. CONCLUSION

Q. PLEASE SUMMARIZE YOUR TESTIMONY.

A. The Company's proposed acquisition of the 187 MW Solar Portfolio is based on our belief that we should purchase enough solar energy now to comply with Minnesota's 2020 1.5 percent of sales SES while capturing the 30 percent federal ITC. Additionally, acquisition of these resources will provide the NSP System with an additional source of clean energy that will displace other fuel and energy purchases. The 187 MW Solar Portfolio results in a relatively minor cost impact to NSP System customers, which when balanced by qualitative benefits such as providing a natural gas price hedge, acquisition of these resources to meet our Minnesota SES obligations is prudent.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes, it does.

STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR AN ADVANCE DETERMINATION OF PRUDENCE FOR A 187 MW PORTFOLIO OF UTILITY SCALE SOLAR RESOURCES

Case No. PU-14-_____

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Kurtis J. Haeger, being first duly sworn on oath, deposes and says that he is the Managing Director of Resource Planning for Xcel Energy Services Inc., the service company subsidiary of Xcel Energy, in the above captioned matter, that he has read the testimony and schedules submitted in the above captioned matter under his name were prepared under her direction, that she knows the contents thereof, and that the same is true and correct to the best of her knowledge and belief.

Kurtis J. Haeger

Subscribed and sworn to before me this 5th day of November, 2014.

CYNTHIA D. HARRINGTON
NOTARY PUBLIC
MINNESOTA
My Commission Expires Jan. 31, 2015

Notary Public
My Commission Expires: 1-31-15

Kurtis J. Haeger

Statement of Qualifications

I graduated from the University of Colorado, Boulder, in 1982 with a Bachelor of Science Degree in Civil Engineering and from the University of Colorado, Denver, in 1987, with a Master of Business Administration in Finance.

I began my employment with Public Service Company of Colorado in June 1982, as a Gas Distribution Engineer. In June 1988, I was promoted to Supervisor, Gas Utilization and Testing. In May 1990, I was promoted to System Planning & Forecasting Manager, and, in October 1994, I was promoted to Gas Supply and Planning Manager. Upon the merger between Public Service Company of Colorado and Southwestern Public Service Company in August 1997, I assumed the same position with New Century Services, Inc., the service company subsidiary of New Century Energies, Inc. In March 1999, I assumed the position of Director, Gas Business Support. Upon the merger between New Century Energies, Inc. and Northern States Power Company in August 2000, I was appointed to the position of Director, Gas Supply and Supply Planning for Xcel Energy Services Inc. In May 2004, I was promoted to the position of Managing Director, Resource Planning, the position I currently hold.

Since 1990, my responsibilities have included the development of forecasts of annual and daily gas requirements, long term price of gas forecasts, cost of gas budgets, business planning, strategic planning, long range gas supply planning and gas integrated resource planning, gas supply purchasing, the purchasing of gas transportation and storage services and electric resource planning for Public Service Company, Northern States Power Company and Southwestern Public Service. In my present position, I am

responsible for the resource planning and for the acquisition and bidding activities for electric generation on all of our electric systems.

I have presented testimony before the Colorado Public Utilities Commission in Docket Nos. 93A-561G, 94A-447G, 93S-001EG (95I-394G), 02A-267G, 98S-518G, 00A-415G, 97A-622G, 99A-549E, 00A-415G, 01A-181E, 02A-267G, 02S-315EG, 02A-541E, 03A-489EG and Application No. 34815. I have also sponsored testimony before the Federal Energy Regulatory Commission in Colorado Interstate Gas Co.'s rate case Docket Nos. RP93-99 and RP96-190, Northern Natural Gas Co.'s rate case Docket No. RP03-398 and before the Wyoming Public Service Commission, the North Dakota Commission, the Minnesota Commission and the Texas Commission in various electric and rate case proceedings.

Final Report

Report of the Independent Auditor Concerning Northern States Power Company's 2014 Solar Resource Solicitation Request for Proposals Process

Xcel Energy

October 2014

Final Report

Report of the Independent Auditor Concerning Northern States Power Company's 2014 Solar Resource Solicitation Request for Proposals Process

Xcel Energy

October 2014

This report has been prepared for the use of the client for the specific purposes identified in the report. The conclusions, observations and recommendations contained herein attributed to Leidos constitute the opinions of Leidos. To the extent that statements, information and opinions provided by the client or others have been used in the preparation of this report, Leidos has relied upon the same to be accurate, and for which no assurances are intended and no representations or warranties are made. Leidos makes no certification and gives no assurances except as explicitly set forth in this report.

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Report of the Independent Auditor Concerning Northern States Power Company's 2014 Solar Resource Solicitation Request for Proposals Process

Xcel Energy

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EXECUTIVE SUMMARY

Leidos Engineering, LLC (Leidos) was retained by Xcel Energy (Xcel)[i] to perform an independent audit of Northern States Power Company's (NSP's) 2014 Solar Resource Solicitation Request for Proposals (RFP) process (the Audit). The Audit fulfills the requirement established by the Minnesota Public Utilities Commission (PUC) in 2006.[ii] The Audit covers the period from PUC notification on February 28, 2014 through commencement of closed-door contract negotiations with the selected bidders (RFP Process). The Audit was conducted to comply with the requirements established by the PUC and provides an independent, systematic, critical review of the RFP Process for certification to the PUC.

The primary objectives of the Audit were to:

- Assess whether the RFP documents and associated attachments provided sufficient and consistent information for bidders to prepare competitive proposals.
- Identify any potential bias in evaluation criteria, process, bid modeling, selection process, or treatment of bidders/proposals.
- Establish that the evaluation criteria were applied in a fair and unbiased manner and that a consistent, transparent methodology was used to rank bids.
- Assess whether the components of the process conformed to accepted industry standards.
- Identify any irregularities in the procurement process.

The Audit was led by a Certified Internal Auditor® and performed in accordance with industry standards such as those established by the Institute of Internal Auditors. Leidos staff reviewed materials provided by Xcel. Where appropriate, Leidos conducted research and independently gathered information to verify assumptions or augment information provided by Xcel. Leidos exchanged emails and held meetings with key staff involved in this procurement to clarify and discuss aspects of the RFP Process and evaluation. Leidos' professional expertise and knowledge gained through conducting similar procurements and performing similar audits on behalf of other clients supplemented these materials and served as the underlying foundation for Audit results.

Leidos' role in this process was solely that of third-party independent auditor. Leidos reviewed the modeling, due diligence, and evaluation criteria used by Xcel in this procurement process solely for the purpose of identifying any irregularities, bias or discrimination. Although such efforts may have included assessing the reasonableness

[i] Northern States Power Company is a subsidiary of Xcel Energy, Inc., that serves retail customers in Minnesota. Throughout this report to enhance readability the term "Xcel" will be used to refer to Xcel Energy, Inc., and Northern States Power Company.

[ii] *Order Establishing Resource Acquisition Process Under Minn. Stat. § 216B.2422, Subd. 5, and Requiring Compliance Filing*, Docket No. E-002/RP-04-1752, May 31, 2006, p. 8.

of various modeling assumptions toward that end, Leidos did not perform in the role of consulting engineer. Leidos evaluated the procurement *process* not the actual procurement. Leidos does not attest to the validity of the associated assumptions or outcomes. The sole purpose of this report is to comply with PUC requirements; no other use is expressed or implied. Nothing in this report is a legal opinion.

Table ES- 1 presents Audit results.

Table ES- 1 Audit Results[iii]

	PARAMETER	DESCRIPTION	RESULT
I	**Bid Documents & Notifications**	RFP documents and associated attachments provided adequate and consistent information that bidders could use to prepare competitive proposals.	Yes
		Information was disseminated to a broad range of potential bidders to achieve a robust pool of bids.	Yes
		Xcel's procurement process conformed to representations made in the pre-bid notification, RFP documents, and any post-release announcements.	Yes
		Xcel exercised appropriate control of the Bidder documents post receipt.	Yes
II	**Communications**	Xcel communicated consistently and transparently with potential and actual bidders throughout the process.	Yes
		Correspondence between Xcel personnel and prospective and actual bidders did not afford undue advantage or preferential treatment to the potential disadvantage of other bidders.	Yes
		Bidders received equal and equitable treatment.	Yes
III	**Evaluation Criteria**	The evaluation criteria, evaluation process, bid modeling, selection process, and assumptions used for selecting bids were free from bias.	Yes
		Xcel's methodology for selecting short-listed bidders was free from bias.	Yes
		Xcel's modeling, due diligence and evaluation criteria were free from irregularities, bias or potential discrimination.	Yes

[iii] All findings are based solely on Leidos' review of materials furnished by Xcel as identified, or publicly-available information as cited. Review of additional materials or disclosure of material facts could change the findings stated in this report.

PARAMETER		DESCRIPTION	RESULT
IV	**Evaluation Process**	Xcel's stated evaluation criteria were applied in a fair and unbiased manner and a consistent, transparent methodology was used to rank bids.	Yes
		The components of the process and the procurement process conformed to accepted industry standards.	Yes
		Xcel's stated evaluation criteria were correctly applied and bids were evaluated in accord with Xcel's expressed assumptions and methodology.	Yes

Section 1
AUDIT SCOPE

Leidos Engineering, LLC (Leidos) was retained by Xcel Energy (Xcel)[1] to perform an independent audit of Northern States Power Company's (NSP's) 2014 Request for Solar Proposals (RFP) process (the Audit). The Audit fulfills the requirement established by the Minnesota Public Utilities Commission (PUC) in 2006.[2] The Audit covers the period from PUC notification on February 28, 2014 through commencement of closed-door contract negotiations with the selected bidders (RFP Process).

This report presents the results of the Audit and is organized as follows. Section 1 sets forth the Audit scope and includes a background of the regulatory history, Audit purpose, and Audit parameters. Section 2 presents the Audit approach. Section 3 provides the Audit results. Audit outcomes including findings appear in Section 4. Redacted and confidential information appears in appendices hereto and is noted as such.

1.01 Background

This Audit is being conducted pursuant to the process adopted by the PUC that emerged from Xcel's 2004 Resource Plan[3] and is based on two tracks. The first track applies to this procurement and is a formal competitive bidding process used to acquire resources from external bidders. The second more intensive track is used when Xcel proposes to build resources and for procurement of all baseload resources.[4] The former track requires, among other things, use of an independent auditor. This section explains how this requirement was established and provides general information on audit requirements.

Following unsuccessful bidding processes in 1995, 1999, and 2001,[5] Xcel proposed changes to its resource acquisition process in its 2004 Resource Plan.[6] Comments received on Xcel's proposal included an alternate process put forth by the Minnesota

[1] Northern States Power Company is a subsidiary of Xcel Energy, Inc., that serves retail customers in Minnesota. Throughout this report to enhance readability the term "Xcel" will be used to refer to Xcel Energy, Inc., and Northern States Power Company.
[2] *Order Establishing Resource Acquisition Process Under Minn. Stat. § 216B.2422, Subd. 5, and Requiring Compliance Filing*, Docket No. E-002/RP-04-1752, May 31, 2006, p. 8.
[3] *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy's Application for Approval of its 2004 Resource Plan*, Docket No. E-002/RP-04-1752, November 1, 2004.
[4] *Compliance Filing In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy's Application for Approval of its 2005-2019 Resource Plan*, Docket No. E-002/RP-04-1752, August 28, 2006, pp. 2-4.
[5] Refer to the discussion in *Order Seeking More Detailed Proposals*, November 17, 2005, PUC Docket No. E002/RP-04-1752, p.3.
[6] See *supra* note 3, p. 1.

Department of Commerce (DOC)[7] that was ultimately adopted by the PUC.[8] Under the proposed DOC Process,[9] Xcel would acquire intermediate, peaking and intermittent resources through a competitive bidding process that included review by an independent auditor.[10] Use of an independent auditor was to:

> ...ensure that Xcel's process for obtaining and evaluating responses to the RFP [was] unbiased[11]

The DOC also provided the following details concerning the scope of the independent audit:

> The independent audit should explain the steps employed in Xcel's bidding process, the reasonableness of the steps, and Xcel's adherence to the steps.[12]

The difference between an "independent auditor" and an "independent evaluator" was later clarified by PUC staff: the former evaluates the fairness of the acquisition process while the latter actually selects bids.[13]

Pursuant to Xcel's 2006 compliance filing, independent auditor certification of the RFP Process occurs within 20 days of bidder selection—between Step 5: bidder selection and negotiations, and Step 7: filing for approval with the PUC.[14] The Audit Report is being filed as part of Xcel's filing of PPAs selected as a result of the 2014 Solar RFP.

Purpose

The Audit was conducted to comply with the requirements established by the PUC discussed in Section 1.01. The Audit provides an independent, systematic, critical review of the RFP Process for certification to the PUC.

The primary objectives of the Audit were to:

- Assess whether the RFP documents including Standard Bidder Forms provided sufficient and consistent information for bidders to prepare proposals
- Identify any potential bias in the criteria used to evaluate bids
- Establish that the bid evaluation criteria were applied in a fair and unbiased manner
- Assess whether a consistent and transparent methodology was used to screen and rank bids

[7] *Comments of the Minnesota Department of Commerce*, PUC Docket Nos. E002/RP-04-1752 and E002/RP-00-787, December 17, 2004.
[8] See *supra* note 2.
[9] See *supra* note 5.
[10] *Supplemental Comments of the Minnesota Department of Commerce*, PUC Docket No. E002/RP-04-1752, November 23, 2005, pp. 3-5.
[11] *Ibid.*, p. 3.
[12] *Ibid*, p. 3, footnote No. 4.
[13] *Staff Briefing Papers for E002/RP-04-1752 on April 25, 2006*, p. 16.
[14] See *supra* note 4, p. 3.

› Identify any irregularities in the procurement process

The Audit was led by a Certified Internal Auditor® and performed in accordance with industry standards such as those established by the Institute of Internal Auditors.

Parameters

The following sets forth the parameters governing the Audit.

I. Bid Documents & Notifications

- › RFP documents and associated attachments provided adequate and consistent information that bidders could use to prepare competitive proposals.
- › Information was disseminated to a broad range of potential bidders to achieve a robust pool of bids.
- › Xcel's procurement process conformed to representations made in the pre-bid notification, RFP documents, and any post-release announcements.
- › Xcel exercised appropriate control of the Bidder documents post receipt.

II. Communications

- › Xcel communicated consistently and transparently with prospective and actual bidders throughout the process.
- › Correspondence between Xcel personnel and prospective and actual bidders did not afford undue advantage or preferential treatment to the potential disadvantage of other bidders.
- › Bidders received equal and equitable treatment.

III. Evaluation Criteria

- › The evaluation criteria, evaluation process, bid modeling, selection process, and assumptions used for selecting bids were free from bias.
- › Xcel's methodology for selecting short-listed bidders was free from bias.
- › Xcel's modeling, due diligence and evaluation criteria were free from irregularities, bias or potential discrimination.

IV. Evaluation Process

- Xcel's stated evaluation criteria were applied in a fair and unbiased manner and a consistent, transparent methodology was used to rank bids and to select winning bids.
- The components of the process and the procurement process conformed to accepted industry standards.
- Xcel's stated evaluation criteria were correctly applied and bids were evaluated in accord with Xcel's expressed assumptions and methodology.

Limitations

Leidos' role in this process was solely that of third-party independent auditor. Leidos reviewed the modeling, due diligence, and evaluation criteria used by Xcel in this procurement process solely for the purpose of identifying irregularities, bias or discrimination. Although such efforts may have included assessing the reasonableness of various modeling assumptions toward that end, Leidos did not perform in the role of consulting engineer. Leidos evaluated the procurement *process* not the actual procurement. Leidos does not attest to the validity of the associated assumptions or outcomes.

The results presented in this report are predicated on information provided and representations made by Xcel. Leidos made reasonable efforts given the nature of this Audit to obtain pertinent information concerning conduct of the RFP Process. Leidos has requested disclosure affidavits of key staff involved. However, Leidos has no means to determine the extent to which material facts concerning the RFP Process have been disclosed nor is this a forensic audit. All findings in this report are based solely on Leidos' review of materials furnished by Xcel as identified, or publicly-available information as cited, as well as information obtained by Leidos through emails and meetings with key Xcel staff involved in this procurement. Review of additional materials or disclosure of material facts could change the findings stated in this report.

This report documents the Audit for the sole purpose of demonstrating compliance with PUC requirements as defined in Section 1.01; no other use is expressed or implied. Nothing in this report can be considered a legal opinion.

Section 2
AUDIT APPROACH

2.01 Overview

Under the direction and supervision of a Certified Internal Auditor® Leidos staff reviewed materials provided by Xcel. Where appropriate, Leidos conducted research and independently gathered information to verify assumptions or augment information provided by Xcel. Leidos exchanged emails and held meetings with key staff involved in this procurement to clarify and discuss aspects of the RFP Process and evaluation. Leidos maintained logs of all efforts conducted in support of this Audit and client correspondences. In addition, written minutes of project meetings were prepared. Leidos' professional expertise and knowledge gained through conducting similar procurements and performing similar audits on behalf of other clients supplemented these materials and served as the underlying foundation for Audit results.

Process Description

The Audit commenced with a kickoff meeting during which key members of the Leidos and Xcel teams discussed the RFP Process and established a communications protocol, project schedule, and data transmittal plan. Audit parameters and key details of the procurement process were explored. During the course of the Audit, Leidos held weekly meetings via teleconference with Xcel to discuss progress, coordinate meetings, and obtain clarifications and/or additional materials. Audit team members held internal progress meetings to discuss efforts, identify areas requiring additional investigation, and coordinate review. As the Audit proceeded, additional meetings for specific topics were held with and subsequent data requests made to Xcel.

Upon receipt of bid materials from Xcel, Leidos established a secure network storage area for all Audit related materials and limited access to Audit team members. Documents received were secured under physical control of Audit team members during the course of the Audit. Leidos maintained a log of materials received from Xcel over the course of the Audit. In compliance with the terms of the Confidential Nondisclosure Agreement executed between Leidos and Xcel, Leidos returned all bid documents to Xcel upon completion of the Audit.

Leidos assessed the extent to which RFP documents and associated attachments provided adequate and consistent information that bidders could use to prepare competitive proposals. Leidos reviewed advanced notifications as well as post-release announcements to assess the level to which information was disseminated to a broad range of potential bidders to achieve a robust pool of bids. Leidos assessed the level to which Xcel's procurement process conformed to representations made in the pre-bid notification, RFP documents, and any post-release announcements. Leidos

assessed the extent to which Xcel exercised appropriate control of the Bid Documents post receipt.

Leidos sought to identify potential biases in the evaluation criteria, evaluation process, bid modeling, selection process, and assumptions used for selecting bids. Leidos evaluated Xcel's methodology for selecting short-listed bidders. Leidos reviewed Xcel's modeling, due diligence and evaluation criteria to identify any irregularities, bias or potential discrimination. Leidos evaluated the extent to which Xcel's stated evaluation criteria were applied in a fair and unbiased manner, and bid ranking/selection methodology was consistent and transparent. Leidos assessed whether the components of the process conformed to accepted industry standards and sought to identify any irregularities in the procurement process. Leidos evaluated the extent to which: Xcel's stated evaluation criteria were correctly applied; and bids were evaluated in accord with Xcel's expressed assumptions and methodology. Leidos maintained a log that tracked all efforts, cited discrepancies and noted comments.

Leidos requested that key Xcel staff provide written disclosures concerning communications and/or relationships with bidders and execute affidavits. In addition, Leidos disclosed known relationships with Xcel and any bidders.

Audit Team

Leidos was retained by Xcel to conduct this Audit. Leidos assists utilities, energy developers, end users, and financial institutions across the country with the development, analysis, and negotiation of power purchase agreements (PPAs). Leidos' experience relative to this engagement includes comprehensive power system planning and analysis and design of generation portfolios. Leidos has a designated group of economists, engineers, analysts, and other professionals who provide a range of energy resource planning and advisory services. Our multidisciplinary staff understands the breadth of technical, financial, regulatory, environmental, and social issues surrounding the electric power industry and can apply this knowledge to guide sound business decisions. Our practitioners have significant forecasting and market modeling experience in many energy-related and resource industries including renewable and fossil-fuel electric generation, fuels, solid waste, and water.

In addition to particular expertise in auditing, Leidos' Audit team for this engagement includes technical specialists in renewable energy, energy market and financial modeling, and resource planning. The Audit was conducted under the direction and supervision of Lisa Vedder, a Certified Internal Auditor.® Ms. Vedder has over 25 years of experience in the utility industry and specializes in conducting process, operational, and performance audits. She has managed RFP Processes, performed privatization and securitization analyses, negotiated complex deals, and mediated disputes. Ms. Vedder served as a vital member of the transaction team providing negotiation and analytical support evaluating 1,000 megawatts (MW) of non-utility generator projects and associated Purchase Power Agreements. She also was the Independent Auditor for Xcel's 2013 wind solicitation that procured 750 MW from four projects. Charles Janecek, Project Manager, has over 17 years of experience in the utility industry and led audit efforts for project modeling review. Mr. Janecek's

expertise includes power supply planning, renewable integration in resource planning, asset valuations, and regulatory and litigation support. As a senior utility planner, Mr. Janecek was integral to the process of soliciting, evaluating, and procuring more than 2,000 MW of generating resource additions that included over 750 MW of wind and 80 MW of solar. Mr. Janecek was the Project Manager for the Audit of Xcel's 2013 wind procurement. Andy Reger, Analyst, has 4 years of experience working in the electric power industry. Since joining Leidos one year ago, Mr. Reger has served as analyst for a variety of projects including integrated resource planning, utility strategy around distributed energy resources (generation and energy efficiency), load forecasting, and cost of service and rate design studies. Prior to joining Leidos, Mr. Reger worked at the National Renewable Energy Laboratory where he focused on utility solar program evaluation and administration, distributed solar market analysis, and issues around integrating variable renewable generation into the power system. Appendix A provides Audit team resumes.

Auditor Role

Leidos conducted this Audit as a third-party independent reviewer of Xcel's RFP Process. Leidos relied upon the process and criteria defined and established by Xcel. Leidos evaluated the procurement *process* not the actual procurement results. Leidos reviewed the modeling, due diligence, and evaluation criteria used by Xcel in this RFP Process solely for the purposes of identifying any irregularities, bias or discrimination and confirming that Xcel consistently and appropriately applied its defined criteria to evaluation of the proposals.

Limitations

Leidos' role was to independently evaluate Xcel's process. Leidos' role in this process was solely that of third-party independent auditor. Although such efforts may have included assessing the reasonableness of various modeling assumptions toward that end, Leidos did not perform in the role of consulting engineer. Leidos did not perform this Audit in the role of independent evaluator nor was Leidos involved in the selection or ranking of bids. Leidos does not attest to the validity of the assumptions or outcomes of Xcel's procurement process. Review of additional materials or disclosure of material facts not currently known could change the findings stated in this report.

Additional limitations appear in Section 1.04.

Section 3
AUDIT RESULTS

This section identifies the elements of the RFP Process conducted by Xcel. It also presents the results of Leidos' Audit activities. Audit logs and detailed results from audit activities are provided in confidential Appendices D, G, H, I and J.

3.01 Overview

On May 24, 2013, Minnesota enacted H.F. No. 956, the Omnibus Energy Bill, that requires utilities in the state to procure 1.5 percent of electricity sold to its retail customers from solar generation by 2020. In addition, Minnesota's existing Renewable Portfolio Standard (RPS) requires Xcel Energy to generate or procure 30 percent of their retail electricity sales using renewable energy, resulting in a total renewable percentage (with 1.5 percent solar requirement) of 31.5 percent by 2020.

The Energy Policy Act of 2005 (P.L. 109-58) created a 30 percent investment tax credit (ITC) for commercial and residential solar energy systems from January 1, 2006 through December 31, 2007. In December 2006, these credits were extended for one additional year by the Tax Relief and Health Care Act of 2006 (P.L. 109-432). The Emergency Economic Stabilization Act of 2008 (P.L. 110-343) included an eight-year extension of the solar ITC, through 2016, and allowed investor owned utilities (IOUs) like Xcel to qualify for the credit.[18]

In response to these developments, on February 28, 2014, Xcel informed the PUC of its solar resource acquisition plan.[19] Xcel identified the need for 300 MW of solar capacity to comply with solar RPS requirements, two-thirds of which—200 MW—would be obtained from large-scale solar resources. To take advantage of the ITC, Xcel initially planned a two-phase strategy. In the first procurement phase (2014 Solar RFP), Xcel would issue an RFP for up to 150 MW of solar resources by April 15, 2014 with the goal of achieving over 50 percent of its solar requirements by 2016. The second phase of solar procurement would occur in 2017 or 2018 for the remaining capacity required to comply with 2020 standards. As to the amount of solar resources to acquire at this time, Xcel indicated in its September 12, 2014 Solar RFP Update letter to the PUC that the banking rules for solar renewable energy credits (RECs) would provide the flexibility to meet the 1.5 percent by 2020 Solar Energy Standard with 100 MW rather that 200 MW of additional utility solar resources.[20]

[18] As of January 1, 2017 the credit decreases to 10 percent. Through elimination of the "Public Utility Exemption," P.L. 110-343 allows investor owned utilities to benefit from the ITC.

[19] *Solar Resource Acquisition Plan*, PUC Docket No. E002/M-14-162, February 28, 2014.

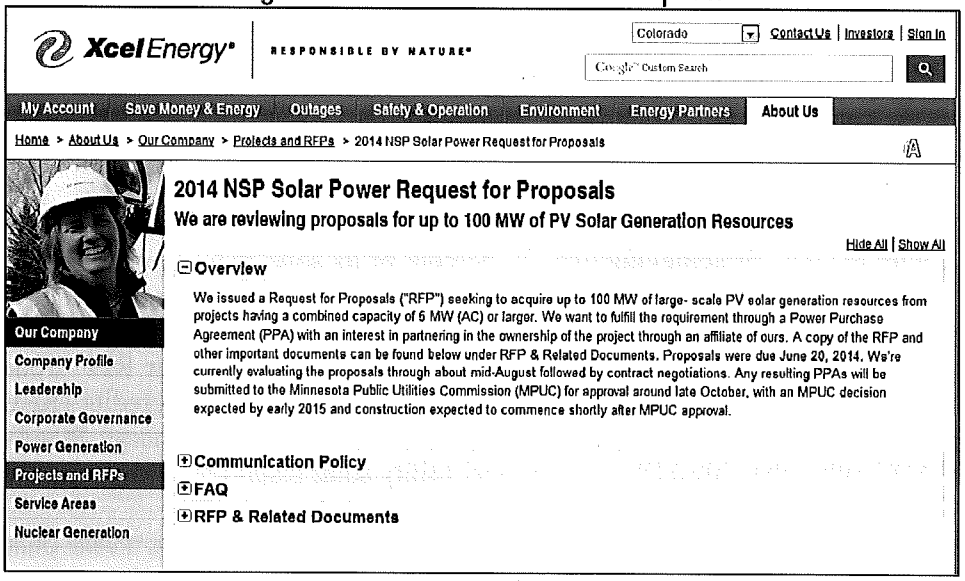
[20] *Status Update, Solar Resource Acquisition Plan*, PUC Docket No. E002/M-14-162, September 3, 2014. On September 12, 2014, Xcel filed a revised version of its September 3 letter to address a third party's concern over proprietary information (*Revised Solar Update Letter, Solar Resource Acquisition*, PUC Docket No. E002/M-14-162). On October 2, 2014, Xcel corrected its September 12th filing to address an inadvertent error in the Trade Secret attachment (*Revision To September 12, 2014 Solar Update Letter, Solar Resource Acquisition*, PUC Docket No. E002/M-14-162).

Bidder Documents and Notifications

On February 28, 2014, Xcel notified the PUC of its solar compliance strategy and intent to issue a solar RFP for up to 150 MW of large-scale solar resources.[21] On April 22, 2014, Xcel released the 2014 Solar RFP—a public solicitation for up to 100 MW of nameplate photovoltaic (PV) generation from projects with a combined capacity of 5 MW or more in service by the end of 2016.[22] Xcel Media Relations group notified the press of the 2014 Solar RFP. Xcel's Resource Planning Group issued a standard electronic letter to solar trade organizations, potential bidders, and other parties requesting distribution. Finally, Xcel's Regulatory Group issued a letter to the PUC on April 23, 2014 providing notification of the RFP release with a link to the RFP and associated materials.[23]

On May 13, 2014, Xcel posted information to the company website in the form of frequently asked questions (FAQs) and answers and sent copies to the RFP distribution list. On May 14, 2014, Xcel's Regulatory Group issued a letter to the PUC notifying interested parties of the availability of the FAQs. Updates to Xcel's FAQs were posted on the website on June 2 and June 10, 2014; email notifications were sent to potential bidders and the RFP distribution list. On September 3, Xcel provided an update on the status of the 2014 Solar RFP process to the PUC.[24] Xcel also distributed this notice and posted an update on its RFP website, refer to Figure 3-1.

Figure 3-1: 2014 Solar RFP Status Update



[21] See *supra* note 19.
[22] *Northern States Power Company 2014 Solar Resources Solicitation, RFP*, Xcel Energy, April, 2014. http://www.xcelenergy.com/About_Us/Our_Company/Projects_and__RFPs/2014_NSP_Solar_Power_Request_for_Proposals
[23] *RFP Announcement, Solar Resource Acquisition Plan*, PUC Docket No. E002/M-14-162, April 23, 2014.
[24] See *supra* note 20.

The 2014 Solar RFP required that each proposal package include specific information organized into eight bid tabs (refer to Table 3-1) and eight completed standard bid forms (refer to Table 3-2). These bid tabs and forms were made available on the Xcel RFP website.

Table 3-1: Proposal Submittal Requirements—Tabs

Standard Bid Tab Description	
Tab 1	Executive Summary
Tab 2	Project Description and Support Information
Tab 3	Pricing
Tab 4	Site Control
Tab 5	Transmission, Distribution and Interconnection
Tab 6	Financial Information
Tab 7	Exceptions to Model PPA
Tab 8	Standard Proposal Forms

Table 3-2: Proposal Submittal Requirements—Forms

Standard Bid Form Description	
Form A	Bid Certification
Form B	Bid Cover Sheet
Form C	PPA Pricing and Committed Energy
Form D	Construction Milestones
Form E	Technical Description
Form F	Energy production Profile – Annual and Monthly
Form G	Representation Authorization and Consent
Form H	Electric Interconnection Details

The 2014 Solar RFP clearly identified bidding requirements and submittal deadline. It set forth a timeline of events and submittal requirements. Communication protocols and points of contact (POCs) were clearly defined. The RFP website provided information on NSP's interconnection rules. The web address for the Midcontinent Independent System Operator (MISO) generator interconnection process was included in the RFP.

The 2014 Solar RFP identified eligible resource options, outlined the treatment of transmission and interconnection costs, explained how multiple proposals for the same project would be treated, provided a model solar power purchase agreement (PPA) and Standard Bidder Forms, and discussed the procedure for a bidder proposing a project that carried an ownership option for Xcel. In addition, the 2014 Solar RFP delineated the multi-step evaluation process that Xcel would use to rank proposals. Xcel provided timely responses to bidder questions in several publicly-posted and

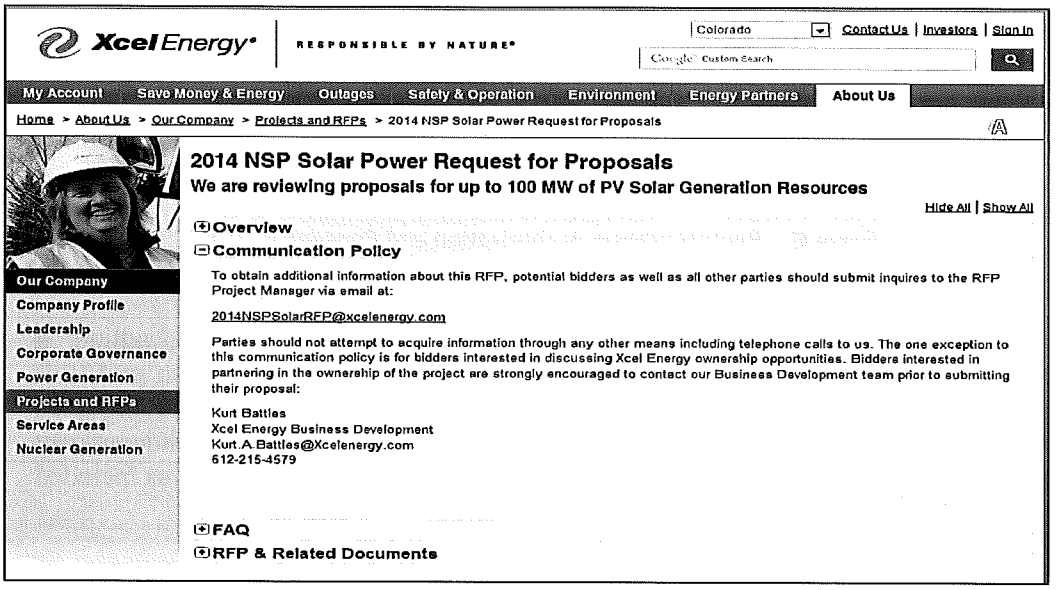
distributed FAQs. Copies of all 2014 Solar RFP documents discussed in this section are included in Appendix B.

Internal Code of Conduct/Bidder Communications

The 2014 Solar RFP required that all proposal packages be physically delivered to the Xcel Resource Planning Group (Resource Planning) in Minneapolis, Minnesota by 5:00 PM Central Daylight Time (CDT) on June 20, 2014. Resource Planning logged all proposal packages and stored them in a secure (locked) environment. The bid packages remained unopened pending finalization of Xcel's proposed RFP Process after Independent Auditor review, at which point Resource Planning then opened, logged and routed each bid for review according to the established four-tier RFP Process. A copy of Xcel's final RFP Process appears in Confidential Appendix C.

The Communications Policy governing the 2014 Solar RFP was posted on Xcel's RFP website; Figure 3-2 contains a screenshot of the policy. A dedicated email account, 2014NSPSolarRFP@xcelenergy.com, was established for all RFP related communications. Access to the email account was restricted to Xcel's designated project manager.[25] For bidders wishing to explore ownership arrangements with Xcel, a separate POC within the Xcel Energy Business Development Group was identified.

Figure 3-2: 2014 Solar RFP Communication Policy



The 2014 Solar RFP Process was directed by Resource Planning. With the exception of bidders exploring ownership arrangements, Xcel's Communication Policy clearly informed bidders not to contact Xcel personnel via telephone. Further, no telephone number for Resource Development was provided. These safeguards are reasonable

[25] Additional information concerning document control appears in Confidential Appendix F.

steps to limit one-on-one communications between potential bidders and Resource Development staff. Leidos reviewed voicemails of the two telephone calls received from bidders by Resource Development personnel. The first was a response to Xcel regarding tracking a bid fee payment; the second was a bidder seeking an update. Xcel resolved the former by email; Xcel did not respond to the latter inquiry.

One bidder contacted Xcel via US Mail after the June 20 deadline seeking to revise its pricing proposal. Xcel immediately informed Leidos and furnished copies of the document. Xcel gave no consideration to this out-of-process submittal.

As referenced in Section 3.02 above, Xcel also issued several FAQs, each informed by the types of questions individual bidders submitted to the dedicated email account. In support of this Audit, Leidos reviewed all incoming and outgoing email communications for the dedicated account. The log of this review appears in Appendix D.

Leidos also requested that key personnel listed in Table 3-3 provide written disclosures of any existing relationships and communications that could impact this procurement. These staff also executed disclosure affidavits of the general form appearing in Appendix E. Copies of the executed affidavits are provided in Confidential Appendix F.

Table 3-3: Key Personnel and Role in 2014 Solar RFP Process

NAME	TITLE	ROLE
Kurt Haeger	Managing Director, Resource Planning	Management oversight on the RFP and evaluation process completed in Resource Planning. Facilitated the communication with executive management of the resource options, economic evaluation and feasibility analysis, and final recommendations.
Jim Hill	Director, Resource Planning-PSCo	Management oversight on the RFP and evaluation process completed in Resource Planning
Paul Johnson	Director, Resource Planning-NSP	Management oversight on the RFP and evaluation process completed in Resource Planning
Stan Dufault	Senior Analyst, Resource Planning	Administration of the RFP and evaluation process completed in Resource Planning
Mary Morrison	Analyst, Resource Planning	Administration of the RFP and evaluation process completed in Resource Planning
Tom McDonough	Manager, Transmission Access	Management of the transmission and interconnection review associated with the individual projects
Randy Oye	Analyst, Transmission Access	Management of the transmission and interconnection review associated with the individual projects
Shawn Bagley	Principal Engineer	Management of the distribution interconnection review associated with the individual projects
Kurt Battles	Manager, Business Development	Evaluation and negotiation of projects offering partnership arrangements

NAME	TITLE	ROLE
Steve Wilson	Analyst, Purchase Power	Purchase power agreement due diligence
Sage Tauber	Senior Analyst, Permitting	Evaluation of site control, permitting and community outreach associated with the individual projects

Confidential Appendix G provides written disclosures concerning the 2014 Solar RFP and Audit.

Leidos independently researched bidders to identify existing relationships with Xcel. For finalist projects and those with existing Xcel relationships, Leidos conducted additional investigation to identify areas of potential concern. Appendix H provides the results of these efforts.

Process Administration

The 2014 Solar RFP document provided the estimated process schedule appearing in Table 3-4 below.

Table 3-4: 2014 Solar RFP Schedule

ACTIVITY	DEADLINE
Issue 2014 Solar RFP	April 22, 2014
Proposals Due	June 20, 2014
Evaluations Conducted	Mid-June thru Mid-August 2014
Contract Negotiations	Mid-August thru Mid-October, 2014
Selections filed with Commission	Late October, 2014

Internally, Xcel established a detailed approach for proposal evaluation that appears in Appendix C. Various bidders submitted multiple PPA prices, and/or ownership arrangements for the same resource within a single proposal. Xcel reviewed each of these pricing or ownership arrangements as separate projects. For any final project selected for PPA negotiation that included ownership options, Resource Planning provided bid documents to the Business Development Group.

Xcel used a four-tiered sequential evaluation approach to review prospective solar projects. Xcel provided an overview of this process in the RFP as follows.

- Step 1 Bid Eligibility Determination
- Step 2 Initial Bid Screening Process
- Step 3 Due Diligence
- Step 4 Project Selections and Strategist[26] Analysis

[26] Ventyx™ Strategist is a commercially available production cost modeling and resource planning optimization tool, widely used and accepted in the electric utility industry.

First, Xcel's Resource Planning group performed an initial review to determine compliance with RFP requirements. This initial review focused on assessing whether each proposal:

- contained the eight tabs described above in Table 3-1;
- described a PV solar resource of at least 5 MW alternating current (AC) capacity;
- clearly specified pricing, energy generation, an indicative offer for Xcel or affiliate ownership of the proposed project if applicable, and any electrical interconnection including costs; and,
- remitted the proper bid fee.

During this initial review, each proposal was logged into a spreadsheet designed to aggregate high-level information for comparison across all proposals submitted to the 2014 Solar RFP. In the event a proposal had minor errors, such as mismatched forms, Xcel contacted the bidder via email using the dedicated email account and requested corrected information or clarifications. Leidos reviewed these interactions as part of its communications review. Xcel also used the dedicated email account to contact bidders concerning missing or miscalculated fees.

Second, for proposals passing this initial level of review, Xcel calculated the Levelized Energy Cost (LEC) for each project as described in Answer 23 under FAQs. The LEC was set as the sum of the present values (PV) of PPA Payments over the proposed contract term divided by the total power purchased under the contract. The following formula represents how Xcel calculated the LEC:

$$\text{LEC (\$/MWh)} = \sum \text{PV(PPA Payments \$)} \div \sum \text{PV(Annual Output MWh)}$$

The PV of PPA payments in year n equals the bid PPA price ($/MWh) in year n times the projected output (MWh), divided by the discount factor. The following formula represents how to calculate the discount factor for year n (DF_n):

$$DF_n = 1 \div (1+i)^n = (1+i)^{-n}$$

The DF is based on the time value of money where i is the weighted average cost of capital (WACC). Xcel used its internal corporate WACC based on its allowable rate of return for the state in which a proposed project was located to calculate the DF.

Resource Planning created an initial ranking of all bids by LEC. Xcel then established a threshold LEC (TLEC) that would ensure a robust number of projects to move forward into the next level of evaluation recognizing that additional projects would likely be eliminated during each round of review. Projects with a LEC below the TLEC were added to the shortlist.

Third, short-listed projects were distributed to appropriate teams for due diligence and to identify fatal flaws. Xcel's targeted review groups included project Siting and Land Rights, Transmission, Distribution and Interconnection, and Purchase Power. Xcel's RFP Process included a defined list of questions for each project. Each Xcel group completed an assessment form for each project, resulting in overall scores of "Acceptable," "Caution" or "Fatal Flaw." Using this additional evaluation, Xcel revised the initial short list and prioritized projects.

Fourth, projects making the revised shortlist were subjected to additional levels of evaluation for rankings other than "Acceptable" and, as appropriate, may have been modeled using Strategist. Based on these additional reviews, Resource Planning created its final list of targeted projects with which to proceed with PPA negotiations. At this point with the commencement of closed-door contract negotiations, the Audit officially ceased. Confidential Appendix I contains a more detailed discussion of the short listing process.

After Resource Planning identified its final list of candidates, those finalists that presented an ownership option for Xcel or an affiliate were forwarded to Business Development for review. Resource Planning's selected projects would neither change nor be impacted by Business Development's subsequent activities. Therefore these events are outside the scope of the Audit.

Solicitation

The 2014 Solar RFP solicitation, among other items, addressed:

- Eligible Generation Resources
- Interconnection and Transmission Requirements
- Schedule/Timeline
- Proposal Content Requirements
- RFP Communication Policy
- Bid Evaluation Criteria
- Model Power Purchase Agreement

The 2014 Solar RFP sought proposals for solar projects of greater than 5 MW AC capacity structured as PPAs. The RFP also referenced Xcel's interest in entertaining proposals that also offered options for project ownership to Xcel or its affiliate. Regardless of any future negotiated ownership arrangement, the RFP sought projects that would allow NSP to purchase 100% of the energy output of the proposed project.

Xcel required that proposed projects qualify as a capacity resource with firm delivery to NSP's native load. Such delivery could be achieved in one of three ways: by obtaining Network Resource Interconnection service within MISO's Local Resource Zone 1, by obtaining Network Integration Transmission Service through Xcel, or by obtaining a Behind-the-Meter Generation Interconnection Agreement to a distribution level substation located in NSP's Local Balancing Area. The cost of any requisite system upgrades required to interconnect a proposed project were to be borne by the bidder.

The RFP did not limit project location, so long as firm delivery was arranged via one of the above options. The RFP urged bidders to refrain from submitting a generation interconnection request or transmission service request to MISO or some other Open Access Transmission Tariff as a means to acquiring a transmission cost estimate.

Application of Criteria

Leidos reviewed any documentation provided by Xcel for accuracy, consistency, fairness and any evidence of potential bias in the evaluation and overall selection process. Table 3-5 provides a checklist of Leidos' audit activities in review of the models used by Xcel to shortlist bids based on LEC.

Table 3-5: Review of Resource Planning Models

Leidos Audit Checklist
Project name plate capacity of the LEC model matched that of the bid forms and the bid tabs
Project annual energy generation of the LEC model matched that of the bid forms and bid tabs
Bid Form data matched evaluation modeling assumptions
Project PPA pricing of the LEC model matched that of the bid forms and the bid tabs
Verify WACC

In evaluation of each of the project bids, Leidos documented the following information:

- Developer/Bid Submitter
- Project Name
- PPA Price and escalator, where applicable
- Project Location and selection of WACC
- Project Capacity (Direct Current and AC, where both were available)
- Commercial Operation Date
- Xcel ownership option or PPA only
- Site Control Comments
- Interconnection, Transmission, Distribution, and Interconnection Comments
- Total Annual PPA Payments
- Total Annual Expected Energy Production by the Project

The Total Annual PPA Payments and Total Annual Expected Energy Production (collected from Standard Proposal Form C) were used in conjunction with an assumed cost of capital in order to calculate the LEC for each project. Leidos independently calculated the LEC for each project to verify Xcel's results. Leidos' Audit log appears in Appendix J.

Leidos reviewed Xcel's due diligence efforts for each step of evaluations and found that Xcel consistently applied its stated criteria to the shortlisted projects. Based on these criteria, Xcel created an initial shortlist of nine projects. After additional due diligence, the shortlist was reduced to three finalists for contract negotiations. Additional information on this process appears in Confidential Appendix I.

Section 4
AUDIT OUTCOMES

This section presents the outcomes of the Audit based on Leidos' review as discussed in this report.

4.01 Observations

Based on efforts in support of the Audit as discussed in the preceding sections, Leidos makes the following Observations concerning the RFP Process.

I. Bid Documents & Notifications

Xcel's RFP documents clearly communicated enough information for bidders to adequately prepare competitive bids. Xcel used multiple channels to distribute the RFP notice and provided adequate time for bidders to prepare submissions given the ITC deadline. Xcel's RFP defined a reasonable schedule and identified key project milestones. Xcel provided detailed information on submittal requirements as well as materials for bidders to use through its website. Xcel also provided contact information. In all these respects Leidos observes that Xcel's RFP conforms to industry standards.

Xcel made full disclosure of its intended approach prior to bid submission, providing bidders the information required to make an informed decision to proceed.

In response to its solicitation, Xcel received proposals for 111 different project configurations in three states from nearly 40 separate bidders. Xcel received bids for over 2,100 MW from projects ranging in size from 5 MW to 100 MW with various ownership structures including Community-Based Energy Development[27] (C-BED) and offers to partner with Xcel. Bidders were able to submit competitive bids through responsive proposals that conformed to the requirements of the RFP. In this respect, Leidos observes that Xcel's Bid Documents and Notifications achieved intended goals.

II. Communications

Xcel's code of conduct with respect to handling bids was consistent with industry practice and provided an appropriate standard of care. Xcel posted a communications policy on its website. Leidos found no evidence of Xcel intentionally deviating from its posted policy. Leidos found no evidence that any communications afforded any bidder preferential treatment. Leidos independently researched known relationships between Xcel and bidders. Leidos also requested disclosures concerning bidder communications and

[27] For additional information refer to: http://www.c-bed.org.

relationships from key Xcel personnel in an attempt to identify concerns. Based on these efforts Leidos is of the opinion that Xcel's communications were consistent with intended goals for conduct of this RFP Process.

III. Evaluation Criteria

Xcel's evaluation criteria were reasonable and in general correctly applied. Xcel applied the evaluation criteria across each proposal submitted in an equitable and consistent manner. In those few instances where Leidos found mistakes or believed an alternate approach was warranted, associated adjustments had no impact on either the relative ranking of projects or outcomes.

IV. Evaluation Process

Xcel's evaluation process was rigorous, robust, and consistent. Xcel administered the process professionally and was thorough in its efforts. Leidos observes that Xcel's process afforded each proposal equitable care and consideration.

Accolades

Based on efforts in support of the Audit, Leidos extends the following Accolades to Xcel concerning both the RFP Process and the Audit process. The Audit team was impressed by the level of analysis every proposal received. Xcel's workpapers were detailed, and candid. The comments and conclusions of reviewers were well reasoned and documented. The models developed by Xcel were robust, extremely well organized, and represent best-in-class quality. The overall RFP Process was well executed, well documented, and extremely consistent. Xcel devoted significant resources to administration of the RFP Process and we are of the opinion that these efforts deserve proper regard in this report.

With respect to the Audit process—an effort that is by definition extra burden and work for all who participated—the Audit team received cooperative and cordial treatment from Xcel. The initial data and information requested from Xcel was delivered promptly in exemplary order. Throughout the course of the Audit, Leidos often asked questions of and requested additional information from Xcel. In these cases, Xcel spent considerable time and effort promptly and effectively responding. In all cases, Xcel expedited answers to Leidos despite considerable pressure to complete analyses and support active bidder negotiations. Leidos commends Xcel staff for their support and cooperation.

Findings

Table 4-1: Audit Findings

	PARAMETER	DESCRIPTION	RESULT
I	**Bid Documents & Notifications**	RFP documents and associated attachments provided adequate and consistent information that bidders could use to prepare competitive proposals.	Yes
		Information was disseminated to a broad range of potential bidders to achieve a robust pool of bids.	Yes
		Xcel's procurement process conformed to representations made in the pre-bid notification, RFP documents, and any post-release announcements.	Yes
		Xcel exercised appropriate control of the Bidder documents post receipt.	Yes
II	**Communications**	Xcel communicated consistently and transparently with potential and actual bidders throughout the process.	Yes
		Correspondence between Xcel personnel and prospective and actual bidders did not afford undue advantage or preferential treatment to the potential disadvantage of other bidders.	Yes
		Bidders received equal and equitable treatment.	Yes
III	**Evaluation Criteria**	The evaluation criteria, evaluation process, bid modeling, selection process, and assumptions used for selecting bids were free from bias.	Yes
		Xcel's methodology for selecting short-listed bidders was free from bias.	Yes
		Xcel's modeling, due diligence and evaluation criteria were free from irregularities, bias or potential discrimination.	Yes
IV	**Evaluation Process**	Xcel's stated evaluation criteria were applied in a fair and unbiased manner and a consistent, transparent methodology was used to rank bids.	Yes
		The components of the process and the procurement process conformed to accepted industry standards.	Yes
		Xcel's stated evaluation criteria were correctly applied and bids were evaluated in accord with Xcel's expressed assumptions and methodology.	Yes

Appendix A
Audit Team Resumes

Charles E. Janecek

PROJECT MANAGER

Charles Janecek brings a blend of commercial consulting and utility planning experience to Leidos' clients. He has 18 years of experience in the electric power industry through previous positions with an investor-owned utility and a private consulting firm.

At Leidos, Mr. Janecek has managed projects including integrated resource planning (IRP), coal compliance investment evaluations, avoided cost studies, contract negotiations, and procurement process reviews. He focuses on the many issues associated with renewable integration in resource planning, including distributed rooftop solar issues as well as wind integration costs such as increased fuel and spinning reserve costs, gas storage costs, coal cycling costs, and other client-specific issues. He is active in several energy storage engagements, and has analyzed compliance with renewable energy standards.

He has modeled every area of the U.S. and Canada, along with many individual control areas within the markets, to support asset valuations, strategic planning initiatives, regulatory proceedings, and litigation proceedings.

As a senior planner with Xcel Energy, he was integral to the process of soliciting, evaluating, and procuring more than 2 GW of generating resource additions to the Xcel system, including over 750 MW of wind generation and 80 MW of solar resources.

EDUCATION

- B.S. in Geology, University of Wisconsin-Madison

EXPERTISE

- Renewable integration
- Strategic process planning
- Resource planning
- Compliance standards

PROJECT EXPERIENCE

Integrated Resource Plan, Confidential Client, Caribbean Island Utility. Project Manager. A key component of the IRP was the development and production cost modeling of various resource portfolio scenarios. Leidos collaborated with the cleint to utilize a structured framework for the development of those scenarios, providing a defensible and comprehensive approach toward defining the possible paths for the utilty. Leidos then performed production cost modeling to quantify the scenarios, including analysis of the system energy and demand requirements, conservation and energy efficiency opportunities, potential fuel infrastructure requirements related to liquefied natural gas (LNG) and potentially liquid petroleum gas ("propane" or LPG), projected penetrations of distributed solar generation, potential new supply construction of thermal and renewable resources, and potential impacts to the utility's transmission and distribution systems and associated upgrade requirements.

Integrated Resource Plan, City of Burbank Water and Power. Project Manager. Leidos is assisting BWP in developing a new 20-year integrated resource plan covering the years 2014 through 2034. As the IRP process proceeds, Leidos is collaborating with BWP system planners to identify a number of factors affecting its resource plan, some shared among most utilities and some unique to Burbank. To ensure the IRP systematically accounts for these factors, Leidos is providing scenario development and modeling support that systematically includes existing California regulations and future policy constraints. A primary task in this engagement entails production cost modeling for a base-case model of the BWP system, as well several alternative scenarios that incorporate these future policy futures and other system level issues. Leidos and BWP are still evaluating the specific impacts of the policy issues on the modeling analysis

Power Supply Options Analysis, Idaho - Idaho Power Company. Project Manager. Developed an option analysis model used to evaluate investments associated with environmental compliance upgrades required for several coal-fired facilities. Evaluated the costs and benefits associated with the potential investments, estimated at $790 million, including their present value compared to the value of similar replacement capacity in the event of the units' retirements. Leidos' report was used in IPC's 2012 IRP update, and the model developed was delivered to the IPC for use in its own analysis.

Financial Analysis of Compressed Air Energy Storage (CAES) Facility, California - Confidential Client. Lead Ancillary Service Forecaster. As part of Leidos' work to evaluate the financial returns of developing a CAES facility in the California market, provided a comprehensive analysis and forecast of ancillary service (AS) requirements in California as future levels of variable renewable generation are expected to increase. The analysis of AS markets served to model a revenue stream for a developer of an energy storage project over and above that available in the energy market alone.

Analysis of Austin Energy's Value of Solar Tariff – Confidential Solar Industry Client. Project Manager/Tariff Review Lead. Developed an unbiased and critical review of Austin Energy's Residential Solar rate and its Value of Solar Factor (VOSF). The study approach was crafted to meet the objectives by reviewing the tariff development process as well as all the supporting documentation of that process. Applied Leidos' solar generation, resource planning, and rate design expertise to produce a comprehensive summary of the tariff. The final report contained an evaluation of the VOSF, its value components, and its potential applicability to other utilities in the U.S.

Solar Future Arizona Operating Impacts and Valuation Study – Arizona Public Service Company (APS), Arizona. Generation Analysis Lead. For APS to successfully use the abundant solar resources available in its service territory while maintaining a robust and reliable system, a thorough and defensible methodology was necessary to assign value to the significant distributed solar energy resources anticipated in the future. Along with APS and others, Leidos developed and revised APS' solid business-case approach to valuation which included program design, dispatch analysis, understanding consumer behavior, as well as reliable (and achievable) resource estimates. We focused on three strategies: collaboration to build support among a broad range of stakeholders through education, consensus building, and transparent engagement; a reliable methodology for identifying, evaluating, and achieving the potential benefits of distributed solar energy resources; and developing a winning business case.

Integrated Resource Plan – Commonwealth Utilities Company, Saipan. Project Manager. Managing

development of a new 20-year IRP covering 2015–2038. Though this effort has just recently begun, Leidos is working with CUC system planners to create an Energy Supply Request for Proposals targeted at new supply construction vendors, seeking proposals for new supply options on Saipan. Upon receipt of those proposals, Leidos will work with CUC to evaluate and shortlist the proposals for consideration in the IRP. Leidos is also working with CUC throughout its stakeholder engagement process to identify community concerns relative to the IRP development and is ensuring that ultimately the IRP will reflect these concerns.

A primary task in this IRP engagement will be to parameterize and model each of CUC's generating units and power purchase contracts as well as other system-level inputs. Production cost modeling will be run for a base-case model of the CUC system, as well stochastic scenario modeling (20-year forecasts describing the range of expected values for fuel, fixed O&M, and variable O&M). Parameters of various demand-side management measures and demand response programs will be evaluated in the scenario modeling.

Lisa M. Vedder, MPA, CIA

INDEPENDENT AUDITOR

Lisa Vedder has over 25 years of experience in the utility industry—electric, solid waste, natural gas, water, wastewater, stormwater, and telecommunications. Her knowledge base includes alternative and premium fuels and power markets. She specializes in strategic business planning, development of key performance indicators (KPIs), and organizational assessments. She has administered competitive procurements and served as an Independent Auditor. Ms. Vedder provided negotiation and analytical support associated with non-utility generator power purchase agreements (PPA) representing $2 billion in ratepayer savings and 1,000 MW of capacity.

EDUCATION

- Master in Public Administration, Harvard University
  - Methodological Areas of Concentration: Regulation and Industry Analysis and Negotiation and Conflict Resolution
  - Women's Leadership Initiative Fellow
- B.S. in Industrial Engineering, University of Wisconsin-Madison.

PROFESSIONAL REGISTRATIONS/ CERTIFICATIONS

- Certified Internal Auditor (CIA)
- Tau Beta Pi
- Alpha Pi Mu

AREAS OF EXPERTISE

- Organizational assessment
- Operational and financial auditing
- Strategic business planning
- Regulatory policy
- Cost analysis and rate design
- Stakeholder engagement
- Litigation support and negotiation
- Power markets and contracts
- Demand side management programs
- Transmission markets and pricing

REFERENCE PROJECT EXPERIENCE

Electric Utility Cost of Service and Rate Design – New Mexico, Los Alamos County Department of Public Utilities. Ms. Vedder led the 2014 cost of service and electric rate design study for the DPU. The rate design included development of a distributed generation wires charge and rate riders for off system and remote loads.

Defining the Future Grid Initiative – U.S. Department of Energy. For the Defining the Future Grid Initiative, Ms. Vedder was technical lead for design of transmission and ancillary services rates and services for the Power Marketing Administrators. Efforts included facilitated stakeholder workshops and review of the integrated resource plan process and administration by the Western Area Power Administration the results of which were presented to Secretary of Energy Chu.

Independent Auditor – Xcel Energy. Ms. Vedder was the Independent Auditor for Northern States Power's 2013 Minnesota

wind procurement that secured 750 MW from four projects. She is currently serving as the Independent Auditor for the 2014 Solar RFP process.

2014 Self-Insurance Protocols, US Virgin Islands – Virgin Islands Water and Power Authority (VIWAPA). Ms. Vedder developed protocols for VIWAPA's self-insurance program including recommended fund size. Efforts included surveying existing programs in the U.S. and Caribbean, analyzing pre- and post-storm fund performance, and evaluating trends in disaster recovery funding and catastrophic risk pooling. In particular, post Hurricane Sandy and in light of the Obama Administration's 2014 Climate Action Plan.

2013 Self-Insurance Protocols, Guam – Guam Power Authority (GPA). Ms. Vedder developed protocols for GPA's self-insurance program for the Phase II Filing of its FY2014 rate case. Efforts included surveying existing programs in the U.S. and Caribbean, analyzing pre- and post-storm fund performance, and evaluating trends in disaster recovery funding and catastrophic risk pooling.

Electric Utility Cost of Service and Rate Design Classes – Electric Utility Consultants, Inc. Ms. Vedder co-instructs semi-annual trainings in electric utility cost of service and rate design.

Operational Performance Reviews, California – City of Roseville. Ms. Vedder led operational performance reviews of Roseville Electric, Environmental Utilities Department—solid waste, water, wastewater, recycled water, and stormwater—and Utility Exploration Center. Efforts included developing a performance scorecard, dashboard and KPIs and external benchmarking. She is currently leading a review of the Public Works Department.

Cost of Service Studies and FERC Filing Support, Texas – Texstar Midstream Services, LLC and TEAK Midstream, LLC. Ms. Vedder conducted cost of service studies for a new natural gas pipeline and crude oil pipeline in Texas. She provides ongoing support for quarterly and annual FERC filings.

Utility Consulting Engagements – Multiple Clients.
Ms. Vedder has supported analyses addressing the valuation of interruptible energy sales to wholesale industrial customers and treatment of demand charges for non-firm customers. She provided rate and regulatory management consulting services in support a FERC transmission rate case.

Analyses for Utilities Departments, Florida – City of Tallahassee. Ms. Vedder led the first Environmental Management Systems ISO 14001 Internal Audit of the City's Water and Wastewater Treatment Operations. Ms. Vedder led efforts to define and compile departmental KPIs to support strategic business planning efforts. Ms. Vedder supported departmental Process Mapping and improvement efforts. Ms. Vedder supported electric, water, wastewater and natural gas cost of service and rate design studies.

Principal, Massachusetts – LM Vedder.
Ms. Vedder developed a performance and cost benchmarking methodology in response to Federal Energy Regulatory Commission's (FERC) RTO/ISO Scorecard initiative. Ms. Vedder designed ISO New England's (ISO-NE) initial 2001 administrative cost recovery tariff and secured FERC's regulatory approval and

developed annual tariffs from 2003 to 2008. Efforts included stakeholder workshops. For the New England Power Pool, Ms. Vedder designed an industry restructuring cost recovery tariff. For ISO-NE, she reconciled payments for generators providing automatic generation control. Ms. Vedder conducted a management and operations review and authored technical reports concerning the Albertan Transmission Administrator's function, role, and incentive structure. Ms. Vedder supported the design of large scale demand response programs for IOUs and ISOs/RTOs. Ms. Vedder supported design and implementation of demand side management targeted at the commercial and industrial sectors. On behalf of a DSM/DR load aggregator, Ms. Vedder conducted feasibility analyses of targeted ISO/RTO markets.

Project Manager, Massachusetts – Economics and Technology, Inc. Ms. Vedder filed comments at the California Public Utilities Commission (CA PUC) on the synergistic benefits of the Bell Atlantic/GTE merger. In Ireland, Ms. Vedder reviewed the award process and provided litigation support on the granting of the third mobile telephony license. For the CA PUC's Office of Ratepayer Advocates, Ms. Vedder authored testimony on electric industry unbundling and the treatment of costs supporting both regulated and competitive functions in Pacific Gas and Electric's 1999 General Rate Case.

Managing Consultant, Massachusetts – Levitan & Associates, Inc. Ms. Vedder provided negotiation and analytical support culminating in the termination of non-utility generator power purchase agreements (PPA) representing $2 billion in ratepayer savings and 1,000 MW of capacity. She supported U.S. electric utility restructuring efforts through PPA restructuring and securitization and asset valuations. Ms. Vedder worked with large industrial, institutional and commercial customers to design demand response plans as well as to optimize loads in response to alternative rate mechanisms.

Andrew J. Reger

ANALYST

Andrew Reger is an analyst in Leidos' Resource and Technology Strategy practice with four years' experience in the energy industry. His work at Leidos has focused on resource planning, strategy around distributed and large-scale renewable generation (integration, procurement, valuation, etc.), load forecasting, and cost of service/rate design for utility clients. Mr. Reger has an M.B.A. with a concentration in Finance and Energy from the University of Denver, and prior to Leidos worked with the National Renewable Energy Laboratory (NREL). At NREL, Mr. Reger conducted a comprehensive analysis of best practices in utility solar program administration, reporting on voluntary green power market developments for the U.S. Department of Energy (DOE) Green Power Network, and analyses of the integration challenges posed by increasing variable renewable generation in the developed and developing world. At the University of Denver, Mr. Reger focused his studies on corporate finance, financial modeling, investment valuation, and on energy market analysis and project development.

EDUCATION

- M.B.A. Finance/Energy, University of Denver
- Bachelor of Arts, University of Colorado

PROJECT EXPERIENCE

Integrated Resource Plan (IRP) Scenario Modeling, California – City of Burbank Water and Power (BWP). As part of Leidos' work in support of BWP's IRP, Mr. Reger has provided an initial analysis to identify and quantify the risks BWP will face over the IRP's 20-year planning horizon, and helped develop the initial data needed to complete the IRP scenario modeling.

Utility Distributed Generation (DG) Market Analysis and Strategic Advice on Service Roll-Out – Confidential Investor Owned Utility Client. As part of Leidos' work in developing a strategy for rolling out a service offering focused around distributed energy resources for this utility client, Mr. Reger provided extensive distributed generation market analysis including compiling multiple capital and operating cost assumptions for DG and storage technologies, and compiling a database of retail electric rates around the U.S. to derive a comprehensive DG parity analysis. Mr. Reger also developed three proprietary software-based modeling tools to be used in continued DG market assessment and to support future strategy alterations or developments.

Distributed Solar Market Analysis – Virgin Islands Water and Power Authority (VIWAPA). Leidos assisted VIWAPA in developing a rate for a Feed-In Tariff program on the Virgin Islands. Mr. Reger developed a model to calculate a rate of return for a developer's investment in distributed PV to compare targeted investor returns to VIWAPA's avoided cost.

Avoided Cost Study (2013 and 2014) – Virgin Islands Water and Power Authority (VIWAPA). Mr. Reger provided analytical support to VIWAPA's 2013 and 2014 Avoided Cost

Studies, which included modeling generating unit efficiency and costs to inform the production of final reports filed with Virgin Islands Public Service Commission.

Appraisal: Rim Rock Wind Project - NaturEner USA, LLC. Provided a third-party appraisal of NaturEner USA's 189 megawatt Rim Rock wind farm. Mr. Reger helped to develop a discounted cash flow analysis based on the project's pro forma financials combined with a replacement cost and comparative market analysis to produce a valuation of the Rim Rock Wind Project asset.

Load Forecasting Analytical Support – Various Clients. Mr. Reger has provided analytical support to inform the load forecasting modeling process for utility clients including: American Municipal Power, Florida Municipal Power Agency, Central Iowa Power Cooperative.

Review of Integrated Resource Plan, Kentucky – City of Owensboro and Owensboro Municipal Utilities (OMU). As part of Leidos' work in providing an in-depth review of OMU's 2013 IRP, Mr. Reger provided an analysis of OMU's long-term generation fuel and energy market price projections as compared to Leidos' internal market forecasts. OMU's IRP included multiple scenarios designed to analyze the early retirement of a large coal-fired generation asset.

Utility Rate Study/Cost-of-Service, New Mexico – Farmington Electric Utility System (FEUS). Leidos provided FEUS with a cost-of-service and rate design analysis to assist in developing new retail electric rates. Mr. Reger provided modeling expertise to support the development of a rate recommendation and presentation to the City Council, which would represent the first rate change for the utility in 32 years.

Utility Rate Study/Cost-of-Service, South Carolina – South Carolina Public Service Authority (Santee Cooper). As part of Leidos' work for Santee Cooper regarding potential changes to rate design to encourage energy efficiency, Mr. Reger provided a comparative analysis of regional utility rates and Santee Cooper rates to inform a recommendation for changes to Santee Cooper's existing rates. This analysis involved the development of a tool for Santee Cooper to use to design future electricity rates around incentivizing changes in electrical consumption.

PROJECT EXPERIENCE PRIOR TO LEIDOS

Technical Report - Distributed Solar Incentive Programs: Recent Experience and Best Practices for Design and Implementation – NREL. Mr. Reger compiled a thorough dataset cataloging the solar programs of most of the country's largest investor-owned and municipal utilities and conducted interviews with program administrators, solar industry groups, and solar installers to distill a set of best practices in administering a utility solar program.

Multiple Research Assignments on Issues Surrounding Integrating Variable Renewable Generation into the Grid – NREL. Mr. Reger contributed to a report in support of the Clean Energy Ministerial and web content on issues surrounding power system operations and integrating variable renewable generation into the grid. Mr. Reger's work examined emerging advanced wind and solar forecasting techniques as practiced in countries with higher levels of renewables to attempt to communicate lessons learned to

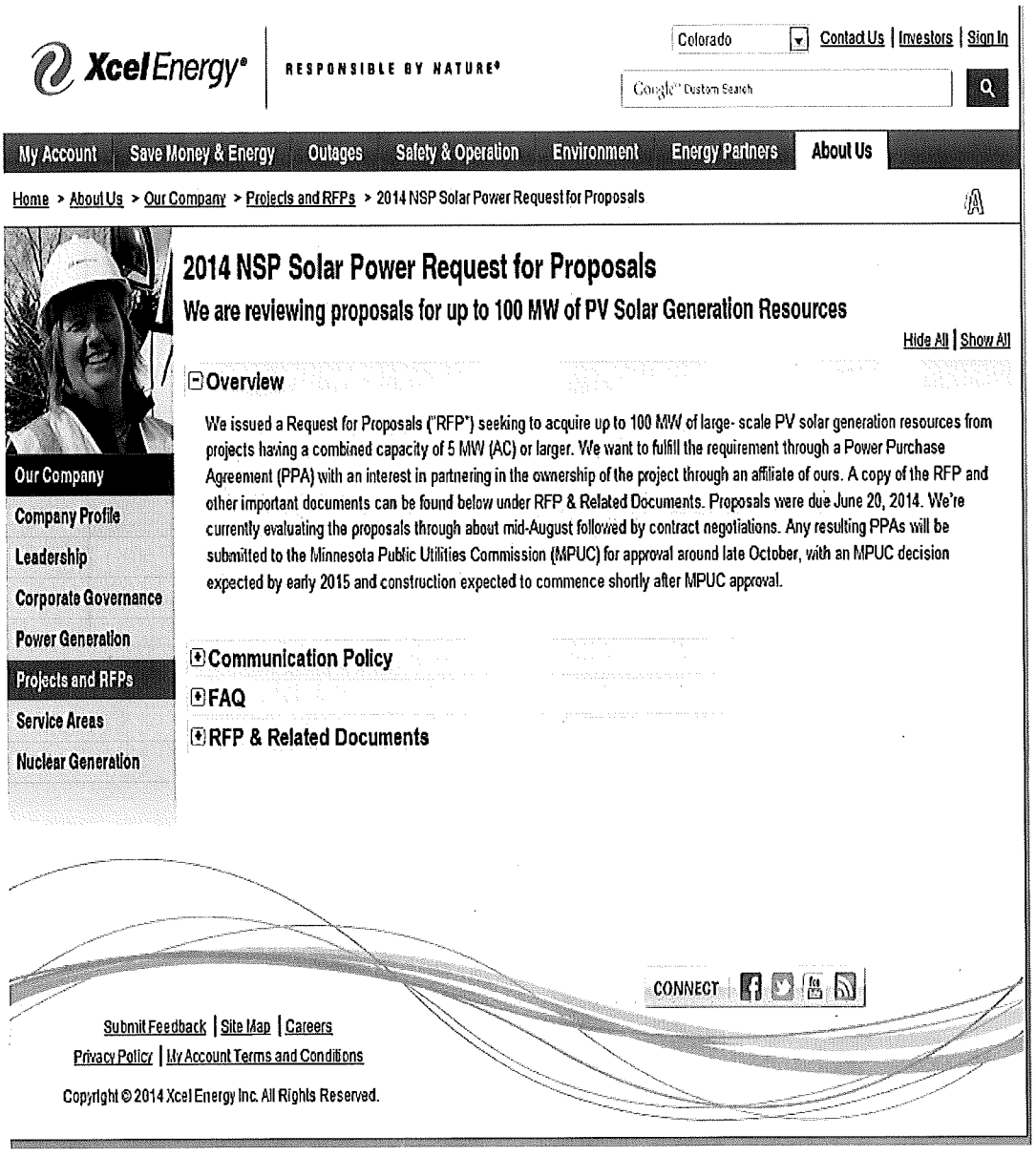
developing countries looking to increase levels of renewable generation.

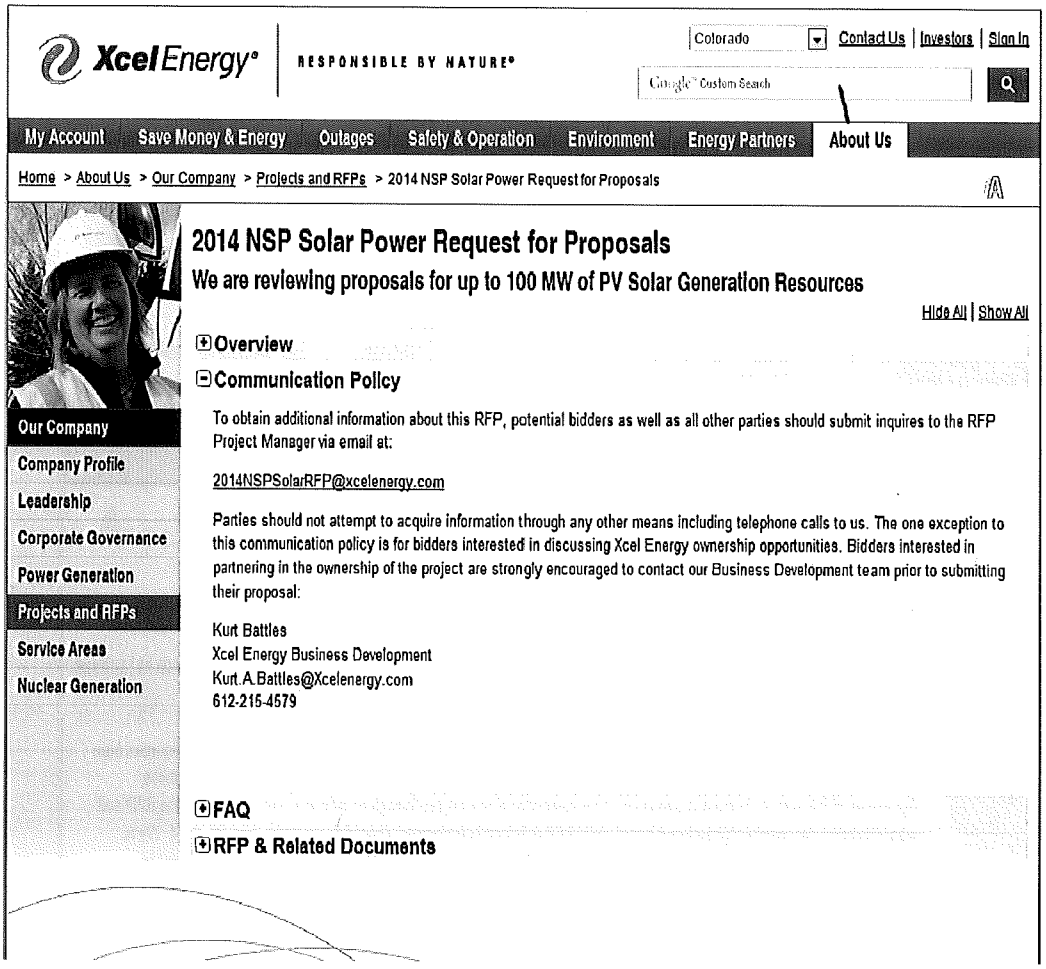
Winner of 2012 Aspen Institute Business & Society International Case Competition. Mr. Reger participated on a team of four in writing and presenting a case analysis for Walmart de Mexico to achieve its renewable energy targets and IRR targets: 50 percent renewables by 2015 at an internal rate of return exceeding 12.5 percent.

Appendix B
RFP Documents

This Appendix includes the following materials concerning the 2014 Solar RFP:

- Screenshots of the Xcel webpage devoted to the RFP
- The RFP
- FAQs
- Local Balancing Authority map (reference Q12)





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Service Areas
Nuclear Generation

2014 NSP Solar Power Request for Proposals

We are reviewing proposals for up to 100 MW of PV Solar Generation Resources

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Overview

Communication Policy

To obtain additional information about this RFP, potential bidders as well as all other parties should submit inquires to the RFP Project Manager via email at:

2014NSPSolarRFP@xcelenergy.com

Parties should not attempt to acquire information through any other means including telephone calls to us. The one exception to this communication policy is for bidders interested in discussing Xcel Energy ownership opportunities. Bidders interested in partnering in the ownership of the project are strongly encouraged to contact our Business Development team prior to submitting their proposal:

Kurt Battles
Xcel Energy Business Development
Kurt.A.Battles@Xcelenergy.com
612-215-4579

FAQ

RFP & Related Documents

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FAQ

2014 NSP Solar RFP FAQ- Updated June 10, 2014 (downloadable file)

RFP & Related Documents

- Learn more about the Solar Acquisition Plan.
- MN Electric Rate Book- Section 10 (downloadable file)
- 2014 NSP Solar RFP Document (downloadable file)
- 2014 NSP Solar Model PPA (downloadable PDF file)
- 2014 NSP Solar Model PPA (downloadable Word document)
- 2014 NSP Solar RFP Standard Proposal Forms (downloadable file)
- Map (See FAQ#12) (downloadable file)

NORTHERN STATES POWER COMPANY

2014 Solar Resource Solicitation

Request for Proposals

April 2014

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Northern States Power Company
2014 Solar Resource RFP

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Notice of Disclaimer

The information contained in this Request for Proposals ("RFP") for energy and capacity resources has been prepared solely to assist bidders in deciding whether or not to submit a proposal. Northern States Power Company ("NSP" or "Company") does not represent this information to be comprehensive or to contain all of the information that a respondent may need to consider in order to submit a proposal. None of the Company, its affiliates, or their respective employees, directors, officers, customers, agents and consultants makes, or will be deemed to have made, any current or future representation, promise or warranty, express or implied, as to the accuracy, reliability or completeness of the information contained herein, or in any document or information made available to a respondent, whether or not the aforementioned parties knew or should have known of any errors or omissions, or were responsible for their inclusion in, or omission from, this RFP.

The Company reserves the right to modify, supplement or withdraw this RFP at any time, whether due to changes in law or otherwise, and issue one or more addenda to this RFP during this solicitation. No part of this RFP and no part of any subsequent correspondence by the Company, its affiliates, or their respective employees, directors, officers, customers, agents or consultants shall be taken as providing legal, financial or other advice or as establishing a contract or contractual obligation. Contractual obligations on the part of the Company will arise only if and when definitive agreements have been approved and executed by the appropriate parties having the authority to approve and enter into such agreements. The Company reserves the right to request from a bidder information that is not explicitly detailed in this document, obtain clarification from bidders concerning proposals, conduct contract development discussions with selected bidders, conduct discussions with members of the evaluation team and other support resources as described in this RFP and in compliance with all FERC Code of Conduct rules.

The Company will, in its sole discretion and without limitation, evaluate proposals and proceed in the manner the Company deems appropriate, which may include deviation from the Company's expected evaluation process, the waiver of any requirements and the request for additional information. The Company reserves the right to reject any, all or portions of any proposal received for failure to meet any criteria set forth in this RFP or otherwise and to accept proposals other than the lowest cost proposal. The Company also may decline to enter into any agreement with any bidder, terminate negotiations with any bidder or abandon the RFP process in its entirety at any time, for any reason and without notice thereof. Respondents who submit proposals agree to do so without legal recourse against the Company, its affiliates, or their respective employees, directors, officers, customers, agents or consultants for rejection of their proposals or for failure to execute an agreement for any reason. The Company and its affiliates shall not be liable to any respondent or other party in law or equity for any reason whatsoever for any acts or omissions arising out of or in connection with this RFP. Except as otherwise provided in the rules and orders of the Public Utilities Commission of the state of Minnesota ("Commission"), by submitting its proposal, each respondent waives any right to challenge any valuation by the Company of its proposal. By submitting its proposal, each respondent waives any right to challenge any determination of the Company to select or reject its proposal. Each respondent, in submitting its proposal, irrevocably agrees and acknowledges that it is making its proposal subject to and in agreement with the terms of this RFP.

Each respondent shall be liable for all of its costs incurred to prepare, submit, respond or negotiate its proposal and any resulting agreement and for any other activity related thereto, and the Company shall not be responsible for any of the respondent's costs.

Northern States Power Company
2014 Resource RFP

Section 1. Introduction

Northern States Power Company ("NSP" or the "Company"), is issuing this Request for Proposals ("RFP") seeking to acquire up to 100 MW of large-scale Photovoltaic (PV) solar generation resources from projects having a combined capacity of 5 MW (AC) or larger.

NSP desires to fulfill this requirement via a Power Purchase Agreement ("PPA"), with an interest in partnering in the ownership of the project through an affiliate of NSP. Additional details on ownership structures can be found under Section 2.1 of this RFP. The preferred PPA term shall be no less than twenty (20) years and no more than twenty five (25) years.

1.1 Resource Need and Regulatory Context

The resources solicited through this RFP are being sought to help fulfill the requirements of the Solar Energy Standard in Minnesota which requires 1.5 percent of a public utility's 2020 retail sales to come from solar energy resources. To that end, the Company is targeting the acquisition of up to 100 MW of PV solar resources through this RFP. However, the MW amount of PV solar ultimately acquired through this RFP may be impacted by Minnesota Public Utilities Commission ("MPUC") decisions involving solar resources, which may result in the Company seeking an amount different than 100 MW. Bidders should keep this in mind when sizing their projects.

This RFP is being issued pursuant to the Track 1 formal bidding process established in MPUC Docket No. 04-1752, as summarized in the Company's August 28, 2006 Compliance Filing in that docket, whereby the Company is not proposing a self-build facility. As required by the Track 1 process, the Company will make the appropriate filings with the Commission for approval of selected projects, if any. In addition, the Company will engage an independent consultant to perform an audit of the RFP process to certify that the process used for obtaining and evaluating responses to this RFP is unbiased. The consultant's report will be included in any filings with the Commission.

1.2 Resources Sought Through this RFP

Through this RFP, the Company is requesting proposals for large-scale PV solar generation resources with a minimum AC capacity of 5 MW. Given the potential effect of Commission decisions involving solar resources, as noted above, bidders should be mindful that the Company's needs may change and PV solar projects greater than approximately 50 MW AC capacity may exceed the MW amount of PV solar ultimately sought through this RFP. In addition, the Company is interested in projects offering commercial operation by December 31, 2016, in order to capture the benefit of the 30 percent Investment Tax Credit (ITC) for NSP customers. However, bidders may also offer proposals with a commercial operation date after December 31, 2016.

1.3 RFP Project Manager and RFP Website

The primary point of contact for all communications between the Company and potential bidders is the RFP Project Manager except as noted below. This individual may be contacted at:

2014NSPSolarRFP@xcelenergy.com.

The NSP 2014 Solar Resources Solicitation webpage can be found at:
http://www.xcelenergy.com/About_Us/Our_Company/Projects_and__RFPs/2014_NSP_Solar_Power_Request_for_Proposals

Bidders interested in partnering in the ownership of the project are strongly encouraged to contact the Company's Business Development team prior to submitting their proposal:

Kurt Battles
Xcel Energy Business Development
414 Nicollet Mall, 7th Floor
Minneapolis, MN 55401
(612) 215-4579
Kurt.a.battles@xcelenergy.com

Section 2. Eligible Project Information

2.1 Eligible Project Structures

NSP is seeking proposals for PPAs (including C-BED) through this RFP. NSP is open to bids presenting any type of ownership structure (e.g. partial ownership, full turnkey transfer, or no ownership held by a Company affiliate). **Regardless of the ultimate ownership structure, NSP would purchase the full electrical output from the project under the framework of a PPA. As such, all proposals shall include PPA pricing that is consistent with terms and conditions of the Model PPA**[1]. The Model PPA covering solar generation can be found on the NSP 2014 Solar Resources Solicitation webpage at:

http://www.xcelenergy.com/About_Us/Our_Company/Projects_and__RFPs/2014_NSP_Solar_Power_Request_for_Proposals

For PPA proposals indicating bidder's interest in partnering with a Company affiliate for ownership of the project, bidders should submit their indicative ownership structure and pricing (terms and conditions to be negotiated) along with their PPA bid information and should not submit a separate proposal. The PPA pricing for proposals that indicate an interest in partnering with a Company affiliate for ownership shall remain valid whether or not terms and conditions can be reached on ownership.

[1] The Model PPA is a sample agreement containing terms and conditions acceptable to the Company. The Company understands that respondents may desire to modify and supplement the Model PPA when submitting their proposals, and anticipates negotiating with selected respondents in an effort to develop documents acceptable to both parties.

All proposed PPAs are subject to the accounting and pricing considerations discussed in later sections of this RFP. NSP will not consider Renewable Energy Credit ("REC") only purchase contracts.

2.2 Eligible Generation Resources

In order to be eligible under this RFP, projects must, 1) be a PV solar resource, 2) have a nominal AC electrical output of 5 MW or larger, and 3) propose to sell to NSP all energy, associated capacity, ancillary services, and all RECs generated by the project through a PPA. In addition, as noted in section 2.1, the Company is interested in proposals that offer PPAs along with an indicative offer for ownership in the project through an affiliate of NSP that meet the above requirements for eligible generation resources.

2.3 Contract Accounting

All contracts proposed to be entered into as a result of this RFP will be assessed by the Company for appropriate accounting and/or tax treatment. Respondents shall be required to supply promptly to the Company any and all information that the Company requires in order to make such assessments.

The Company has specific concerns regarding proposals received in response to this RFP that could result in either (i) a contract that must be accounted for by the Company as a capital lease or an operating lease[2] pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 840, or (ii) consolidation of the seller or assets owned by the seller onto the Company's balance sheet due to Variable Interest Entity[3] ("VIE") accounting in accordance with FASB ASC 810. The following shall therefore apply to any proposal submitted pursuant to this RFP:

- The Company is unwilling to be subject to any accounting or tax treatment that results from a PPA's capital lease or VIE classification. As a result, respondents shall state in their proposal(s) (i) that the respondent has considered applicable accounting standards in regard to capital leases and variable interest entities, (ii) summarize any changes that the respondent proposes to the Model PPA in order to attempt to address these issues, and (iii) to the respondent's knowledge and belief, the respondent's proposal should not result in such capital lease or variable interest entity accounting treatment as of the date of the proposal.

- As applicable, the Company will not execute a PPA without an internal accounting review confirming that the PPA does not qualify as a capital lease or a VIE which must be consolidated.

By submitting a proposal, each respondent agrees to make available to the Company at any point in the bid evaluation process any financial data associated with the respondent and its proposed project so the Company may independently verify the respondent's information in the above matter. Financial data may include, but shall not be limited to, data supporting the economic life (both initial and remaining) of the facility, the fair market value of the facility, and any and all other costs (including debt specific to the asset being proposed) associated with the

[2] "Capital Lease" and "Operating Lease" – shall have the meaning as set forth in the FASB ASC 840.
[3] "Variable Interest Entity" or "VIE" – shall have the meaning as set forth in FASB ASC 810.

respondent's proposal. The Company may also use financial data contained in the respondent's financial statements (e.g. income statements, balance sheets, etc.) as may be necessary.

Section 3. Transmission and Interconnection Information

3.1 General information

The Company will consider proposals that provide firm delivery of the project's full nameplate output to the Company's native load at no additional cost to the Company as explained in Section 3.2 below. Proposals that do not provide such firm delivery will not be considered in this RFP.

3.2 Interconnection information

The project's output will be required to qualify as a Capacity Resource with firm delivery to the Company's native load either by: 1) obtaining Network Resource Interconnection Service ("NRIS") within MISO's Local Resource Zone 1 through the MISO Generator Interconnection Process with the cost of any required system upgrades borne by the project; 2) having the Company obtain Network Integration Transmission Service ("NITS") to the Company's native load with the project reimbursing the Company for the cost of any required system upgrades; or 3) obtaining a Behind-the-Meter Generation Interconnection Agreement to a distribution level substation located within the Company's Local Balancing Area ("LBA") with the cost of any required system upgrades borne by the project.[4]

Proposals should include in their pricing any costs, along with cost breakdowns, for providing firm delivery to the Company's native load. These costs include, but may not be limited to, Interconnection Facilities, Dedicated Facilities, Network Upgrades, System Protection Facilities, Distribution Upgrades, and Affected System Upgrades required for interconnection. Details on the MISO generator interconnection process can be found in Attachment X, Generator Interconnection Procedures (GIP) to the MISO Electric Tariff[5]. Details on the NSP generating system interconnection process can be found in Northern States Power Company, Minnesota Electric Rate Book, MPUC NO. 2, Distributed Resources Section No. 10, a copy of which can be found on the NSP 2014 Solar Resources Solicitation webpage at:

http://www.xcelenergy.com/About_Us/Our_Company/Projects_and__RFPs/2014_NSP_Solar_Power_Request_for_Proposals

Bidders are urged not to submit a generation interconnection request or transmission service request pursuant to the MISO and other Open Access Transmission Tariffs to receive these interconnection cost estimates. In addition, Bidders are urged not to contact the Company to determine the Point of Interconnection if not known. Under these circumstances, it is recommended that Bidders provide location information as defined in the Standard Proposal Form for Electrical Interconnection Details.

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[4] In order to qualify as a capacity resource, Behind-the-Meter Generation that interconnects to a distribution level substation located outside the Company's LBA would be required to obtain NRIS through the MISO GIA process or fund any costs for the Company to obtain NITS.

[5] https://www.misoenergy.org/Library/Tariff/Pages/Tariff.aspx

Section 4. Proposal Content Requirements and Submittal Procedures

4.1 Schedule Estimate

The following timeline has been established for this RFP with the objective to achieve commercial operation by December 31, 2016, in order to qualify for the 30% ITC:[6]

Activity	Date
Issue Solar RFP	April 22, 2014
Proposals Due	**June 20, 2014**
Evaluations Conducted	Mid-June thru Mid-August, 2014
Contract Negotiations	Mid-August thru Mid-October, 2014
Selections filed with Commission	Late October, 2014

4.2 Proposal Content Requirements

This section outlines the content and format requirements for all proposals submitted in response to this RFP. Unless the Company in its sole discretion elects otherwise, proposals that do not include the information requested in this section will be ineligible for further evaluation, unless the information requested is not applicable or relevant to a given proposal. The Company reserves the right to conduct any further due diligence it considers necessary to fully understand and evaluate proposals.

Proposal Format

A complete proposal will include a thorough written discussion about the project, assembled in the following format:

Tab 1 - Executive Summary
Tab 2 - Project Description and Supporting Information
Tab 3 - Pricing
Tab 4 - Site Control
Tab 5 - Transmission, Distribution and Interconnection
Tab 6 - Financial Information
Tab 7 - Exceptions to Model PPA
Tab 8 - Standard Proposal Forms

[6] The Company reserves the right to adjust this schedule appropriately, including (but not limited to) for changes to the regulatory calendar.

Tab 1 - Executive Summary

The Executive Summary should provide an overview of the proposed solar generating resource characteristics, including any unique aspects or benefits.

Tab 2 – Project Description and Supporting Information

All proposals must include a thorough description of the project including, but not limited to the following:

Project Description

All proposals must provide a comprehensive description of the project, including project name, location, nameplate capacity, accredited capacity based on MISO's accreditation methods for non-wind variable generation resources, in-service date, equipment and configuration, site control, permitting, transmission and interconnection plan, milestones, meteorological studies/data and other pertinent information.

Development Experience

All proposals must describe in detail the respondent's qualifications and experience in developing, constructing, commissioning and operating generation facilities similar to the proposed facility, including the experience, qualifications and safety record of key personnel who will manage development and an overview of utility scale and utility grade projects the respondent has developed during the last 5 years. The Company will also consider any previous experience with the bidder, and or its affiliates, and performance of the bidder, and or its affiliates, in connection with other projects developed or proposed by the bidder and or its affiliates. If an EPC team is in place, the proposal should identify the members of the team; if such a group is not in place, the proposal must set forth the respondent's plan for assembling such team (including process and timing).

Equipment Description

At a minimum, proposals should indicate for all major equipment, 1) the name of the manufacturer, 2) model, 3) key metrics and characteristics of the equipment, 4) performance history of the equipment, 5) terms of warranties and/or guarantees, 6) contracting status, and 7) availability of equipment and planned delivery dates. In addition, completion of Standard Proposal Form E - Technical Description is required.

Energy Production Profile

Proposals must include a description of any on-site meteorological data gathered by, or in the possession of, the bidder and the periods over which those data were collected (start and end dates and data collection frequency). In addition, completion of Standard Proposal Form F – Energy Production Profile is required.

Operations and Maintenance Plan

Respondents shall describe their operations and maintenance plans or services for the generation facilities associated with their proposals.

Permitting Status

Proposals must describe all federal, state and local permits that will be required for the project. State whether any permits have been secured, and if not, whether applications have been filed. Report on the status of any pending applications and any feedback from permitting agencies. Describe the expected time frame to obtain the necessary permits after

application submittal to agencies.

Environmental Impact and Profile

Proposals must describe the impact of the project on wildlife including any direct or indirect impacts to State and Federally listed species. Report on any reviews, assessments or studies performed by the DNR, FWS, or other relevant agencies or consultants on wildlife or cultural resources impacted by the project. Proposals shall provide a characterization of the site and surrounding areas including proximity to nearby wetlands and endangered, threatened, or critical species.

Community/State Reaction Assessment

Each respondent must present a current assessment of, and a plan for continuing to monitor, local community and state reaction to the project, and a plan to work with the local community on project issues. Such plan might include the following elements:

- A list of the references used to assess the community reaction, and the methodology used to draw conclusions,
- A list of key local contacts interviewed and their opinions,
- An assessment of the local community reaction at the time of the proposal,
- An action plan for working with the local community/state to successfully complete the project, and
- A description of the respondent's proposed conflict resolution methodology.

Development Schedule & Milestones

All proposals must provide a detailed schedule of project development activities and target completion dates for financing, engineering, permitting, equipment procurement, construction, startup and commissioning. Describe the overall development strategy that will ensure that the project can be developed in time to meet the proposed commercial operation date. In addition, completion of Standard Proposal Form D – Construction Milestones is required.

Community-Based Energy Development (C-BED)

Bidders proposing a C-BED project must provide information on how the project qualifies as C-BED under Minnesota Statute 216B.1612 ("Statute"). Specifically, bidders must describe whether or not the project satisfies each of the requirements outlined in subdivision 2, paragraph (h) of the Statute, and report on the status of the project's eligibility for C-BED designation as outlined in subdivision 10 of the Statute.

Tab 3 – Pricing

Proposals must clearly specify all pricing terms. Bidders offering PPAs with Company ownership in the project should clearly describe the proposed indicative ownership structure and pricing (final terms and conditions to be negotiated). All proposals must also include a completed Standard Proposal Form C – PPA Pricing and Committed Energy.

For PPA proposals indicating bidder's interest in partnering with a Company affiliate for ownership of the project, bidders should submit their indicative ownership structure and pricing (terms and conditions to be negotiated) along with their PPA bid information and should not submit a separate proposal. The PPA pricing for proposals that indicate an

interest in partnering with a Company affiliate for ownership shall remain valid whether or not terms and conditions can be reached on ownership.

All pricing must be in current year dollars, also referred to as escalated or nominal dollars. For example, a $50 per megawatt-hour ("MWh") energy price proposal for 2015 means that in 2015 energy from the facility will be purchased at a rate of $50/MWh. Pricing must be in terms of an "all-in" energy price. The "all-in" price should include all amounts that the bidder expects to receive. Pricing must include all capital costs, fixed and variable O&M costs and all costs associated with delivering the energy output of the facility to the POI on the NSP transmission or distribution system. Bidders may propose PPA pricing that is fixed for the contract term or escalated at a known (non-indexed) rate.

Bidders must offer pricing valid for at least 210 days following the proposal due date.

Tab 4 - Site Control
Proposals must provide a description of the status of real property acquisition and land use permitting for the project that is sufficient for the Company to assess the completeness and sufficiency of the respondent's real property rights, including but not limited to:

- A description of current site control including location (state, county, township), the form and percentage of land control, and terms of lease or easement arrangements.
- The plan for acquiring any and all currently uncontrolled necessary real property rights to the project.
- Acreage of real property required for the project and a schedule for the completion of the real property acquisition process.
- A description of any subdivision or zoning modifications and all city, county, or state land use permits that will be required, such as conditional use, special use or other similar permits and approvals, which will be required for any phase of development, construction, or operations of the project.
- A description of existing and planned land use in all directions surrounding the proposed site.

Proposals must include a map showing the location of the proposed site.

Tab 5 – Transmission, Distribution and Interconnection
Describe the planned interconnection site(s) by Section(s), Township(s) and Range(s) and illustrate such site(s) related to other area features. In addition, provide detailed information related to the specific proposed POI, including substation name, voltage level, or if tapping an existing line, the line voltage level and substations located on each end of the tap point.

Bidder shall provide all of the following information with their proposal:

- Generator Interconnection Request project number along with links to publicly available documentation, or electronic copies of nonpublic available documentation demonstrating the status of the generator interconnection for the proposed project, such as completed system impact studies, completed facilities studies, or generator interconnection agreements.
- Copies of any bidder prepared interconnection studies.
- Financial analyses related to any costs expected to be incurred with regard to interconnection, including the cost of installing the interconnection facilities, the

unreimbursed portion of any network upgrades that have been identified, and a discussion of any unknown or contingent network upgrades for which the project may be responsible.

- Detailed analysis and discussion of the issues surrounding congestion and expected curtailments pertaining to the project.
- A description of the respondent's plan to transmit power from the project to the proposed POI on the transmission or distribution system. The information should include a description and expected route of any radial transmission line dedicated principally to the project if known, including a summary of the status of obtaining requisite easements and alternatives.

Tab 6 – Financial Information

All proposals must provide detailed financial information about the proposed project. This information shall include two years of audited financial statements or the equivalent for respondents and other responsible parties (including any entities that would provide parent guaranties of the respondents' obligations), whether the project will be financed as a recourse or non-recourse project, the percentages of debt and equity financing, and the expected cost of debt. In addition, respondents shall provide a detailed plan for financing the proposed project during construction and operation including the financing commitments that the respondent has obtained. Such financing commitments may include letters of support or commitment from financial institutions or other kinds of lenders for the project. Proposals shall also explain in detail the plan for meeting the security requirements outlined in the Model PPA and must set forth the credit rating (if any) of any entities that would provide parent guaranties of the respondents' obligations. Proposals must include an organization chart showing the entities that own the respondent's organization and a description of the respondents' organization structure (including primary and secondary businesses).

Tab 7 - Exceptions to Model PPA

In support of the Company's efforts to complete project evaluation, and contract negotiations in a timely manner, respondents shall review and provide exceptions and/or comments to the Model PPA. To the extent that the validity of a respondent's proposal and/or the respondent's ability to execute a PPA is contingent upon material changes to the language in the Model PPA, respondents should specifically identify the terms in the Model PPA they propose to change and should summarize their proposed changes to such terms. To the extent that a respondent wishes to propose changes to the Model PPA that, if accepted by the Company, would reduce the respondent's proposed pricing, the proposal should specifically identify such changes and the associated price reduction. To the extent practicable, respondents should develop exhibits, schedules, attachments and other supplemental documents required by the Model PPA.

Exceptions taken to Model PPA terms must be clearly expressed such that the Company can reasonably understand the bidder's concerns. Statements containing language such as "To be discussed" do not provide the Company sufficient information to understand the bidder's concerns. Bidder's providing such comments will be required to more fully explain their concerns so that the Company can adequately conduct its due diligence activities.

Tab 8 – Standard Proposal Forms
All proposals must also include completion of the following standard proposal forms:

Form A	Bid Certification
Form B	Bid Cover Sheet
Form C	PPA Pricing and Committed Energy
Form D	Construction Milestones
Form E	Technical Description
Form F	Energy Production Profile – Annual and Monthly
Form G	Representation Authorization and Consent
Form H	Electric Interconnection Details

These forms can be downloaded from the RFP website in electronic format at the following link:

http://www.xcelenergy.com/About_Us/Our_Company/Projects_and__RFPs/2014_NSP_Solar_Power_Request_for_Proposals

All bid forms will be in a single Microsoft Excel file titled "2014 NSP Solar RFP - Standard Proposal Forms". Each form will be contained in a unique Excel workbook tab.

If additional space is needed to elaborate on information requested on any form, please attach additional sheets with the heading "Form [__] – Additional Information."

If certain information is requested that does not apply to the proposal, the bidder must indicate that the information is not applicable. If appropriate, the bidder should explain why the information is not applicable.

Bidders must include hard copies of the completed Standard Proposal Forms in Tab 8 of the proposal and electronic versions in Microsoft Excel format on CD, DVD, or flash drive as outlined in Section 4.3.

If a Bidder is offering a proposal for more than one project, a separate set of forms must be submitted for each project. In addition, proposals offering multiple pricing options must complete a separate Form C – PPA Pricing and Committed Energy for each option.

4.3 Proposal Submission

All proposals will be accepted until 5:00 P.M. Central Daylight Time on June 20, 2014. Proposals received later than the due date and time indicated will be rejected and returned unopened.

All proposals must be transmitted by express, certified or registered mail, or hand delivered in a sealed package as follows:

Response to NSP 2014 Solar Resource Solicitation
Confidential Sealed Bid Proposal

Xcel Energy, Inc.
Attn: Stan Dufault
414 Nicollet Mall, 7th Floor

Minneapolis, Minnesota 55401

The respondent's company name and address must be clearly indicated on the package containing the proposal.

Faxes and e-mails are not acceptable means of proposal submittal. Bidders must submit one (1) bound original proposal, three (3) bound hard copies, and two (2) electronic copies (CD, DVD, or flash drive) with completed forms in a Microsoft Office format.

4.4 Communication Policy

To obtain additional information about this RFP, potential bidders as well as all other parties should submit inquires to the RFP Project Manager via email at:

2014NSPSolarRFP@xcelenergy.com

Parties should not attempt to acquire information through any other means including telephone calls to Company personnel. The one exception to this communication policy is for potential bidders interested in discussing Company ownership opportunities. Bidders interested in partnering in the ownership of the project are strongly encouraged to contact the Company's Business Development team prior to submitting their proposal:

Kurt Battles
Xcel Energy Business Development
Kurt.A.Battles@Xcelenergy.com
612-215-4579

4.5 Bid Evaluation Fees

All respondents are required to pay to the Company a bid evaluation fee of $1,000 with each proposal submitted. Examples of bids that would be deemed as multiple proposals each requiring a separate $1,000 fee include, but are not limited to, proposals for different projects and proposals with more than one pricing option, MW size or commercial operation date for the same project or facility. If the Company deems a respondent's proposal to be multiple proposals, the Company will notify the respondent and allow it to elect to pay the incremental bid fee or to revise its proposal to comply with the Company's requirements for a single proposal.

Bid evaluation fees must be paid to the Company by wire transfer. Bank wire transfer information will be provided to bidders upon request to the RFP Manager via the RFP email address in Section 4.4. Bid evaluation fees are non-refundable.

4.6 Clarification of Proposals

The RFP Project Manager and subject matter experts from the Company may contact bidders directly at any point during the evaluation process for the purposes of clarifying proposals or obtaining additional information. Such requests will typically be sent via email to respondents identified on Form B by the RFP Project Manager or subject matter expert, and respondents are required to provide a written or electronic response back to the RFP Project Manager within five (5) business days, or the Company may deem the respondent to be non-responsive and either

suspend or terminate evaluation of the proposal. Respondents are encouraged to provide an alternate point of contact to ensure a timely response to questions.

4.7 Confidentiality

Respondents are allowed to identify any information in their proposals that respondents claim should be considered to be confidential or proprietary. Nonetheless, the Company reserves the right to release all proposals to its affiliates and to its and such affiliates' agents, advisors, and consultants for purposes of proposal evaluation. The Company will, to the extent required by law, advise each agent, advisor or consultant that receives such claimed confidential information of its obligations to protect such information. In addition, all information, regardless of its confidential or proprietary nature, will be subject to review by the Commission, Department of Commerce, Office of the Attorney General, and other governmental authorities and courts with jurisdiction, and may be subject to legal discovery. It is not the Company's intent to enter into any separate confidentiality, non-disclosure, or similar agreements as a condition to receiving a respondent's proposal.

4.8 Addenda to RFP

Any additional responses required from respondents as a result of an Addendum to this RFP shall become part of each proposal. Respondents must list all submitted Addenda at the bottom of Form A - Bid Certification.

Section 5. Evaluation and Criteria

The objective of the Company's evaluation is to identify a proposal or proposals that meet the Company's objectives as outlined in Section 1 at a reasonable cost and which is/are likely to be successfully developed and ultimately placed into commercial operation. The Company may conclude that no offered resource meets the Company's objectives of the solicitation and no resource will be acquired.

As described below, the evaluation process will include an assessment of both economic and non-economic criteria.

5.1 Evaluation Process

An evaluation team, made up of various groups within the Company will evaluate proposals; however, the Company reserves the right to retain the services of outside experts to assist in the evaluation of proposals. The RFP Project Manager and subject matter experts from the Company may contact bidders directly at any point during the evaluation process for the purposes of clarifying proposals.

Proposals will be evaluated using a multi-step process as follows:

Step 1 – Bid Eligibility Determination

Each proposal will be reviewed to determine if it meets the requirements outlined in this RFP. The Company reserves the right to reject any, all or portions of any proposal received for failure to meet any criteria set forth in this RFP.

Step 2 – Initial Bid Screening Process

The Company will calculate the levelized $/MWh for each bid based on information provided in the proposal and will rank the results from lowest cost to highest cost. A reasonable number of the lowest priced proposals will be identified with which to focus our further evaluation efforts.

Step 3 – Due Diligence

The Company will conduct due diligence efforts primarily focused on those projects that pass through the initial screening process described in Step 2.

Transmission and Interconnection Due Diligence

The Company will perform transmission, interconnection, capacity, LMP and curtailment analysis for those projects that pass through the initial bid screening process described in Step 2. The Company may also contract with consultants to perform various studies as deemed necessary.

Other Due Diligence

The Company will conduct other due diligence as part of the overall bid evaluation process, including, but not limited to, consideration of the following proposal characteristics:

- Bidder or developer experience
- Financial strength/credit worthiness of the bidder
- Financing plan, including ability to utilize tax advantages
- Development, construction and operation experience
- Generator technology, availability, and warranties
- Environmental permitting and compliance
- Land use permitting and zoning
- Other permitting
- Real property acquisition/site control progress and plan
- Project operational characteristics
- Scale of the project
- Geographic suitability
- Community support for the project
- Transmission or distribution access plan feasibility and arrangements
- Transmission or distribution upgrade schedule assessment
- Construction and equipment supply plans and arrangements
- O&M plan
- Project execution planning
- PPA lease accounting assessment
- Externality benefits
- Environmental impact and profile
- Bidder proposed changes to Model PPA
- Bidder's performance on previous projects with the Company

Step 4 – Project Selections & Strategist Analysis
Based on the initial screening of bids and due diligence efforts, the Company will determine whether or not to initiate contract negotiations with any of the short listed bidders. Any proposals recommended to move forward in contract negotiations will be further analyzed using the Strategist modeling tool. Strategist will be used to compare the cost of selected proposals to other generation resources available to the NSP system.

5.2 Bidder Notification

NSP plans to complete the evaluation of bids and provide notification to bidders of the status of their proposal in August 2014.

2014 NSP Solar RFP Frequently Asked Questions

The following frequently asked questions and responses have been assembled to provide potential bidders with consistent and timely information about this RFP.

May 13, 2014

Question 1
Can NSP provide maps of transmission lines, distribution lines and substations in its service territory and indentify substations located within its Local Balancing Authority (LBA)?

Answer 1
NSP is currently assessing and will provide an answer in an updated FAQ document shortly.

Question 2
Can NSP provide information on owned substations and transformers such as substation voltages and nameplate transformer capacity?

Answer 2
NSP will not provide bidders with that level of information on substations and transformers as it may contain Critical Energy Infrastructure Information, the distribution of which is controlled in accordance with FERC regulations.

Question 3
Can a bidder propose a facility on land already owned by NSP?

Answer 3
NSP is not interested in proposals for projects on NSP owned land.

Question 4
Is there a preference in connecting to NSP-owned facilities?

Answer 4
The Company does not have a particular preference toward a project connecting to NSP-owned vs. non NSP-owned facilities. The Company's objective in this RFP is to select proposals that ultimately will qualify as a capacity resource with firm delivery to the Company's native load in MISO

Local Resource Zone 1. The final determination as to whether any particular project will qualify as a capacity resource with firm delivery to Zone 1 will not be known with certainty until after the required transmission or distribution studies are completed. It is anticipated that these studies will not be completed within the bid evaluation schedule (i.e., Mid-June thru Mid-August, 2014). Therefore, as part of the bid evaluation process, the Company will make an assessment as to the likelihood that proposed projects will qualify as a capacity resource with firm delivery to Zone 1.

Question 5
Does the project need to be physically located in Minnesota or in NSP's service territory?

Answer 5
A proposed project does not have to be located in Minnesota or in NSP's service territory. However, the project must provide firm delivery to the Company's native load in MISO Local Resource Zone 1.

Question 6
Can a project be proposed that has not yet filed an interconnection request or done any studies? Must a project be at a stage of development in which qualification for capacity is known?

Answer 6
A project may be proposed at any stage of the development and interconnection process. The Company will take into consideration the project's interconnection prospects and expected timing for qualifying as a capacity resource as part of the bid evaluation and selection process.

Question 7
Can bidders obtain information from NSP on preferred sites or discuss proposed sites to determine if such sites are acceptable or near appropriate transmission or distribution lines?

Answer 7
Bidders may not contact the Company to discuss preferred sites or whether or not proposed sites are acceptable or near appropriate transmission or distribution lines.

Question 8
Prior to the June 20th bid submittal deadline, will NSP provide a preliminary interconnection review of projects planned for submission into the RFP with an indication of interconnection issues and costs?

Answer 8
NSP will not provide preliminary transmission or distribution interconnection reviews prior to the June 20th bid submittal deadline. However, NSP will continue to process electric distribution interconnection applications as received for projects 10 MW or smaller in accordance with the Distributed Generation Standard Interconnection and Power Purchase Tariff ("Tariff") as outlined in Section 10 of NSP's Minnesota Electric Rate Book. A copy of the Tariff can be found on the Company's website at the following link under, "RFP & Related Documents":
http://www.xcelenergy.com/About_Us/Our_Company/Projects_and_RFPs/2014_NSP_Solar_Power_Request_for_Proposals

Projects that propose transmission interconnection must follow MISO's Generator Interconnection Procedures detailed in Attachment X to the MISO Electric Tariff.

Question 9
During the RFP period, will NSP accept distribution interconnection applications, and if so, what is the turn-around period for the application and the cost?

Answer 9
During the RFP period, bidders may submit electric distribution interconnection applications for sites 10 MW or smaller as outlined in NSP's Minnesota Electric Rate Book, Section 10, "Distributed Generation Standard Interconnection and Power Purchase Tariff" (as noted in Question 8). This document contains the requirements for interconnection to the NSP Electric Distribution System. Customers seeking interconnection to the NSP Electric Distribution System must submit a completed and signed Generation Interconnection Application Form for each site along with the applicable interconnection application fee found under Step 1 of the Tariff. Within 15 business days of receipt of the application and fee, the Company shall notify the applicant if their interconnection request has been approved for the next phase of the process or rejected (see Process for Interconnection section of the tariff for complete details on all steps involved with an electric distribution interconnection request).

Question 10
If the project interconnects to a distribution line what happens if the project's output exceeds the load/demand in the immediate area?

Answer 10
As part of its review of an electric distribution interconnection application (addressed in Question 9), NSP will perform an initial screening of the project's output relative to load to determine if further analysis and/or studies are required. If studies are necessary, the applicant will be notified within 15 business days of NSP's receipt of the application and will be given the opportunity to decide whether or not to proceed. Projects that exceed minimum load by 1 MW or more will be evaluated by the Company to determine if those projects need to go through the MISO interconnection process.

Question 11
Under Section 4.5 of the RFP (Bid Evaluation Fees), would a single project consisting of several geographically distinct sites with different nameplate (kW) ratings within one PPA be considered as one proposal and thus one $1,000 bid evaluation fee?

Answer 11
Yes, under Section 4.5 of the RFP (Bid Evaluation Fees), a single project with multiple sites contained within one PPA would be considered one proposal requiring a single bid evaluation fee of $1,000.

June 2, 2014 Update

Question 12 (Previous Question 1 from Above)
Can NSP provide maps of transmission lines, distribution lines and substations in its service territory and indentify substations located within its Local Balancing Authority (LBA)?

Answer 12
In an effort to be responsive to the request, we obtained a map from an outside consultant showing locations of transmission lines and substations in portions of Minnesota and the surrounding area along with a rough approximation of NSP's LBA as of June 2, 2014. A copy of the map is provided on the Company's website under RFP & Related Documents using the following link:

http://www.xcelenergy.com/About_Us/Our_Company/Projects_and_RFPs/2014_NSP_Solar_Power_Request_for_Proposals

Please note that the map being provided is based on our consultant's best estimate as of June 2, 2014, but may contain errors and is subject to change without notice. The Company will not be providing any further information on transmission, distribution or substation facilities.

Question 13
Would a PPA proposal offering multiple pricing options (e.g. flat and escalating) require a separate $1,000 bid evaluation fee for each option?

Answer 13
Yes, a separate $1,000 bid evaluation fee is required for each PPA pricing option. A proposal offering both flat and escalating PPA price options would require a $2,000 bid evaluation fee.

Question 14
Would a PPA proposal with an option for Company affiliate ownership require more than a single $1,000 bid evaluation fee?

Answer 14
No, a PPA proposal with a single PPA pricing stream that also offers Company affiliate participation in ownership would only require a single $1,000 bid evaluation fee.

Question 15
How will the minimum project size of 5 MW AC be determined? Is there a derate factor that the Company will be using or will that be left up to the developer?

Answer 15
The developer will be responsible for accurately determining the AC rating of the facility.

Question 16
What process must a bidder go through to interconnect to non-NSP distribution facilities?

Answer 16
The bidder would be required to follow the generator interconnection requirements established by the owner of the facility where the project is proposing to interconnect.

Question 17
May a bidder submit a proposal for Company affiliate ownership alone (i.e. no PPA)?

Answer 17
No, all proposals must include a PPA pricing stream in order to be considered in this RFP because the PPA pricing stream defines the revenue stream that the ultimate owner(s) of the facility will receive, including situations involving Company affiliate ownership. The PPA bid may be accompanied by an indicative offer for Company ownership (at any ownership level of interest) with details of the proposed ownership structure and pricing described in Tab 3 of the proposal.

Question 18
What is the security amount required for the PPA?

Answer 18
As described in the model PPA, the Security Fund shall equal the Pre-COD Security Fund up to the COD and the Post-COD Security Fund on and after the COD and throughout the Term as follows:

"Post-COD Security Fund" means $75/kW [multiplied by the number of AC KW in the Facility Nameplate Capacity].

"Pre-COD Security Fund" means $150/kW [multiplied by the number of AC KW in the Facility Nameplate Capacity].

Question 19
Is a separate Form C – PPA Pricing and Committed Energy of the Standard Bidder Forms required for an ownership option in addition to one for each PPA pricing option?

Answer 19
No, a bidder should not submit a separate Form C for an ownership option. Rather, the bidder should describe in Tab 3 of their proposal the ownership structure and pricing being offered in connection with the PPA pricing stream included in Form C. As mentioned in question 17 above, the PPA pricing

stream will define the revenue stream that the ultimate owner(s) of the facility will receive, including situations involving Company affiliate ownership.

June 10, 2014 Update

Question 20
Would a proposal for a single project offering different PPA terms and/or MW sizes require multiple bid evaluation fees?

Answer 20

Yes, a proposal offering different PPA terms for a single project would require a separate $1,000 bid evaluation fee for each PPA term proposed. For example, a proposal for a single project offering both a 20-year PPA pricing stream and a 25-year PPA pricing stream would require a $2,000 bid evaluation fee. Similarly, a proposal offering different MW sizes would require a separate $1,000 bid evaluation fee for each project size proposed. For example, a single project offering a 5 MW option and a 10 MW option would require a total bid evaluation fee of $2,000. Further, a proposal offering multiple combinations of PPA terms, sizes or other options would require a separate $1,000 bid evaluation fee for each combination. For example, a proposal offering a 5 MW 20-year PPA, 5 MW 25-year PPA, 10 MW 20-year PPA and 10 MW 25-year PPA would require a total bid evaluation fee of $4,000.

Question 21
As it relates to proposals that include an option for Company affiliate ownership, can a bidder submit a PPA price stream that is only valid if terms and conditions for Company affiliate ownership can be reached?

Answer 21
No, the PPA pricing stream for proposals that indicate an interest in partnering with a Company affiliate for ownership shall remain valid whether or not terms and conditions can be reached on ownership.

Question 22
Can a project consist of several systems/sites that in aggregate represent 5 MW AC or larger facility or must the project be one continuous site?

Answer 22

A project may consist of multiple PV facilities located at different sites to form in aggregate a 5 MW AC or larger facility all of which will be represented by a single PPA and pricing stream.

Question 23
How will levelized cost be determined?

Answer 23
Levelized $/MWh will be calculated such that the present value (PV) of the Levelized $/MWh multiplied by the expected annual MWh's produced by the project will be equal to the present value of the expected annual payments under the PPA.

That is: PV (Levelized $/MWh x Annual output Yr 1 – T) = PV of all the expected annual payments under the proposed PPA.

Question 24
Will NSP consider a fixed/variable PPA rate broken down into energy, accredited capacity and REC values or must it be a bundled $/MWh rate?

Answer 24
The Company is seeking a bundled $/MWh rate in this RFP.

Question 25
Are terms of the model PPA including purchase option and insurance requirements negotiable?

Answer 25
As outlined in section 4.2 of the RFP, "Tab 7 – Exceptions to Model PPA" bidders may provide exceptions and/or comments to the Model PPA. Any exceptions or concerns must be clearly described in the proposal such that the Company can adequately conduct its review and due diligence activities.

Question 26
Will consideration be given to other factors besides lowest cost? Will the economic aspects of modules made in the USA or Minnesota have any advantage compared to projects utilizing foreign sourced PV modules?

Answer 26
As outlined in the RFP, the Company will perform an initial economic screening process of bids based on levelized $/MWh in order to identify a list of projects to focus further evaluation efforts. Projects that move forward to

due diligence will undergo a thorough review with consideration of various proposal characteristics including, but not limited to, those outlined in the RFP. PV modules made in the USA or Minnesota are not expected to have an advantage or receive preferential treatment over foreign made modules.

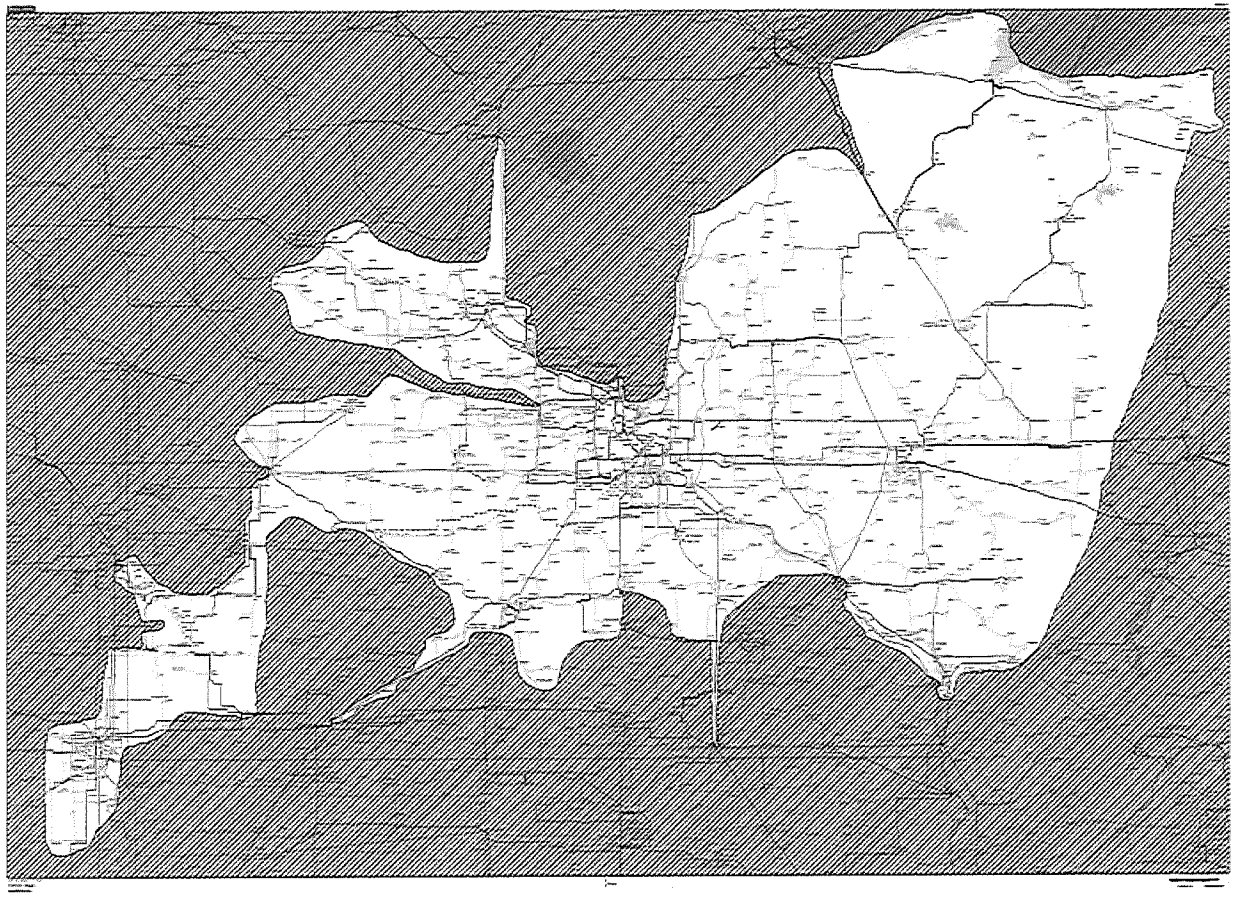
Question 27
Can the Company provide a Microsoft Word version of the model PPA to allow bidders to prepare redline edits?

Answer 27
Yes, a Microsoft Word version of the model PPA has been posted to the Company's website and can be accessed under "RFP & Related Documents" using the following link:
http://www.xcelenergy.com/About_Us/Our_Company/Projects_and_RFPs/2014_NSP_Solar_Power_Request_for_Proposals

Question 28
What is the due date for submission of bid evaluation fees?

Answer 28
Bid evaluation fees are due June 20, 2014 (the same day proposals are due).

PUBLIC DOCUMENT:
TRADE SECRET DATA EXCISED



Appendix C
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RFP Process

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Appendix D
CONFIDENTIAL
Audit Log of Xcel/Bidder Communications

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Appendix E
Affidavit Forms

Leidos asked Key personnel listed in Table 3-3 to provide written disclosures of any existing relationships and communications that could impact this procurement. These staff also executed disclosure affidavits of the general form appearing below.

AFFIDAVIT

I, **[NAME]**, being first duly sworn, hereby state that I am employed in the capacity of **[JOB TITLE]** by Xcel Energy, 414 Nicollet Mall, Mpls, MN 55401, as such I attest to the following concerning Northern States Power Company's April 2014 Minnesota 2014 Solar Resource Solicitation Request for Proposals (RFP) process during the period from issuance of the RFP up until culmination of the Independent Audit:

My role in the aforementioned RFP process consists of:

1. **[ROLE]**.
2. I am making the attestations herein on behalf of myself.
3. Except as disclosed in writing as part of this Independent Audit, any relationship(s) I may have with bidders responding to this RFP has not:
    a. biased the RFP process for or against any proposal, or
    b. afforded them information pertinent to the RFP process that was not otherwise available to all Bidders.
4. Regarding key individual(s) acting on behalf of or employed by bidders responding to this RFP, I have not had any communications concerning:
    a. the substance of the responses from other bidders to this RFP,
    b. Xcel Energy's review of responses from other bidders to this RFP, or
    c. material information pertinent to any responses to this RFP or the RFP process that was (i) not also provided to all bidders or (ii) disclosed in writing as part of this Independent Audit.
5. All information is true and correct, to the best of my knowledge, information and belief.

_____

[NAME]

Subscribed and sworn to before me this _____ day of October, 2014.

_____

Notary

My commission expires:

Appendix F
CONFIDENTIAL
Executed Affidavits

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Appendix G
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Disclosures

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Appendix H
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Audit Log of Xcel-Bidder Prior/Existing Relationships

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Appendix I
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Short List Process Review

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Appendix J
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Audit Log

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SOLAR ENERGY PURCHASE AGREEMENT

BETWEEN

NORTHERN STATES POWER COMPANY

("COMPANY")

AND

MARSHALL SOLAR, LLC

("SELLER")

- [date] -

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SOLAR ENERGY PURCHASE AGREEMENT
BETWEEN
NORTHERN STATES POWER COMPANY
AND
MARSHALL SOLAR, LLC

This Solar Energy Purchase Agreement (this "PPA") is made this [____] day of [_____, 2014,] (the "Effective Date") by and between (i) Northern States Power Company, a Minnesota corporation with a principal place of business at 1800 Larimer Street, Suite 1000, Denver, CO 80202 ("Company"), and (ii) Marshall Solar, LLC, a Delaware limited liability company with a principal place of business at 700 Universe Boulevard, Juno Beach, Florida 33408 ("Seller"). Company and Seller are hereinafter referred to individually as a "Party" and collectively as the "Parties."

WHEREAS Seller desires to develop, design, construct, interconnect, own, operate and maintain a 62.25 MW AC (at the Point of Delivery) solar power generation station located adjacent to the Company's Lyon substation near the town of Marshall in Lyon County Minnesota (the "Facility" as defined herein) and to sell and deliver to Company certain products and services delivered from the Facility to the Point of Delivery at the prices and on the terms and conditions set forth in this PPA.

WHEREAS Company desires to accept and receive such Solar Energy and other products and services from the Facility pursuant to the terms of this PPA;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

Article 1 - Rules of Interpretation

1.1 Interpretation.

(A) Capitalized terms listed in this PPA shall have the meanings set forth in EXHIBIT A - DEFINITIONS or as otherwise defined in this PPA, whether in the singular or the plural or in the present or past tense. Words not otherwise defined in this PPA shall (i) have meanings as commonly used in the English language, (ii) be given their generally accepted meaning consistent with Good Utility Practice, and (iii) be given their well-known and generally accepted technical or trade meanings.

(B) The following rules of interpretation shall apply: (1) The masculine shall include the feminine and neuter; (2) references to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or exhibits of this PPA except as the context may otherwise require; (3) all Exhibits are incorporated into this PPA; *provided, however, that* in the event of a conflict with the terms of this PPA, the PPA shall control; and (4) use of the

words “include” or “including” or similar words shall be interpreted as “include without limitation” or “including, without limitation.”

(C) This PPA was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this PPA and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this PPA or any part hereof.

1.2 Interpretation with Other Agreements.

(A) This PPA does not provide Seller authorization to interconnect the Facility or inject power into the electric delivery system. Seller shall contract for interconnection services in accordance with the applicable Transmission Tariff. The Parties acknowledge that (i) Company conducts its operations in a manner intended to comply with FERC Order No. 2004, as amended by Order 2004-A, Standards of Conduct for Transmission Providers, requiring the separation of its transmission function and its marketing function Seller acknowledges that any Interconnection Agreement Seller enters into is a separate contract and that (i) this PPA is not binding on the Transmission Authority, (ii) this PPA does not create any rights between Seller and the Transmission Authority, and (iii) the Interconnection Agreement does not modify the Parties’ rights and obligations under this PPA. Seller agrees that any applicable Transmission Authority shall be deemed to be a separate and unaffiliated contracting party regardless whether such Transmission Authority is Company or an Affiliate of Company.

(B) This PPA does not provide for the supply of House Power. Seller shall contract with the Local Provider for the supply of House Power. Seller acknowledges that obtaining House Power is a separate contract and that (i) this PPA is not binding on the Local Provider, (ii) this PPA does not create any rights between Seller and the Local Provider, and (iii) the House Power contract does not modify the Parties’ rights and obligations under this PPA. Seller agrees that the Local Provider shall be deemed to be a separate and unaffiliated contracting party regardless whether the Local Provider is Company or an Affiliate of Company. Subject to Seller’s right to self-generate and consume energy concurrently generated by the Facility or as otherwise allowed by Applicable Law, Seller shall obtain House Power exclusively from the Local Provider.

1.3 Good Faith and Fair Dealing. The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this PPA. Unless expressly provided otherwise in this PPA, (a) when this PPA requires the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld, conditioned or delayed, and (b) wherever this PPA gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be Commercially Reasonable.

1.4 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this PPA, or to take

advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

Article 2 - Term and Termination

This PPA shall become effective as of the Effective Date, and shall remain in full force and effect until the Scheduled Termination Date, subject to early termination or extension as provided in this PPA or otherwise agreed to by the Parties. Applicable provisions of this PPA shall continue in effect after termination to the extent necessary to (i) provide for final billings, payments and adjustments, (ii) enforce or complete the duties, obligations or responsibilities of the Parties, and (iii) address any remedies or indemnifications, arising prior to termination.

Article 3 - Facility Description

3.1 Description. Seller shall construct, interconnect, own, operate, and maintain the Facility, as further described in EXHIBIT C - FACILITY DESCRIPTION. A scaled map that identifies the Site, the location of the Facility, Interconnection Point, Interconnection Facilities, the Point of Delivery and other important facilities, is included in EXHIBIT C - FACILITY DESCRIPTION.

3.2 General Design of the Facility.

(A) Seller shall design, construct, operate and maintain the Facility according to Good Utility Practice(s) and the Interconnection Agreement.

(B) The Facility shall include all equipment necessary to successfully interconnect with the Transmission Authority's System for the delivery of the Facility's output to the Point of Delivery.

(C) The Facility shall include all equipment and telecommunications capabilities necessary to communicate with Company's SCADA System.

(D) The Facility shall include all equipment specified in EXHIBIT C - FACILITY DESCRIPTION or otherwise necessary to fulfill Seller's obligations under this PPA.

Article 4 - Implementation

4.1 Project Development.

(A) **[TRADE SECRET BEGINS**
TRADE SECRET ENDS], Seller shall complete a Phase 1 environmental site assessment ("Phase 1") of the Site and shall disclose to Company any Environmental Contamination identified in that investigation and confirm that such Environmental Contamination has been remediated or is capable of being remediated

and that the Site remains appropriate for its intended use by Seller. Seller shall promptly inform Company if due to any Environmental Contamination Seller is constrained in a way that will limit, reduce, interfere with or preclude Seller's ability to perform its obligations under this PPA, along with a statement of whether and to what extent this circumstance may limit or preclude Seller's ability to perform under this PPA. Seller shall provide Company with written recommendations to overcome any such issue(s) that would allow Seller to fully perform under this PPA. Upon request, Seller shall provide Company a copy of the Phase*, provided,* however, that the Phase 1 shall be deemed as Confidential Information pursuant to Section 20.18. Throughout the Term, Seller shall ensure that any Environmental Contamination identified at the Facility or Site is promptly remediated. Seller shall promptly disclose to Company the presence of any material Environmental Contamination or the existence of any enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination.

(B) Seller shall at its own expense enter the Construction Contract and all other major contracts necessary to the successful development, construction, operation of and delivery from the Facility with qualified and experienced contractors. Upon written request by Company, Seller shall provide Company with a memorandum of agreement executed by the Seller and the contractor party to the Construction Contract and all other major contracts, which memorandum shall set forth the basic terms of such contract, including without limitation the names of the parties thereto, the date of such contract, a summary of any products or services to be provided and information reasonably sufficient for Company to determine that such Construction Contract or major contract provides obligations necessary to meet the Construction Milestones or in lieu thereof, at Seller's option, a copy of the Construction Contract or other major contract (provided that Seller shall be permitted to redact pricing and other sensitive information).

(C) Prior to the Commercial Operation Date, Seller shall (i) submit monthly progress reports to Company in a form agreed upon by the Parties advising Company of the current status of each Construction Milestone, any significant developments or delays along with an action plan for making up delays, and Seller's best estimate of the Commercial Operation Date; (ii) provide copies of reports submitted to the Facility Lender relating to status, progress and development of the project, and (iii) invite Company to participate in monthly meetings to discuss the progress reports, answer questions, and assess the schedule. Seller shall make all relevant contractors available to Company in order to keep Company fully informed on the status of the development.

(D) Upon request, Company shall have the right to monitor the construction, start-up, testing, and operation of the Facility at the Facility for compliance with this PPA, *provided, however, that* Company shall comply with all of Seller's applicable safety and health rules and requirements. Company's monitoring of the Facility shall not be construed as inspections or endorsing the design thereof nor as any express or implied warranties including performance, safety, durability, or reliability of the Facility.

(E) Seller shall obtain and pay for all Permits necessary for the construction, ownership, operation and maintenance of the Facility and the generation and delivery of any output from the Facility to Company. Seller shall keep Company reasonably informed as to the status of its permitting efforts and shall provide Company the opportunity to review major applications for, draft and final Permits. Seller shall promptly inform Company of any Permits it is unable to obtain, that are delayed, limited, suspended, terminated or otherwise constrained in a way that will limit, reduce, interfere with or preclude Seller's ability to perform its obligations under this PPA, along with a statement of whether and to what extent this circumstance may limit or preclude Seller's ability to perform under this PPA. Seller shall provide Company with written recommendations to overcome any such issue(s) with any Permits to allow Seller to fully perform under this PPA. Company shall have the right to inspect and obtain copies of all Permits held by Seller.

(F) Seller shall notify Company (i) sufficiently in advance of any known upcoming significant inspections by any Governmental Authority relating to the Facility to allow Company the opportunity to attend, and (ii) promptly after any unscheduled or impromptu inspection with a description of the nature and outcome of such inspection.

4.2 Commercial Operation. Subject to extension as authorized in this PPA, the Facility shall achieve Commercial Operation no later than the Commercial Operation Milestone; *provided, however, that* Seller shall not be obligated to establish a Commercial Operation Date that is earlier than sixty (60) days prior to the Commercial Operation Milestone and Company shall not be obligated to accept a Commercial Operation Date that is earlier than sixty (60) days prior to the Commercial Operation Milestone. In its efforts to achieve the Commercial Operation Milestone, Seller agrees to use Commercially Reasonable Efforts to achieve the Construction Milestones set forth in EXHIBIT B - MILESTONES. **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]

4.3 COD Conditions. Seller shall provide Company a Notice of the date Seller believes the Facility has achieved Commercial Operation along with all supporting documentation of the satisfaction or occurrence of all COD Conditions. Company shall have up to ten (10) Business Days to review such evidence and raise any Commercially Reasonable objection to Seller's satisfaction of any of the COD Conditions, *provided, however*, *that* such Notice shall be deemed accepted by Company if Company fails to object within such time period. Seller may provide Notice of completion of the COD Conditions on an individual and incremental basis pending resolution of any objections, *provided, however, that* Company shall in all cases have up to ten (10) Business Days to review and object to each Notice. The COD Conditions are:

(A) an officer of Seller, authorized to bind Seller and who is familiar with the Facility, has provided written confirmation that (1) all necessary and material Permits have been obtained and are in full force and effect, (2) Seller is in compliance with this PPA in all material respects, and (3) the Facility is available to commence normal operations in accordance with Seller's operating agreements, Construction Contract, and applicable manufacturers' warranties; (4) the Facility has been registered with the Transmission Authority, (5) Seller is obligated under and in material compliance with the Interconnection Agreement, (6) the Facility is fully interconnected to the Transmission Authority's System, has been fully tested, has achieved initial synchronization, and has been successfully operated at a generation level acceptable to the Transmission Authority, without experiencing any abnormal or unsafe operating conditions on any interconnected system, (7) Seller has completed any testing of the Facility and Interconnection Facilities required by the Interconnection Agreement;; and (8) Seller has made all other arrangements necessary to deliver the output of the Facility to the Point of Delivery;

(B) an independent registered professional engineer's certification has been obtained by Seller and provided to Company stating that the Facility has been completed in all material respects, except for punch list items that do not have a Material Adverse Effect on the ability of the Facility to operate for its intended purpose;

(C) Seller has demonstrated (1) the reliability of the Facility's communications systems and communication interface with Company's EMCC and the

Facility is capable of receiving and reacting to signals from Company's SCADA System, and (2) all AGC equipment is installed and operational; and

(D) at least ninety-five percent (95%) of the Solar Units and associated equipment sufficient to allow such Solar Units to generate and deliver Solar Energy to the Point of Delivery have been completed.

4.4 Test Energy.

(A) Seller shall provide Company and Transmission Authority with the information necessary to have the Facility registered with the Transmission Authority for inclusion in any generation modeling maintained by the Transmission Authority, sufficiently in advance to allow the Facility to be registered in such model at least four months prior to generating any Test Energy. Upon receipt of such information, Company will cooperate reasonably to assist in the registration of the Facility to allow generation of Test Energy.

(B) Prior to the COD, Seller shall coordinate the production and delivery of Test Energy with Company, with not less than five (5) Days' Notice, or such other Commercially Reasonable prior Notice as Company may reasonably request. The Parties shall cooperate to facilitate Seller's testing of the Facility necessary to satisfy the COD Conditions. Company shall only be required to accept delivery of Test Energy required to satisfy the COD Conditions. Company shall pay the Test Energy Rate for all Test Energy delivered prior to COD.

Article 5 - Delivery

5.1 Electric Delivery Arrangements. Seller shall be responsible for making, maintaining and paying the costs associated with the interconnection of the Facility to the Transmission Authority's System. Seller shall comply with the Transmission Authority's requirements for the interconnection and shall comply with all requirements set forth in the applicable Transmission Tariff. The Interconnection Request shall request Network Resource Interconnection Service or its equivalent as authorized under the applicable Transmission Tariff. Seller shall cooperate reasonably in any request by Company to assist in Company's efforts to have the Facility approved as a Network Resource or equivalent classification pursuant to the applicable Transmission Tariff. Company shall arrange and be responsible for scheduling and transmission services at the Point of Delivery, and shall schedule or arrange for scheduling services with the Transmission Authority to deliver Solar Energy from the Point of Delivery to Company load. To the extent applicable during the Term, Company shall be the market participant as defined by the Transmission Authority for the Facility.

(A) Seller authorizes Company to contact and obtain information concerning the Facility and Interconnection Facilities directly from any applicable Transmission Authority and, upon request, Seller shall confirm such authorization in

writing to such Transmission Authority or any applicable transmission owners in such form as requested by Company or the Transmission Authority.

(B) Seller shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver, on a firm transmission service basis, the output from the Facility to the Point of Delivery.

(C) Company shall be responsible for all electric losses, transmission and ancillary service arrangements and costs required to transmit and deliver the output from the Facility beyond the Point of Delivery. If at any time during the Term, the entity owning the transmission facilities at the Point of Delivery changes or the facilities at the Point of Delivery cease to be subject to the Transmission Tariff, then the Parties shall cooperate in good faith to amend this PPA in a manner to facilitate the delivery of output from the Point of Delivery to Company's customers at the least possible cost to Company.

5.2 Electric Metering Devices.

(A) All Electric Metering Devices used to measure energy shall be owned, installed, and maintained in accordance with the Interconnection Agreement at no cost to Company under this PPA.

1. For purposes of this PPA, meter readings will be adjusted to reflect losses from the Electric Metering Devices to the Point of Delivery based initially on the amount specified by the manufacturer for expected losses, *provided, however, that* the Operating Committee may revise this loss adjustment based on actual experience.

2. Seller shall arrange any necessary authorization to provide Company access to all Electric Metering Devices for all purposes necessary to perform under this PPA and shall provide Company the opportunity to be present at any time when such Electric Metering Devices are to be inspected and tested or adjusted.

(B) Either Party may elect to install and maintain, at its own expense, backup metering devices ("Back-Up Metering"), *provided, however, that* the specifications, installation and testing of any such Back-Up Metering shall be consistent with the requirements for the Electric Metering Devices. Upon written request, the installing Party shall conduct retests requested by the other Party. The actual cost of any retest shall be borne by the Party requesting the test, unless, upon such retest, Back-Up Metering is inaccurate by more than one percent, in which case the cost of the retest shall be borne by the installing Party. If requested in writing, the installing Party shall provide copies of any inspection or testing reports to the requesting Party.

(C) If an Electric Metering Device or Back-Up Metering, fails to register, or if the measurement is inaccurate by more than one percent, an adjustment shall be made correcting all measurements as follows:

1. If the Electric Metering Device is found to be defective or inaccurate, the Parties shall use Back-up Metering, if installed, to determine the amount of such inaccuracy, *provided, however, that* Back-Up Metering has been tested and maintained and adjusted for losses on the same basis as the Electric Metering Device. If Back-Up Metering is not installed, or Back-Up Metering is also found to be inaccurate by more than one percent, the Parties shall use the best available information for the period of inaccuracy, adjusted as agreed by the Parties for losses to the Point of Delivery.

2. If the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period shall be the shorter of (i) the last one-half of the period from the last previous test of the Electric Metering Device to the test that found the Electric Metering Device to be defective or inaccurate, or (ii) one hundred eighty (180) Days immediately preceding the test that found the Electric Metering Device to be defective or inaccurate.

3. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Company, Company shall use the corrected measurements as determined in accordance with this Article to re-compute the amount due for the period of the inaccuracy and in accordance with Article 9 may adjust the next regular bill to reflect such re-computed amount provided however, that payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives notice of the amount due.

Article 6 - Conditions Precedent

6.1 Company CPs.

(A) No later than October 31, 2014, the Company shall file this PPA with the State Regulatory Agencies, pursuant to relevant regulatory requirements, seeking State Regulatory Approval. Seller shall cooperate with Company's efforts to seek State Regulatory Approval.

(B) Either Party shall have the right to terminate this PPA, without any further financial or other obligation to the other as a result of such termination, by Notice to the other Party not more than ten (10) Days after the earlier of (i) fourteen (14) Days after receipt of a written order from either or both the State Regulatory Agencies that singly or in the aggregate do not constitute State Regulatory Approval, or imposing conditions on State Regulatory Approval unsatisfactory to either Party, or (ii) six (6) months following the filing hereof with the State Regulatory Agencies without receipt of State Regulatory Approval.

(C) Notwithstanding the foregoing, in the event that any State Regulatory Agency finds that 100% of the costs incurred by Company under this PPA are recoverable from ratepayers within that State (without application of jurisdictional allocators or other reductions to reflect multi-state operations), then the inability or

failure to obtain approval from the other State Regulatory Agency shall not give rise to Company's right to terminate this PPA under this Section 6.1 and Company shall waive any rights it may otherwise have to terminate the PPA for failure to obtain State Regulatory Approval.

(D) If Company fails to terminate this PPA in the time allowed by this Section, Company shall be deemed to have waived its right to terminate this PPA under this Section 6.1, this PPA shall remain in full force and effect thereafter.

6.2 Seller CPs. Seller shall have the right to terminate this PPA, without any further financial or other obligation to Company as a result of such termination, by Notice to Company within fourteen (14) Days following the failure of Seller to satisfy any of the Seller CPs by the required date. If Seller fails to terminate this PPA in the time allowed by Sections 6.1 or 6.2, the Seller shall be deemed to have waived its right to terminate this PPA under these Sections, and this PPA shall remain in full force and effect.

Article 7 - Sale and Purchase

7.1 General Obligation.

(A) Beginning on the Commercial Operation Date, Seller shall generate from the Facility, deliver to the Point of Delivery, and sell to Company, and Company shall receive and purchase at the Point of Delivery, the products and services required by this PPA. Seller shall not curtail or interrupt deliveries from the Facility as required by this PPA for economic reasons of any type whatsoever.

(B) Title and risk of loss of the products and services transacted by this PPA shall transfer from Seller to Company at the Point of Delivery.

7.2 Committed Solar Energy. Seller covenants to deliver the Committed Solar Energy to the Point of Delivery.

7.3 AGC.

(A) Beginning on the Commercial Operation Date, Company shall dispatch Facility through the EMCC AGC system.

(B) Company may notify Seller, by telephonic communication or through use of the AGC Set Point, to curtail the delivery of Solar Energy to Company from the Facility and to the Point of Delivery, for any reason and in its sole discretion and Seller shall promptly comply with such notification.

(C) The AGC Set-Point is calculated by the EMCC AGC system and communicated electronically through the SCADA System. Seller shall ensure that, throughout the Term, the SCADA signal is capable of functioning on all AGC Set Points

within the margin of error specified in the solar facility's control system manufacturer's energy set point margin of error.

(D) Seller shall ensure that Facility AGC Remote/Local status is in "Remote" set-point control during normal operations.

7.4 Compensation for Other Products and Services.

(A) The Parties acknowledge that existing and future Applicable Laws create value in the ownership, use or allocation of RECs. To the full extent allowed by such Applicable Law, Company shall own or be entitled to claim all RECs to the extent such credits may exist or be created during the Term associated with Test Energy, Solar Energy, and any Excess Solar Energy delivered to Company.

1. Seller hereby automatically and irrevocably assigns to Company all Transmission Authority accreditable capacity (Zonal Resource Credits, or ZRCs) based on MISO Module E criteria.

2. Seller hereby automatically and irrevocably assigns to Company all rights, title and authority for Company to register the Eligible Energy Resource and own, hold and manage such RECs in Company's own name and to Company's account, including any rights associated with any renewable energy information or tracking system that exists or may be established (including but not limited to participants in any applicable REC Registration Program and the United States government) with regard to monitoring, registering, tracking, certifying, or trading such credits. Seller hereby authorizes Company to act as its agent for the purposes of registering the Eligible Energy Resource, tracking and certifying RECs and Company has full authority to hold, sell or trade such RECs to its own account of said renewable energy information or tracking systems. Upon the request of Company, at no cost to Company, (i) Seller shall deliver or cause to be delivered to Company such attestations/certifications of RECs, and (ii) Seller shall cooperate with Company's registration and certification of RECs.

3. Prior to the Commercial Operation Date, Seller shall make all applications and/or filings required by Applicable Law for REC accreditation and for the provision of such RECs to Company, or, upon Company's request, provide the information needed for the Company to make these applications and/or filings on the Seller's behalf.

4. Seller shall retain any RECs associated with any Excess Solar Energy not delivered to Company.

(B) Seller shall make available to Company all Generation Benefits and Ancillary Services associated with the Facility at no additional charge under this PPA. Any compensation Seller receives under the Interconnection Agreement or otherwise for Generation Benefits or Ancillary Services associated with the Facility and its output shall

be provided to Company at no additional cost to Company under this PPA. Seller shall credit Company, as a reduction to Seller's monthly invoice or other mutually-agreed mechanism, for any compensation that Seller receives for Generation Benefits or Ancillary Services.

1. Seller shall use Commercially Reasonable Efforts to maximize the availability of Generation Benefits and Ancillary Services available from the Facility, *provided, however, that* Seller shall not be required to make any extraordinary capital expenditures or incur any significant increased operating expenses in connection with such efforts.

2. In the event a Governmental Authority or Transmission Authority implements new or revised requirements for generators to create, modify, change, or supply Ancillary Services, requiring Seller to install additional equipment after the Commercial Operation Date to meet such requirements, then Seller shall be allowed to reduce the amount owed to Company for Ancillary Services by an amount sufficient to recover the cost of such additional equipment, *provided, however, that* the amount of credit shall in no event be less than zero. Any excess of such cost over the amount of the credit in any year shall instead be carried forward as a reduction of the amount of the credit in subsequent years.

Article 8 - Payment Calculations

8.1 Solar Energy Payment Rate.

(A) Prior to the Commercial Operation Date, Company shall pay Seller for Test Energy delivered to the Point of Delivery pursuant to Section 4.4 at the Test Energy Rate. Seller shall be entitled to no Compensable Curtailment Energy payment prior to the COD in connection with Test Energy.

(B) Commencing on the Commercial Operation Date, Company shall pay Seller the Solar Energy Payment Rate for Solar Energy and RECs delivered to the Point of Delivery. The Solar Energy Payment Rate for a specific Commercial Operation Year shall be effective on the first (1^{st}) Day of the calendar month following the calendar month in which the applicable anniversary of COD occurs (for example, if COD occurs on December 10, 2016, the Solar Energy Payment Rate by Commercial Operation Year for the second Commercial Operation Year as described in EXHIBIT J shall be effective as of January 1, 2018).

(C) In the event that the Solar Energy in any Commercial Operation Year (including any Compensable Curtailment Energy) exceeds one hundred fifteen percent (115%) of the Committed Solar Energy ("Excess Solar Energy"), Company shall have the option to either (i) pay Seller the Solar Energy Payment Rate for all such Excess Solar Energy and RECs associated therewith, or (ii) elect not to accept any Excess Solar Energy.

1. Seller shall notify Company upon Seller's delivery of Solar Energy hereunder that exceeds one hundred ten percent (110%) of the Committed Solar Energy for a Commercial Operation Year. Company shall elect within ten (10) Business Days of Seller's Notice to either accept or decline the Excess Solar Energy after the date of Company's election and through the balance of such Commercial Operation Year.

2. If Company elects not to accept Excess Solar Energy, Seller shall have the right to sell such Excess Solar Energy (including associated RECs) to one or more third parties until the end of the applicable Commercial Operation Year, after which the Parties' obligations shall resume pursuant to this PPA, *provided, however, that* Seller shall be solely responsible for arranging transmission service and delivery arrangements to such third party at no cost to Company under this PPA.

8.2 Curtailment Energy Payment Rate.

(A) If following Commercial Operation (i) delivery of Solar Energy is curtailed by Company pursuant to Section 7.3, or an Economic Curtailment occurs , and (ii) any such reduction is not included as a Non-Compensable Curtailment, then:

1. the Parties shall determine the quantity of Solar Energy that would have been produced by the Facility (i) during those periods of time when the Facility is on AGC and the AGC Set-Point is set at a level that will not allow the entire Facility Nameplate Capacity to be deliverable by determining the difference between Potential Energy and the delivered Solar Energy, and (ii) during those periods of time when the Facility is not on AGC or the AGC Set-Point is set at a level that will allow the Facility Nameplate Capacity to be deliverable by determining the amount that would have been available for delivery had its generation not been so curtailed ("Compensable Curtailment Energy").

2. Compensable Curtailment Energy shall be the number of MWh represented by the Potential Energy less the Solar Energy actually delivered and measured by the Electric Metering Devices (and excluding any Non-Compensable Curtailments) during the period of curtailment.

3. Company shall pay to Seller for such Compensable Curtailment Energy net of any Non-Compensable Curtailments (i) all amounts that Seller would have received from Company under this PPA had such Compensable Curtailment Energy actually been delivered plus (ii) the amount of any associated Tax Benefits to which Seller would have been entitled but did not receive as a result, on a grossed up basis; provided, however, that Seller has elected to receive such benefits. For the avoidance of doubt, Seller shall not be entitled to recover any Tax Benefits to the extent Seller was not entitled to receive such benefits had the Compensable Curtailment Energy actually been delivered.

(B) For purposes of determining Compensable Curtailment Energy, the amount of Potential Energy at any given time shall be calculated using the best-available data and methods to determine an accurate representation of the amount of Solar Energy.

1. To the extent available, Company agrees to use Seller's real time Park Potential communicated to Company through the SCADA System as the proxy for Potential Energy, except to the extent that Park Potential is demonstrated not to accurately reflect the Potential Energy (plus or minus 2% over a period of one month).

2. During those periods of time when the Park Potential is unavailable or does not accurately represent Potential Energy, the Parties shall use the best available data obtained through Commercially Reasonable methods to determine the Potential Energy.

3. Seller shall be entitled to sell any curtailed energy to third parties to whom Seller is able successfully to transact and deliver, *provided, however, that* the net amount realized for such sale shall offset amounts owed by Company for Compensable Curtailment Energy. Company shall reasonably cooperate with any such sales, and Seller accepts sole responsibility to obtain transmission rights to deliver such energy at no cost to Company. Seller accepts all risk of the unavailability of transmission rights during any curtailment.

(C) Notwithstanding anything in this Article to the contrary, curtailments or reductions of delivery for any of the following reasons shall constitute "Non-Compensable Curtailments" and shall be excluded from Compensable Curtailment Energy, and no payment shall be due Seller under paragraph (A) above for curtailments of delivery of Solar Energy arising out of or resulting from

1. an Emergency;

2. any action taken which reduces or limits the allowable output of the Facility under the Interconnection Agreement or a provisional or conditional Interconnection Agreement, including curtailments arising out of interconnection limits established by the Transmission Authority or market rules which make conditional or provisional interconnection agreements subordinate to those with unconditional interconnection agreements;

3. the restriction or reduction of transmission service by the applicable transmission service provider to the extent such restriction or reduction would also have been imposed even if firm transmission service had been in place;

4. maintenance outages, whether planned or unplanned, of any part of the transmission system or any testing of the transmission system to the extent

such maintenance or testing outage requires a restriction or reduction to the output of the Facility or Company's transmission service arrangements;

5. the lack of available transmission for generation from the Facility to the Point of Delivery to the extent such failure prevents the Seller from delivering Solar Energy to the Point of Delivery;

6. Seller's failure to maintain in full force and effect any Permit to construct and/or operate the Facility; and,

7. Seller's failure to maintain AGC capability or its failure or refusal to respond to an AGC instructions from the EMCC.

Article 9 - Billing and Payment

9.1 Billing.

(A) The billing period shall be the calendar month. Within ten (10) Days after the end of any month, Company will provide to Seller a statement containing the applicable billing parameters based on Company's reading of the Electric Metering Devices and Company's assessment of the amount due during the previous calendar month. No later than fifteen (15) Business Days after the end of each month, Seller shall submit an invoice to Company in a form and by a method mutually agreed to by the Parties showing the payment amount due Seller during the previous calendar month, specifying the products and services provided, all billing parameters, rates and factors, and any other data reasonably relevant to the calculation of payments due to Seller.

(B) Seller shall include an explanation of any items in dispute, as well as all supporting documentation upon which Seller relies. Billing disputes shall be resolved in accordance with Section 9.3.

(C) All billing data based on metered deliveries to Company shall be based on meter readings in accordance with Section 5.2.

9.2 Payment. Unless otherwise specified herein, undisputed payments shall be payable by check or electronic funds transfer, as designated by the owed Party, on or before the fifteenth (15^{th}) Business Day following receipt of the invoice. Remittances received by mail will be considered to have been paid when due if the postmark indicates the payment was mailed on or before the fifteenth (15^{th}) Business Day following receipt of the billing invoice.

(A) If a payment is late, a late payment charge shall be applied to the unpaid balance for the number of days payment was late and shall be added to the next billing statement. Late payment charges shall include interest calculated using the prime rate of interest as published on the date of the invoice in *The Wall Street Journal* (or, if unavailable, an equivalent publication on or about that date).

(B) Company at any time may offset against amounts owed to Seller, any liquidated amounts, accrued damages and other payments, and undisputed billing errors and adjustments, which are owed by Seller pursuant to this PPA.

(C) Seller and Company shall net their obligations to each other under this PPA, and payment of the net amount will discharge all mutual undisputed obligations between the Parties.

9.3 Billing Disputes. Either Party may dispute invoiced amounts, but shall pay at least the undisputed portion on or before the date due. To resolve any billing dispute, the Parties shall use the procedures set forth in Article 13. When the billing dispute is resolved, the Party owing shall pay the amount owed within five (5) Business Days of the date of such resolution, without late payment interest except to the extent that it shall have been established that the amount owed was not disputed in good faith, in which case late payment interest charges shall be calculated on the amount found not to have been disputed in good faith in accordance with the provisions of Section 9.2.

Article 10 - Operations and Maintenance

10.1 Operation and Administration.

(A) Seller shall staff, control, and operate the Facility consistent with Good Utility Practices and the Operating Procedures. During daylight hours and/or when the Facility is capable of operation, personnel shall be available at all times via telephone or other electronic means with (i) the capability of remotely operating and stopping the Facility within 10 minutes, and (ii) the ability to be present at the Site within sixty (60) minutes or as soon as reasonably practicable.

(B) Seller shall comply with the requirements of NERC, ERO, Transmission Authority, FERC, or successor organizations, Company requirements, Governmental Authority, and Good Utility Practice in the operation of the Facility.

1. To the extent that the actions of Seller or the Facility contributes in whole or in part to actions that result in monetary penalties being assessed to Company by NERC, ERO, Transmission Authority, FERC, or other Governmental Authority, Seller shall reimburse Company for all such monetary penalties proximately caused by Seller or the Facility.

(C) Seller shall be responsible for providing accurate and timely updates on the current availability of the Facility to Company's EMCC. Seller shall provide to Company a day-ahead availability forecast in accordance with EXHIBIT H - OPERATING STANDARDS, AGC PROTOCOLS, DATA COLLECTION. Seller acknowledges that such forecasting is consistent with the reporting requirements required for compliance with NERC standards intended to maintain reliability. Seller, as the generator, is primarily responsible for complying with applicable generator owner and operator NERC standards and to report the information to Transmission Authority, ERO or other reliability

coordinator. Company agrees to provide the forecasted information to the reliability coordinator on Seller's behalf, *provided, however, that* Seller shall remain responsible to ensure the reliability and accuracy of forecasts and any changes to the real-time or forecast availability of the Facility.

10.2 Facility Maintenance.

(A) Seller shall maintain the Facility in accordance with Good Utility Practice and relevant equipment manufacturers' requirements. Seller shall coordinate its regular maintenance requirements for the Facility with Company. Maintenance Schedules shall be provided to Company in writing and sufficiently in advance for Commercially Reasonable review ("Maintenance Schedule").

(B) Except as otherwise agreed to by Company, Seller shall minimize the amount of scheduled maintenance during On-Peak Months to the full extent consistent with Good Utility Practices. During any Business Day of an On-Peak Month, Seller shall use Commercially Reasonable Efforts to (i) maximize the amount of Solar Energy produced by the Facility, and (ii) minimize the extent and duration of Forced Outages.

(C) When Forced Outages occur, Seller shall notify Company's EMCC of the existence, nature, start time, and expected duration of the Forced Outage as soon as practical, but in no event later than one hour after the Forced Outage occurs. Seller shall immediately inform Company's EMCC of changes in the expected duration of the Forced Outage unless relieved of this obligation by Company's EMCC for the duration of each Forced Outage.

10.3 Books and Records.

(A) Seller shall maintain an accurate and up-to-date operating log, in electronic format, at the Facility with records of production for each clock hour; changes in operating status; Forced Outages; information required by Applicable Law, Governmental Authority, Transmission Authority, or the ERO in the prescribed format; and other information reasonably requested by Company.

(B) Seller and Company shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this PPA, including such records as may be required by Governmental Authorities, Transmission Authority, NERC or ERO as applicable. All records of Seller pertaining to the operation of a Facility shall be maintained at Seller's Juno Beach, Florida facility or such other location as is mutually agreed to by the Parties.

(C) Each Party shall keep all books and records necessary for metering, billing and payment and shall provide the other Party Commercially Reasonable access to those records.

(D) Company may audit and examine from time to time upon request and during normal business hours: (i) Seller's operating procedures, (ii) equipment manuals, Operating Records, (iii) and data kept by Seller relating to transactions under and administration of this PPA, by Company with Applicable Law and relevant accounting standards. Seller shall maintain all such records Seller's Juno Beach, Florida facility or some other mutually-agreeable location and shall cooperate with Company's audit rights under this Section.

10.4 Operating Committee and Operating Procedures.

(A) Company and Seller shall each appoint one representative and one alternate representative to act as the Operating Committee in matters relating to the Parties' performance obligations under this PPA and to develop operating arrangements for the generation, delivery and receipt of any output from the Facility. Operating Committee representatives shall be included in EXHIBIT D NOTICES.

1. The Operating Committee may develop mutually agreeable written Operating Procedures consistent with the requirements of this PPA, to address matters of day-to-day communications; key personnel; operations-center interface; metering, telemetering, telecommunications, and data acquisition procedures; operations and maintenance scheduling and reporting; reports; operations log; testing procedures; and such other matters as may be mutually agreed upon by the Parties.

(B) The Operating Committee shall review the requirements for AGC from time to time after the date hereof and may agree on modifications thereto to the extent necessary or convenient for operation of the Facility in accordance with this PPA.

(C) The Operating Committee shall have authority to act in all technical and day-to-day operational matters relating to performance of this PPA and to attempt to resolve disputes or potential disputes, *provided, however, that* except to the extent explicitly provided for in this PPA, such representatives and the Operating Committee shall not have the authority to amend or modify any provision of this PPA.

10.5 Access to Facility. Appropriate representatives of Company shall have access to the Facility with Commercially Reasonable prior notice, to read meters and perform inspections as may be appropriate to facilitate the performance of this PPA. While at the Facility, such representatives shall observe such Commercially Reasonable safety precautions as may be required by Seller and shall conduct themselves in a manner that will not interfere with the operation of the Facility.

10.6 Capacity Accreditation. Company has certain planning, operating and reporting requirements. Seller shall complete at its own expense all applicable testing and reporting requirements for the Facility, including any required capacity testing pursuant to, and in accordance with, the procedures and guidelines applicable to Company-owned or purchased generation set forth in Module E of the MISO Open Access Transmission Tariff as amended from time to time.

10.7 Real Time Data.

(A) Seller shall communicate all data necessary for Company to integrate the Facility into Company's EMCC in real time through the Facility's SCADA System in accordance with the AGC Protocols. Seller shall maintain the Facility's SCADA System so that it is capable of interfacing with and reacting to Company's AGC Set-Point and responding to signals from the Company's EMCC in accordance with the AGC Protocols.

1. Seller shall use Commercially Reasonable Efforts to adjust the real time Park Potential when Company communicates to Seller a measured difference of plus or minus two percent between the metered Solar Energy, during a time where there was no AGC Set-Point, and Park Potential.

2. In the event that Company reasonably concludes that (i) Seller is not (i) providing the data required by this Section, (ii) interfacing with and reacting to Company's AGC Set-Point as required by this PPA, and/or (iii) providing Park Potential data within the required margin of error, then upon Notice from Company, Seller shall, at Seller's expense, take those actions necessary to fully comply with this paragraph. Upon Seller's request, Company shall cooperate with Seller in taking any such actions.

(B) Not later than the Commercial Operation Date, or when reasonably requested prior to the Commercial Operation Date, Seller shall provide Company, at Seller's expense, real time unit performance and meteorological data for all Solar Units and meteorological stations at the Facility in accordance with EXHIBIT H - OPERATING STANDARDS, AGC PROTOCOLS, DATA COLLECTION for the Term of this PPA. Seller shall undertake to maintain Seller-owned data collection systems which are compatible with Company's PI. Seller shall ensure that real time communications capabilities are available and maintained for the transmission to Company's PI. Seller shall ensure that all meteorological equipment at a minimum meets the specifications set forth in EXHIBIT H - OPERATING STANDARDS, AGC PROTOCOLS, DATA COLLECTION. Company shall be entitled to disclose data gathered through the Company's PI to third parties. Company shall have the right to disclose data gathered through the Company's PI system publicly *provided, however, that* such data is (i) masked to obscure the origin of the data and (ii) aggregated so that the data cannot be correlated and used by competitors of Seller and the supplier of the Solar Units.

Article 11 - Security for Performance

11.1 Security Fund.

(A) No later than thirty (30) Days following, the Parties' receipt of the initial written order of the MPUC approving this PPA on terms and conditions satisfactory to Company in its sole discretion, Seller shall establish, fund, and maintain a Security Fund that is available to pay any amount due to Company pursuant

to this PPA, and to provide Company security that Seller will satisfy its obligations under this PPA.

1. The Security Fund shall equal the Pre-COD Security Fund up to the COD and the Post-COD Security Fund on and after the COD and throughout the Term.

2. Seller shall replenish the Security Fund within fifteen (15) Business Days after Company makes a draw on the Security Fund as authorized by this PPA, up to the required amount, *provided, however, that* Seller shall not be required to replenish the Security Fund to a level in excess of the remaining amount of the applicable Damage Cap. Notwithstanding the foregoing, Seller shall replenish all amounts drawn from the Security Fund in respect of damages described in Section 12.3(C).

(B) Company may draw from the Security Fund such amounts as are necessary to recover amounts owing to Company that have not been timely paid pursuant to this PPA, including any damages due to Company and any amounts for which Company is entitled to indemnification under this PPA. Company may, in its sole discretion, draw all or any part of such amounts due to it from any form of security to the extent available pursuant to this Section and in any sequence Company may select. Company's failure or delay to draw any amount from the Security Fund in any instance shall not prejudice Company's rights to subsequently recover such amount from the Security Fund or in any other manner.

(C) The Security Fund shall be maintained at Seller's expense, shall be originated by or deposited in a financial institution or company ("Issuer") satisfying the requirements of this Section, and shall be in the form of one or more of the following instruments:

1. The Security Fund may be in the form of an irrevocable standby letter of credit in the form and substance of EXHIBIT G-1 - LETTER OF CREDIT, and any material changes to such EXHIBIT shall be subject to review and approval by Company, which approval shall not be unreasonably withheld, conditioned or delayed (the "Letter of Credit").

a. The Issuer for the Letter of Credit shall have and maintain an unsecured bond rating (unenhanced by third-party support) equivalent to A- by Standard & Poor's (or better) or "A3" by Moody's (or better), and if ratings from either Standard & Poor's and Moody's are not available, equivalent ratings from alternate rating sources reasonably acceptable to Company. If such rating is equivalent to A-, the Issuer must not be on credit watch or have a negative outlook by any rating agency.

b. The Letter of Credit must be for a minimum term of three hundred sixty (360) Days. Seller shall give Company at least thirty (30) Days advance Notice prior to any expiration or earlier termination of the Letter of Credit.

Seller shall cause the renewal or extension of the Letter of Credit or other authorized security for additional consecutive terms of three hundred sixty (360) Days or more (or, if shorter, the remainder of the Term) more than thirty (30) Days prior to each expiration date of the security. If the Letter of Credit or other security is not renewed or extended at least thirty (30) Days prior to its expiration date or otherwise is terminated early, Company shall have the right to draw immediately upon the security and to place the amounts so drawn, at Seller's cost and with Seller's funds, in an interest bearing escrow account in accordance with sub-paragraph (2) below, until and unless Seller provides a substitute form of such security meeting the requirements of this Section.

2. The Security Fund may be in the form of United States currency, in which Company holds a first and exclusive perfected security interest, deposited with an Issuer who is a state or federally-chartered commercial bank with operations in the State in which the Facility is located (or such other escrow agent acceptable to Company in its sole discretion) in an account under which Company is designated as beneficiary with sole authority to draft from the account or otherwise access the security (the "Escrow Account"). The Escrow Account shall be established pursuant to an Escrow Agreement substantially in the form attached as EXHIBIT G-3 - ESCROW AGREEMENT. Funds held in the Escrow Account may be deposited in a money-market fund, short-term treasury obligations, investment-grade commercial paper and other liquid investment-grade investments with maturities of three months or less, with all investment income thereon to be taxable to, and to accrue for the benefit of, Seller. After the Commercial Operation Date, periodic sweeps by Seller for recovery of interest earned by the escrowed funds shall be allowed, and, at any time the balance in the escrow account exceeds the required amount of security, the escrow agent may remit any excess to Seller.

3. Following COD, the Security Fund may consist of a guaranty substantially in the form of EXHIBIT G-2 - GUARANTY, from an Issuer with a minimum of net worth of at least $200,000,000 and a senior unsecured credit rating (unenhanced by third-party support) equivalent to BBB+ or better by Standard & Poor's or "Baa1" or better by Moody's , and if ratings from both Standard & Poor's and Moody's (or if either one or both are not available, equivalent ratings from alternate rating sources reasonably acceptable to Company). If such senior unsecured credit rating of the Issuer is exactly equivalent to BBB+, the Issuer must not be on credit watch or have a negative outlook by a rating agency. If the credit rating of the Issuer is downgraded or there has been a change that has a Material Adverse Effect in the creditworthiness of the Issuer, then Seller shall be required to convert the guarantee provided by such Issuer to a Security Fund instrument meeting the criteria set forth in either sub-paragraph (1) or sub-paragraph (2) above no later than ten (10) Days after receiving information from or about the Issuer that the Issuer no longer satisfies the requirements of this paragraph.

(D) Seller may change the form of the Security Fund at any time and from time to time upon Commercially Reasonable prior Notice to Company, *provided, however, that* the Security Fund must at all times satisfy the requirements of this Section.

(E) Company may reevaluate from time to time the value of any Security posted by Seller to determine, in a Commercially Reasonable manner, whether (i) it continues to satisfy the requirements in this PPA or (ii) there has been a change that has a Material Adverse Effect in the creditworthiness of the Issuer, such that it does not, or with the passage of time it will no longer, satisfy the requirements of this PPA. If Company determines, in a Commercially Reasonable manner, that there has been an event that has caused Seller's Security to no longer satisfy the requirements of this PPA, then Company shall provide prompt Notice to Seller of such event and after receipt of such Notice, Seller shall be required to provide alternative Security that satisfies the terms of this PPA.

(F) The Security Fund shall survive termination of this PPA to be available to pay any amounts owed to Company arising prior to or upon termination. Promptly following (i) the end of the Term and the completion of all of Seller's obligations under this PPA, or (ii) termination of this PPA for any reason prior to the end of the Term. Company shall determine the amount, if any, owed by Seller for any obligations or damages arising out of this PPA. Company may draw such amount and shall release the balance of the Security Fund (including any accumulated interest, if applicable) to Seller.

(G) Seller shall reimburse Company for the incremental direct expenses (including the fees and expenses of counsel) incurred by Company in connection with the preparation, negotiation, execution and/or release (including making a draw of funds) of any security instruments, and other related documents, used by Seller to establish and maintain the Security Fund pursuant to Seller's obligations under this Section.

Article 12 - Default and Remedies

12.1 Events of Default. Any of the following events shall constitute an Event of Default of the specified Party if such event has not been cured within the cure period specified for such event:

(A) Either Party's failure to make any payment to the other Party as required by this PPA, including invoices pursuant to Article 9, Liquidated Delay Damages, Actual Damages, any required indemnification, or any other required payment, and such amount remains unpaid for a period of ten (10) Business Days after the date the defaulting Party receives Notice from the non-defaulting Party that the amount is overdue.

(B) Either Party's application for, or consent (by admission of material allegations of a petition or otherwise) to, the appointment of a receiver, trustee or liquidator for a Party or for all or substantially all of its assets, or its authorization of such application or consent, or the commencement of any proceedings seeking such appointment against it without such authorization, consent or application, which proceedings continue undismissed or unstayed for a period of sixty (60) Days from its inception.

(C) Either Party's authorization or filing of a voluntary petition in bankruptcy or application for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction or the institution of such proceedings against a Party without such authorization, application or consent, which proceedings remain undismissed or unstayed for sixty (60) Days from its inception or which result in adjudication of bankruptcy or insolvency within such time.

(D) Either Party's unauthorized assignment of this PPA or Change of Control (other than a Permitted Transaction), immediately upon its occurrence and without further notice or opportunity to cure from the non-defaulting Party.

(E) Any material representation or warranty made by a Party in this PPA that is false in any material respect when made, if it is proven that such Party knowingly or intentionally made such false representation or warranty.

(F) Any material representation or warranty made by a Party in this PPA that ceases to remain true during the Term if such cessation would reasonably be expected to result in a Material Adverse Effect on the non-defaulting Party immediately upon its occurrence and without further notice from the non-defaulting Party; if such misrepresentation is not remedied within ten (10) Business Days after notice is received by the defaulting Party; provided if the default is not reasonably capable of being cured within the ten (10) Business Day cure period specified above, the defaulting Party will have such additional time (not exceeding an additional forty-five (45) days) as is reasonably necessary to cure the failure, so long as the Party promptly commences and diligently pursues the cure.

(G) Seller's failure to establish and maintain the Security Fund as of the date required and in the amounts required that remains uncured for five (5) Business Days after Company provides Notice of Seller's failure.

(H) Seller's failure to achieve Commercial Operation more than forty-five (45) Days after the Commercial Operation Milestone **[TRADE SECRET BEGINS TRADE SECRET ENDS]**, provided, however, that if during such period Seller provides a written opinion from a mutually-agreeable independent engineer that the COD can reasonably be achieved within an additional forty-five (45) Day period, then Seller shall be allowed a total period not to exceed ninety (90) Days after the Commercial Operation Milestone to achieve Commercial Operation, *provided further that* Liquidated Delay Damages shall have been paid throughout the entire period of delay and that no additional cure period for such default shall be required.

(I) Seller's failure to deliver at least eighty-five percent (85%) of the Committed Solar Energy during any Commercial Operation Year, **[TRADE SECRET BEGINS TRADE SECRET ENDS]** (a "Committed Solar Energy Measurement Period").

1. To the extent such failure to deliver Committed Solar Energy is attributable to (i) Seller Excuse Hours; (ii) actual solar irradiation falling below the Expected Solar Irradiation for the twelve-month period, as calculated using the methodology set forth in EXHIBIT L - METHODOLOGY FOR ADJUSTING THE TWELVE MONTH COMMITTED SOLAR ENERGY VALUE, or (iii) curtailment by Company under Sections 7.3 and 8.2, the contribution of such occurrences shall be imputed into the calculation of Committed Solar Energy for the purposes of, and only for the purposes of, establishing a default of Seller under this paragraph, and Seller shall be permitted to add and/or replace Solar Units on the Site if and to the extent reasonably required to cure Seller's default pursuant to this paragraph.

2. The failure to deliver Committed Solar Energy may be remedied if (i) within thirty (30) Days following the end of the applicable Committed Solar Energy Measurement Period, Seller cures the reason(s) for such default (or, if such cure cannot reasonably be effected within thirty (30) Days, Seller commences to cure such default within thirty (30) Days and then diligently pursues such cure to completion as soon as practicable thereafter), and (ii) as a result of such efforts, **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]

(J) Seller's material breach of the Interconnection Agreement that has a Material Adverse Effect on Company that remains unremedied for thirty (30) Days after Notice thereof shall have been given by the non-defaulting Party.

(K) The failure by either Party to perform or observe any other material obligation to the other Party under this PPA, that is not excused by Force Majeure and such failure shall remain unremedied for thirty (30) Days after Notice thereof shall have been given by the non-defaulting Party; **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]

12.2 Remedies. Upon the occurrence of any Event of Default of this PPA, the non-defaulting Party may pursue all rights and remedies available to it at law and in accordance with the terms of this PPA. Except as explicitly provided to the contrary in this PPA, each right or remedy of the Parties provided for in this PPA shall be cumulative

of and shall be in addition to every other right or remedy provided for in this PPA, and the exercise of one or more or the rights or remedies provided for herein shall not preclude the simultaneous or later exercise by such Party of any other rights or remedies provided for herein.

(A) Termination and Damages. For any uncured Event of Default, the non-defaulting Party may, at its option do any, some, or all of the following:

1. Offset from any payments due from the non-defaulting Party any amount otherwise due, including any unpaid Liquidated Delay Damages or Actual Damages;

2. Seek Actual Damages in such amounts and on such basis for the default as authorized by this PPA;

3. In the case of an Event of Default by Seller, draw on the Security Fund for any unpaid Liquidated Delay Damages Actual Damages, or any other required and unpaid amount;

4. In the case of an Event of Default by Seller occurring after the Commercial Operation Date, exercise of Company's Step-In Rights.

5. Terminate this PPA immediately upon Notice, without penalty or further obligation to the defaulting Party. Upon the termination of this PPA under this Section, the non-defaulting Party shall be entitled to receive from the defaulting Party, subject to the Damage Caps, all of the Liquidated Delay Damages and Actual Damages in connection with the Event of Default resulting in such termination.

(B) Liquidated Delay Damages. Prior to the COD, Seller shall be liable to pay Company Liquidated Delay Damages as a liquidated damage and not a penalty for any delay in meeting the Commercial Operation Milestone (after giving effect to Permitted Extensions) on the terms and conditions as follows:

1. Provided Seller actually pays Liquidated Delay Damages as and when owed, the payment of such Liquidated Delay Damages shall be Company's sole and exclusive remedy for Seller's failure to achieve, or Seller's delay in achieving the Commercial Operation Milestone. Liquidated Delay Damages shall be payable in lieu of Actual Damages accrued for the period during which Liquidated Delay Damages are assessed. The Parties specifically recognize that Company's damages associated with any delays in achieving the Commercial Operation Milestone will be significant but that it will be difficult to quantify those damages.

2. All Liquidated Delay Damages shall begin to accrue on the Day after the Commercial Operation Milestone as may be extended pursuant to this PPA until the Day after such Commercial Operation Date is achieved.

(C) Actual Damages. For all Events of Default arising after the COD, the non-defaulting Party shall be entitled to receive from the defaulting Party all direct damages proximately caused by such Event of Default ("Actual Damages") incurred by the non-defaulting Party; *provided, however, that* if an Event of Default has occurred and has continued uncured for a period of three-hundred sixty-five (365) Days, the non-defaulting Party shall be required to either waive its right to collect further damages on account of such Event of Default or elect to terminate this PPA. If Seller is the defaulting Party, the Parties agree that Actual Damages recoverable by Company hereunder on account of an Event of Default of Seller may include Replacement Power Costs. If Company is the defaulting Party, the Parties agree that Actual Damages may include any direct damages available under this PPA.

(D) Specific Performance. In addition to the other remedies specified in this Article 12, in the event that any Event of Default of a Party is not cured within the applicable cure period set forth herein, the non-defaulting Party may elect to treat this PPA as being in full force and effect and the non-defaulting Party shall have the right to specific performance. By way of example, if the breach by Seller arises from a failure by third party operating the Facility pursuant to an operating agreement entered into with Seller, and Seller fails or refuses to enforce its rights under the operating agreement that would result in the cure, or partial cure, of the Event of Default, Company's right to specific performance shall include the right to obtain an order compelling Seller to enforce its rights under the operating agreement.

12.3 Limitation on Damages.

(A) Except as otherwise provided in this Section, (i) Seller's aggregate financial liability to Company for Liquidated Delay Damages shall not exceed Pre-COD Damage Cap, and (ii) Seller's aggregate financial liability to Company for Actual Damages shall not exceed the Post-COD Damage Cap (collectively the "Damage Cap(s)").

(B) If at any time during the Term, Company incurs damages in excess of a Damage Cap that Seller does not agree to pay when billed by Company, Company shall have the right to terminate this PPA upon Notice.

(C) The Damage Caps shall not apply to Actual Damages arising out of any of the following events:

1. damage to Company-owned facilities caused by Seller's acts or omissions;

2. Seller's intentional misrepresentation or misconduct in connection with this PPA or the operation of the Facility;

3. the sale or diversion by Seller to a third party of any capacity or energy committed to Company under this PPA except to the extent permitted by this Agreement;

4. Seller's failure (i) to have insurance coverages in the types and amounts required by this PPA at the time a casualty occurs or (ii) to apply any insurance proceeds to restoration of damaged equipment of the Facility following a casualty, in each case except to the extent allowed by this PPA;

5. any claim for indemnification under this PPA;

6. any Environmental Contamination caused by Seller in connection with this PPA; or

7. damages incurred by Company in connection with any bankruptcy or insolvency proceeding involving Seller, including Company's loss of the benefit of its bargain due to rejection or other termination of this PPA in such proceeding.

(D) The Parties confirm that the express remedies and measures of damages provided in this PPA satisfy the essential purposes hereof. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to Actual Damages only. Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary, special, equitable or indirect damages, lost profits or other business interruption damages by statute, in tort or contract (except to the extent expressly provided herein); *provided, however, that* if either Party is held liable to a third party for such damages and the Party held liable for such damages is entitled to indemnification from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

12.4 Step-In Rights.

(A) Upon the occurrence of an Event of Default after the Commercial Operation Date, Company shall have the right, but not the obligation, to exercise its Step-In Rights for the period of time until Seller has cured its Event of Default or this PPA has been terminated. Exercising Step-In Rights shall not preclude or limit Company's right to exercise any remedy it has against Seller under this PPA.

(B) Seller irrevocably appoints Company as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions necessary to implement Company's Step-In Rights. Seller shall not grant any person,

other than the Facility Lender, a right to possess, assume control of, or operate the Facility in derogation of Company's Step-In Rights.

(C) Company acknowledges that the Facility Lender may foreclose and take possession of and operate the Facility and Company may be required to relinquish its Step-In Rights in such circumstance. Company's Step-In Rights shall be limited only by foreclosure of the Facility as a result of Seller's material default of its contractual obligations with the Facility Lender.

(D) Company shall implement its Step-In Rights in conformance with Good Utility Practice and shall perform Seller's obligations in a manner consistent with Seller's duties under this PPA. Seller shall reimburse Company for its documented and reasonable expenses and costs (including the fees and expenses of counsel) incurred by Company in connection with exercising its Step-In Rights. Company shall give Seller and the Facility Lender ten (10) Days' Notice in advance of exercising Company's Step-In Rights. Upon receipt of such Notice:

1. Seller shall make available at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Good Utility Practice.

2. Seller shall give Company, its employees, contractors, or designated third parties unrestricted access to the Site and the Facility.

3. Seller shall cooperate in the implementation of Company's Step-In Rights.

4. Company shall use the output generated and delivered from the Facility during such period in partial satisfaction of Seller's obligations hereunder.

(E) Company may draw upon the Security Fund to cover any expenses incurred by Company in exercising its rights under this Section.

(F) Seller shall retain legal title to and ownership of the Facility.

(G) Company shall provide Seller with at least fifteen (15) Days' Notice of Company's intent to relinquish its Step-In Rights. Company shall relinquish its Step-In Rights on the earliest of (i) termination of this PPA; (ii) Seller has cured all outstanding defaults; (iii) Company's unilateral decision to relinquish possession of the Facility; or (iv) the Parties mutual decision.

(H) Company's Step-In Rights shall not constitute an assumption by Company of any liability attributable to Seller.

12.5 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use Commercially Reasonable Efforts to minimize any

damages it may incur as a result of the other Party's performance or non-performance of the PPA.

Article 13 - Dispute Resolution

13.1 Dispute Resolution.

(A) In the event of any dispute arising under this PPA (a "Dispute"), within ten (10) Business Days following Notice by either Party, (i) each Party shall appoint a representative, and (ii) the representatives shall meet, negotiate and attempt in good faith to resolve the Dispute quickly, informally and inexpensively. In the event the representatives cannot resolve the Dispute within thirty (30) Days after the first meeting, either Party may request that consideration and resolution of the Dispute be transferred to a designated representative of each Party's senior management. Within ten (10) Days following such a request, each Party shall submit a written summary of the Dispute describing the issues and claims to a senior officer of each Party designated to address the Dispute. Within ten (10) Business Days after receipt of each Party's Dispute summaries, the senior management representatives for both Parties shall negotiate in good faith to resolve the Dispute. If such senior management representatives are unable to resolve the Dispute thereafter, either Party may seek available legal remedies.

(B) If no Notice has been issued within 24 months following the occurrence of events or circumstances giving rise to the Dispute (regardless of the knowledge or potential knowledge of either Party of such events and circumstances), the Dispute and all claims related thereto shall be deemed waived and the aggrieved Party shall thereafter be barred from proceeding thereon.

(C) **SELLER AND COMPANY EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS PPA OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF SELLER AND COMPANY RELATED HERETO AND EXPRESSLY AGREE TO HAVE ANY DISPUTES ARISING UNDER OR IN CONNECTION WITH THIS PPA BE ADJUDICATED BY A JUDGE OF THE COURT HAVING JURISDICTION WITHOUT A JURY.**

Article 14 - Force Majeure

14.1 Applicability of Force Majeure. A Party shall be relieved of its obligations to perform this PPA and shall not be considered to be in default with respect to any obligation under this PPA if, and to the extent such Party is prevented from fulfilling such obligation by Force Majeure, *provided, however, that*: (i) such Party gives prompt Notice describing the circumstances and impact of the Force Majeure; (ii) the relief from its obligations sought by such Party is of no greater scope and of no longer duration than is required by the Force Majeure; (iii) such Party proceeds with due diligence to overcome

the Force Majeure and resume performance of its obligations under this PPA; and (iv) such Party provides Notice prior to the conclusion of the Force Majeure.

14.2 Limitations on Effect of Force Majeure.

(A) Force Majeure shall only relieve a Party of such obligations as are actually precluded by the Force Majeure.

(B) In no event will the existence of Force Majeure extend this PPA beyond its stated Term.

(C) If Force Majeure affecting Seller continues for an uninterrupted period of ninety (90) Days from its inception (with respect to Force Majeure occurring prior to COD) or three hundred sixty-five (365) Days from its inception (with respect to Force Majeure occurring after COD), Company may, at any time following the end of such period, terminate this PPA upon Notice to the Seller, without further obligation by either Party except as to costs and balances incurred prior to the effective date of such termination.

14.3 Delays Attributable to Company. Seller shall be excused from performing its obligations under this PPA where Seller can establish that such a failure was caused by (i) any delay or failure by Company to perform its obligations under this PPA, or (ii) any delay or failure by the Transmission Authority to perform its obligations under the Interconnection Agreement, in each case whether or not caused by Force Majeure.

Article 15 - Representations and Warranties

15.1 General Representations and Warranties. Each Party hereby represents and warrants to the other as follows, which representations and warranties will be deemed to be repeated, if applicable, by each Party throughout the Term:

(A) It is a valid separate legal entity, duly organized, validly existing and in good standing under Applicable Law. It is qualified to do business in the State in which the Facility is located and each other jurisdiction where the failure to so qualify would have a Material Adverse Effect on the business or financial condition of the other Party; it has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

(B) The Party's execution, delivery, and performance of all of its obligations under this PPA have been duly authorized by all necessary corporate action, and do not and will not:

1. require any consent or approval by any governing corporate or management body, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to the other Party upon its request);

2. violate any Applicable Law, or violate any provision in any formation documents, the violation of which could have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA;

3. result in a breach or constitute a default under the representing Party's formation documents or bylaws, or under any agreement relating to its management or affairs or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which it is a party or by which it or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA; or

4. result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of the representing Party now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA.

(C) This PPA is a valid and binding obligation of the representing Party.

(D) The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which the representing Party is a party or any judgment, order, or Applicable Law, applicable to it or its business.

(E) Within the meaning of the United States bankruptcy code, (i) this PPA constitutes a "master netting agreement", (ii) all transactions pursuant to this PPA constitute "forward contracts" or a "swap agreement", (iii) the representing Party is a "forward contract merchant" and "master netting agreement participant", and (iv) and all payments made or to be made pursuant to this PPA constitute "settlement payments."

(F) It is (i) an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended, 7 U.S.C. § 1a(12), (ii) a "market participant" under applicable exchange and market rules; (iii) a producer, processor, or commercial user of, or a merchant handling, the commodity which is the subject of this PPA, or the products or by products thereof; and (iv) entering into this PPA solely for purposes related to its business as such.

(G) This PPA grants each Party the contractual right to "cause the liquidation, termination or acceleration" of the transactions within the meaning of Section 556, 560 and 561 of the bankruptcy code, as they may be amended superseded or replaced from time to time. Upon a bankruptcy, a non-defaulting Party shall be entitled to exercise its rights and remedies under this PPA in accordance with the safe harbor provisions of the bankruptcy code set forth in, inter alia, Sections 362(b)(6), 362(b)(17),

362(b)(27), 362(o), 546(e), 548(d)(2), 556, 560 and 561, as they may be amended superseded or replaced from time to time.

15.2 Seller's Specific Representation. To the best knowledge of Seller, and except for those Permits identified in EXHIBIT F - SELLER'S PERMITS, which Seller anticipates will be obtained by Seller in the ordinary course of business, all Permits, or other action required by any Governmental Authority to authorize Seller's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

15.3 Company's Specific Representation. To the best knowledge of Company, and except for the State Regulatory Approval(s) identified in Section 6.1, all approvals, authorizations, consents, or other action required by any Governmental Authority to authorize Company's execution, delivery and performance of this PPA, have been duly obtained and are in full force and effect.

Article 16 - Insurance

16.1 Evidence of Insurance. No later than commencement of construction and then on or before June 1 of each year, Seller shall provide Company with two copies of insurance certificates acceptable to Company evidencing that insurance coverages for the Facility are in compliance with the specifications for insurance coverage set forth in EXHIBIT E - INSURANCE to this PPA. Such certificates shall (a) name Company as an additional insured (except worker's compensation); (b) provide that Company shall receive thirty (30) Days prior Notice of non-renewal or cancellation of any of the corresponding policies (except that such Notice shall be ten (10) Days for non-payment of premiums); (c) provide a waiver of any rights of subrogation against Company, its Affiliates and their officers, directors, agents, subcontractors, and employees; and (d) indicate that the Commercial General Liability policy has been endorsed as described above. All policies shall be written with insurers with an AM Best rating of at least A-VII or a Standard & Poor's rating of at least A. All policies shall be written on an occurrence basis, except as provided in Section 16.2. All policies shall contain an endorsement that Seller's policy shall be primary in all instances regardless of like coverages, if any, carried by Company. Seller's liability under this PPA is not limited to the amount of insurance coverage required herein.

16.2 Term and Modification of Insurance.

(A) All insurance required under this PPA shall cover occurrences during the Term and for a period of two years after the Term. In the event that any insurance as required herein is commercially available only on a "claims-made" basis, such insurance shall provide for a retroactive date not later than the date of this PPA and such insurance shall be maintained by Seller for a minimum of six years after the Term.

(B) Company shall have the right, at times deemed appropriate to Company during the Term, to request Seller to modify the insurance minimum limits specified in EXHIBIT E - INSURANCE in order to maintain Commercially Reasonable coverage amounts. Seller shall make all Commercially Reasonable Efforts to comply with any such request.

(C) If any insurance required to be maintained by Seller hereunder ceases to be reasonably available and commercially feasible in the commercial insurance market, Seller shall provide Notice to Company, accompanied by a certificate from an independent insurance advisor of recognized national standing, certifying that such insurance is not reasonably available and commercially feasible in the commercial insurance market for electric generating plants of similar type, geographic location and capacity. Upon receipt of such Notice, Seller shall attempt to obtain other insurance that would provide comparable protection against the risk to be insured.

16.3 Application of Proceeds. Seller shall apply any insurance proceeds to reconstruction of the Facility following a casualty.

Article 17 - Indemnity

17.1 Indemnification. Each Party (the "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party (the "Indemnified Party") from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including attorneys' fees) for personal injury or death to persons and damage to the Indemnified Party's real property and tangible personal property or facilities or the property of any other person or entity to the extent arising out of, resulting from, or caused by the (i) an Event of Default or other breach under this PPA, (ii) violation of Applicable Laws, (iii) negligent or tortious acts, errors, or omissions, or (iv) intentional acts or willful misconduct, of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents.

(A) This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Party, but the Indemnifying Party's liability to indemnify the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party's negligent or intentional acts, errors or omissions caused the damages.

(B) Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

(C) Nothing in this Section shall enlarge or relieve Seller or Company of any liability to the other for any breach of this PPA.

17.2 Notice of Claim. Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article may apply, the Indemnified Party shall Notice thereof to the Indemnifying Party. The Indemnifying Party shall assume the defense thereof with counsel designated by such Party and satisfactory to the Indemnified Party, *provided, however, that* if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party's expense, unless a liability insurer is willing to pay such costs.

17.3 Settlement of Claim. If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided, however, that* settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement.

17.4 Amounts Owed. Except as otherwise provided in this Article, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss net of any insurance proceeds received by the Indemnified Party following a Commercially Reasonable effort by the Indemnified Party to obtain such insurance proceeds.

Article 18 - Lender Provisions

18.1 Accommodation of Facility Lender. Company shall make Commercially Reasonable Efforts to provide such consents to collateral assignment, certifications, representations, information or other documents (including, but not limited to, estoppel certificates related to a Tax Equity Financing), as may be reasonably requested by Seller in connection with the financing of the Facility consistent with the terms set forth in EXHIBIT I – LENDER CONSENT PROVISIONS (generally, a "Lender Consent"), *provided, however, that* in providing a Lender Consent, Company shall have no obligation to alter or modify the terms of this PPA or provide any consent or enter into any agreement, that has a Material Adverse Effect on any of Company's rights, benefits, risks, or obligations under this PPA. Seller shall reimburse, or shall cause the Facility Lender to reimburse, Company for the direct expenses (including the fees and expenses of counsel) incurred by Company in the preparation, negotiation, execution and/or delivery of the Lender Consent and any documents requested by Seller or the Facility Lender, and provided by Company, pursuant to this Section. Seller shall provide Company with a Notice identifying the Facility Lender and providing appropriate contact information for the Facility Lender.

18.2 Facility Lender Notice and Right to Cure. Seller shall provide Company with a Notice identifying the Facility Lender and providing appropriate contact information for the Facility Lender. Following receipt of such Notice, Company shall provide Notice of any breach or default of Seller to the Facility Lender, and Company will accept a cure performed by the Facility Lender, so long as the cure is accomplished within the applicable cure period set forth in this PPA.

18.3 Notice of Facility Lender Action. Within ten (10) Days following Seller's receipt of each Notice from the Facility Lender of default, or Facility Lender's intent to exercise any remedies under the Financing Documents, Seller shall deliver a copy of such Notice to Company.

18.4 Officer Certificates. Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available personnel and records relating to the Facility to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including administrative proceedings before utility regulatory commissions.

Article 19 - Assignment and Other Transfer Restrictions

19.1 Transfer Without Consent is Null and Void. Any Change of Control or sale, transfer, or assignment of any interest in the Facility or in this PPA (other than a Permitted Transaction) made without fulfilling the requirements of this PPA shall be null and void and a breach of this PPA.

(A) Except as permitted in this Section, neither Party shall assign this PPA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed; *provided, however, that* (i) at least thirty (30) Days prior Notice of any proposed assignment requiring consent shall be given to the other Party; (ii) any assignee shall expressly assume the assignor's obligations under this PPA unless otherwise agreed by the other Party, (iii) no assignment shall relieve the assignor of its obligations under this PPA in the event the assignee fails to perform, unless the other Party waives in writing the assignor's continuing obligations under this PPA; (iv) no assignment shall impair any security given by Seller unless such security has been replaced in accordance with Section 11.1; and (v) before this PPA is assigned by Seller, the assignee must first obtain such approvals as may be required by all applicable Governmental Authorities. For the avoidance of doubt, the requirements delineated in romanettes (ii) through (iv) of this Section 19.1 shall apply to all assignments, including Permitted Transactions.

1. Seller's consent shall not be required for Company to assign this PPA to an Affiliate of Company; *provided, however, that* Company shall remain liable for obligations incurred under this PPA unless released in accordance with the terms of this PPA. In the event that a permitted assignee of Company is an entity that provides retail electric service in the State in which the Facility is located and is subject

to rate and quality service regulation under the jurisdiction of the State Regulatory Agency and has or attains an Investment Grade Seller shall release Company from its obligations under this PPA if Company requests to be so released by Notice to Seller.

2. Company's consent shall not be required for Seller to assign this PPA for collateral purposes, to the Facility Lender. Seller shall provide Company Notice of any such assignment no later than thirty (30) Days after the assignment.

3. **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]

(B) Any Change of Control of Seller, whether voluntary or by operation of law, shall require the prior written consent of Company, which shall not be unreasonably withheld, provided, however, that Company shall have no obligation to provide any such consent prior to the fulfillment and expiration of all rights conferred pursuant to Section 19.2.

19.2 Option, ROFO and PFT. Seller hereby grants Company (i) an option to purchase **[TRADE SECRET BEGINS**

TRADE SECRET ENDS] ("Option"); and (ii) a right of first offer ("ROFO"), each on terms set forth in this PPA.

(A) Company may exercise its Option by providing at least one hundred twenty (120) Days' Notice to Seller of its intent to purchase the Partial Interest, Full Interest or the Facility Property (collectively, the "Acquired Interest"), as applicable.

1. The purchase price shall be the higher of (i) fair market value of the Acquired Interest; or (ii) the Facility Debt or, in the case of the acquisition of the Partial Interest, fifty percent (50%) of the Facility Debt as of the Notice date.

2. Within thirty (30) Days of Company's Option exercise, the Parties shall jointly appoint a qualified, independent, appraiser. If the Parties cannot agree, then each Party shall select an appraiser and the two appraisers shall appoint the appraiser. Seller shall provide all information regarding the Acquired Interest necessary for the appraiser's determination of fair market value. The appraiser shall complete its appraisal within sixty (60) Days of receipt of all such necessary data. The costs of the appraisal shall be included as part of the purchase price. During the period in which the appraiser is evaluating the Acquired Interest, Seller shall allow Company the Commercially Reasonable opportunity to investigate the proposed transaction and conduct due diligence.

3. Upon determination of fair market value of the Acquired Interest, the Parties shall use Commercially Reasonable Efforts to negotiate and sign definitive agreements consummating the transaction within ninety (90) Days. Upon payment of the purchase price, Seller shall execute and deliver to Company all instruments necessary to effect transfer of ownership of the Acquired Interest to Company, subject only to the liens of Facility Lenders Company elects to assume.

4. After Company's exercise of its Option and continuing through closing on any resulting sale, Seller shall maintain the physical Facility Property in Commercially Reasonable condition and to perform those contractual and other obligations under agreements comprising any portion of the Facility Property.

(B) At any time after the Commercial Operation Date, if Seller or any Affiliate of Seller offers to convey the Facility Property or a majority of the equity interests in Seller to an unaffiliated third party (other than pursuant to a Permitted Transaction or to a Tax Equity Investor), Seller shall simultaneously offer Company the ROFO. Seller shall identify (i) the buyer, (ii) the nature and terms of the transaction, and (iii) the minimum price Seller is willing to accept to proceed with the contemplated transaction (the "ROFO Notice"). All information disclosed to Company by Seller with respect to the ROFO shall be deemed Confidential Information and subject to Section 20.18.

1. Seller shall allow Company sixty (60) Days after the ROFO Notice to investigate the proposed transaction and conduct due diligence. Within such period, Company shall either (i) exercise its ROFO rights on substantially comparable terms to the proposed transaction or (ii) cancel its ROFO rights.

2. If Company exercises its ROFO rights, the Parties shall have an additional one hundred twenty (120) Day period to sign definitive agreements on terms no less favorable to Company than those contained in the ROFO Notice. Seller shall cooperate in all respects necessary for Company to exercise its ROFO rights.

3. If Company does not exercise its ROFO rights, Seller shall have the right to close its proposed transaction with the identified prospective buyer, *provided, however, that* such transaction shall have an aggregate value of not less than the minimum price set forth in the ROFO Notice and the transaction shall have been closed not more than nine months following expiration of the Company's right to exercise its ROFO rights.

(C) To the extent Seller proposes a Pending Facility Transaction that does not otherwise trigger Company's ROFO rights, Seller shall give Company at least ninety (90) Days prior Notice of such Pending Facility Transaction (a "PFT Notice") in order to provide Company with an opportunity to discuss and negotiate with Seller the possible sale of the equity interests in Seller or the Facility Property, as applicable, to Company. Any PFT Notice shall include a fair summary of Seller's plans with respect to the Facility in connection with the proposed Pending Facility Transaction, to the extent then known by Seller. All information disclosed to Company by Seller with respect to the

ROFO shall be deemed Confidential Information and subject to Section 20.18. Seller shall have no obligation to sell nor shall Company have any obligation to purchase the equity interests in Seller or the Facility Property, as applicable, following any PFT Notice, *provided, however, that* issuance of a PFT Notice shall not relieve Seller of its obligations to provide a ROFO Notice if and when applicable pursuant to this Section. In the event that the transaction giving rise to the PFT Notice has not been completed within nine (9) months of the PFT Notice, Seller shall be required to resubmit the PFT Notice for such transaction.

19.3 Subcontracting. Seller may subcontract its duties or obligations under this PPA without the prior written consent of Company, *provided, however, that* no such subcontract shall relieve Seller of any of its duties or obligations hereunder.

Article 20 - Miscellaneous

20.1 Notices. Notices required by this PPA shall be in writing and addressed to the other Party, including the other Party's representative on the Operating Committee, at the addresses noted in EXHIBIT D - NOTICES as either Party updates them from time to time by Notice to the other Party. Notices shall either be hand delivered or mailed, postage prepaid. If mailed, Notices shall be simultaneously sent by facsimile or other electronic means. Any Notice shall be deemed to have been received by the close of the Business Day on which it was hand delivered or transmitted electronically (unless hand delivered or transmitted after the close of the Business Day, in which case it shall be deemed received at the close of the next Business Day). Real-time or routine communications concerning Facility operations shall be exempt from this Section.

20.2 Taxes and Change of Law.

(A) Seller shall be solely responsible for any and all present or future taxes and other impositions of Governmental Authorities relating to the construction, ownership or leasing, operation or maintenance of the Facility, or any components or appurtenances thereof, any sales or *ad valorem* taxes relating to the Facility, or any taxes on the products and services generated by Seller, sold and delivered to Company at the Point of Delivery. Seller's prices under Article 8 are inclusive of such taxes and impositions during the Term.

(B) Company shall be solely responsible for the payment of any taxes imposed by Governmental Authorities on the Solar Energy purchased under this PPA beyond the Point of Delivery.

(C) The Parties shall cooperate to minimize tax exposure, *provided, however, that* neither Party shall be obligated to incur any financial burden to reduce taxes for which the other Party is responsible hereunder. All electric energy delivered by Seller to Company hereunder shall be sales for resale, with Company reselling such electric energy. Company shall obtain and provide Seller with any certificates required

by any Governmental Authority, or otherwise reasonably requested by Seller to evidence that the deliveries of electric energy hereunder are sales for resale.

20.3 Applicable Laws. Each Party shall at all times comply with all Applicable Laws, except for any non-compliance that, individually or in the aggregate, could not reasonably be expected to have a material effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder.

(A) As applicable, each Party shall give all required notices, shall procure and maintain all necessary governmental permits, licenses, and inspections necessary for performance of this PPA, and shall pay its respective charges and fees in connection therewith.

(B) Each Party shall promptly disclose to the other, any violation of any Applicable Laws arising out of or in connection with the Facility and this PPA.

(C) Upon permanent cessation of generation from the Facility, Seller shall decommission the Facility, remove the Facility and remediate the Site as, if and when required by Applicable Laws.

20.4 Fines and Penalties.

(A) Seller shall pay when due all fees, fines, penalties or costs incurred by Seller or its agents, employees or contractors for noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, except for such fines, penalties and costs that are being actively contested in good faith and with due diligence by Seller and for which adequate financial reserves have been set aside to pay such fines, penalties or costs in the event of an adverse determination.

(B) If fees, fines, penalties, or costs are claimed or assessed against Company by any Governmental Authority due to noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, or, if the work of Seller or any of its contractors or subcontractors is delayed or stopped by order of any Governmental Authority due to noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, Seller shall reimburse and hold Company harmless against any such costs incurred by Company, including claims for indemnity or contribution made by third parties against Company in accordance with Article 17.

20.5 Rate Changes.

(A) The terms and conditions and the rates for service specified in this PPA shall remain in effect for the term of the transaction described herein. Absent the Parties' written agreement, this PPA shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act.

(B) Absent the agreement of all Parties to the proposed change, the standard of review for changes to this PPA whether proposed by a Party, a non-party, or FERC acting *sua sponte* shall be the "public interest" standard of review set forth in United Gas Pipe Line v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the Mobile-Sierra doctrine), as interpreted in Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1, 128 S. Ct. 2733 (2008).

20.6 Disclaimer of Third Party Beneficiary Rights. In executing this PPA, Company does not and does not intend to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this PPA.

20.7 Relationship of the Parties.

(A) This PPA shall not be interpreted to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Except as specifically provided for in this PPA to the contrary, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

(B) Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform such services, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of Company for any purpose; nor shall Seller represent to any person that he or she is or shall become a Company employee.

20.8 Equal Employment Opportunity Compliance Certification. Seller acknowledges that as a government contractor Company is subject to Applicable Laws regarding equal employment opportunity and affirmative action. Such Applicable Laws may also be applicable to Seller as a subcontractor to Company. All such Applicable Laws shall be deemed to be incorporated herein as required by Applicable Law, including 41 C.F.R. §60-1.4 (a) (1-7).

20.9 Survival of Obligations. Cancellation, expiration, or earlier termination of this PPA shall not relieve the Parties of obligations, including warranties, remedies, or indemnities, that by their nature should survive such cancellation, expiration, or termination, which obligations shall survive for the period of the applicable statute(s) of limitation.

20.10 Severability. In the event any of the terms, covenants, or conditions of this PPA, its Exhibits, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having

jurisdiction, all other terms, covenants, and conditions of the PPA and their application not adversely affected thereby shall remain in force and effect**;** *provided, however, that* Company and Seller shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this PPA with a view toward effecting the purposes of this PPA by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

20.11 Complete Agreement; Amendments. The terms and provisions contained in this PPA constitute the entire agreement between Company and Seller with respect to the Facility and shall supersede all previous communications, representations, or agreements, either verbal or written, between Company and Seller with respect to the sale of any output from the Facility. This PPA, including Exhibits, may be amended, changed, modified, or altered in accordance with the terms of this PPA, *provided, however, that* such amendment, change, modification, or alteration shall be in writing.

20.12 Binding Effect. This PPA is binding upon and shall inure to the benefit of the Parties hereto and their respective successors, legal representatives, and assigns.

20.13 Headings. Captions and headings used in this PPA are for ease of reference only and do not constitute a part of this PPA.

20.14 Counterparts. This PPA may be executed in counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

20.15 Governing Law. The interpretation and performance of this PPA and each of its provisions shall be governed and construed in accordance with the laws of the State in which the Facility is located, exclusive of conflict of laws principles. The Parties submit to the exclusive jurisdiction of the federal district courts of the State in which the Facility is located, and venue is hereby stipulated as the capital city of such State or such other city as mutually agreed to by the Parties.

20.16 Press Releases and Media Contact. Upon the request of either Party, the Parties shall develop a mutually agreed joint press release to be issued describing the location, size, type and timing of the Facility, the long-term nature of this PPA, and other relevant factual information about the relationship. In the event during the Term, either Party is contacted by the media concerning this PPA or the Facility, the contacted Party shall inform the other Party of the existence of the inquiry, any questions asked, and the substance of any information provided to the media.

20.17 Exhibits. Either Party may change the information in EXHIBIT D - NOTICES at any time by Notice without the approval of the other Party. All other Exhibits may be changed to the extent allowed by specific provisions of this PPA or with the mutual consent of both Parties.

20.18 Confidentiality.

(A) Although this PPA is not Confidential Information, the Parties acknowledge and agree that during the course of the performance of their respective obligations under this PPA, either Party may need to provide information to the other Party, which the disclosing party deems confidential, proprietary or a trade secret ("Confidential Information"). The Parties specifically acknowledge that this PPA can be disclosed in its entirety without restriction.

1. Confidential Information shall include all documentation and data, including special techniques, methods, computer programs and software, that the disclosing Party considers proprietary or trade secret and furnishes to the receiving Party and wants the receiving Party to as Confidential Information may be designated as Confidential Information by clear and distinct notation on such documentation or by equivalent method, and shall be treated as such by the receiving Party. Documentation and data not so designated need not be considered by the receiving Party to be proprietary or trade secret; *provided, however, that* any and all data and documentation regarding Facility output, performance, outages and similar operational information shall be considered Confidential Information without the need for further designation if any disclosure thereof would be in a form or by a means that associates such data or documentation with the Facility or Seller or any of its Affiliates, or from which a reasonable person could make such an association. The disclosing Party hereby grants to the receiving Party authority to use Confidential Information for the purposes of this PPA, including keeping electronic copies of such Confidential Information. The receiving Party agrees to keep such Confidential Information confidential, except as set forth in this Section, to use it for work necessary to the performance of this PPA, and not to sell, transfer, sublicense, disclose or otherwise make available any such Confidential Information to others; *provided, however, that* Confidential Information may be disclosed by the receiving Party to the agents, employees, advisors, consultants, or potential or actual debt or equity investors of the receiving Party, subject to their acceptance of the obligations of confidentiality imposed hereby and for whose violations of this requirement of confidentiality the receiving Party shall be responsible.

2. Confidential Information shall not include any data or information:

a. Which can be documented was in the public domain as allowed by this Section, or through no fault or action of the receiving Party at the time it was disclosed by the disclosing Party to the receiving Party or at any time thereafter;

b. Which can be documented was independently developed by the receiving Party;

c. Which can be documented was known to the receiving Party from an ultimate source other than the disclosing Party without breach of this PPA by the receiving Party;

d. Which is disclosed by a Party, in connection with such Party's performance of its obligations under this PPA, to its consultants or contractors or other third parties who are in turn subject to a confidentiality agreement with the disclosing Party to treat the information at least with the care required by this PPA; or

e. Which is legally requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process or, in the opinion of its counsel, by Applicable Laws) to be disclosed, *provided, however, that* the Party requested or required to make a disclosure shall promptly notify the non-disclosing Party, no later than five (5) Days of such request or requirement and prior to disclosure so that the non-disclosing Party may seek an appropriate protective order and/or waive compliance with the terms of this Section.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this PPA.

Seller:

Marshall Solar, LLC,
A Delaware Limited Liability Company

By: _____

Company:

Northern States Power Company

By: _____
David M. Sparby, President and CEO
Northern States Power Company,
a Minnesota Corporation

EXHIBIT A

DEFINITIONS

The following terms shall have the meanings set forth herein:

"AC" means alternating electric current.

"Acquired Interest" shall have the meaning set forth in Section 19.2(A).

"Actual Damages" has the meaning set forth in Section 12.2(C).

"Affiliate" means any person or entity that directly or indirectly controls, is under the control of, or is under common control with, the named entity by the power to direct or cause the direction of the management of the policies of named entity, whether through ownership interest, by contract or otherwise.

"AGC" or "Automatic Generation Control" means the equipment and capability of an electric generation facility to automatically adjust the generation quantity within the applicable Balancing Authority with the purpose of interchange balancing and specifically, the Facility's capability of accepting AGC Set-Point electronically and automatically adjusting and regulating the Facility's energy production via the Facility's SCADA System.

"AGC Protocols" means the protocols attached hereto as EXHIBIT H – OPERATING STANDARDS, AGC PROTOCOLS, DATA COLLECTION as modified in accordance with Section 10.6.

"AGC Remote/Local" means a handshake electronic signal sent from the Facility to the EMCC AGC system, and from the EMCC AGC system to the Facility, indicating the Facility is receiving AGC Set-Point locally (from the facility) or remotely (EMCC AGC system) and is following that AGC Set-Point.

"AGC Set-Point" means the Company-generated analog or digital signal sent by the SCADA System to the Facility, representing the maximum Solar Energy output for the Facility.

"Ancillary Services" means those ancillary services defined under the Transmission Tariff as well as those other services and products that may be included under such tariff from time to time, which are associated, directly or indirectly, with the capacity of the Facility or the transmission of energy from the Facility.

"Applicable Law" means all laws, statutes, treaties, codes, ordinances, regulations, certificates, orders, licenses and permits of any Governmental Authority that are applicable to a Party, the business of a Party or the Facility, now in effect or

hereafter enacted, amendments to or interpretations of any of the foregoing by a Governmental Authority having jurisdiction, and all applicable judicial, administrative, arbitration and regulatory decrees, judgments, injunctions, writs, orders, awards or like actions.

"Back-Up Metering" shall have the meaning set forth in Section 5.2(B).

"Balancing Authority" means the system of electrical generation, distribution and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

"Business Day" means any Day that is not a Saturday, a Sunday, or a FERC recognized holiday.

"Capacity Resource" means the amount of net generating capacity associated with the Facility for which capacity credit may be obtained under applicable planning reserve procedures and requirements as designated by Company.

"Change of Control" means the occurrence of any one of the following events with respect to Seller or any direct or indirect owner of a majority of the ownership interests in Seller: (i) a transfer of a majority of the ownership interests in Seller or such owner; or (ii) any consolidation or merger of Seller or such owner in which Seller or such owner, as the case may be, is not the continuing or surviving entity, or (iii) a sale or conveyance of any direct or indirect ownership interest in Seller following which NextEra Energy, Inc. is no longer the direct or indirect owner of at least fifty (50%) of the ownership interests of Seller, provided, however, that a Change of Control shall not be deemed to have occurred as a result of (i) transactions exclusively among Affiliates of Seller, (ii) any exercise by the Facility Lender of its rights and remedies under the Financing Documents, (iii) a change of the ultimate parent entity of Seller (defined under Section 7A of the Clayton Act, 15 U.S.C. 18a, aka the Hart-Scott-Rodino Antitrust Improvements Act of 1976), (iv) any change of economic and voting rights triggered in Seller's organization documents arising from the financing of the Facility and that does not result in the transfer of ownership, economic or voting rights in any entity that had no such rights immediately prior to the change, or (v) a Permitted Transaction.

"COD Conditions" means all of the requirements that must be satisfied by Seller in order to established as a prerequisite to achieving Commercial Operation as set forth in Section 4.3.

"Commercial Operation" means the period beginning on the Commercial Operation Date and continuing through the Term of this PPA.

"Commercial Operation Date" or "COD" means 12:00 am on the date following the date upon which Seller satisfies the COD Conditions, or such other date as is mutually agreed upon by the Parties.

"Commercial Operation Milestone" means the Construction Milestone for the Commercial Operation Date specified in EXHIBIT B-MILESTONES.

"Commercial Operation Year" means any consecutive 12 month period during the Term, commencing with the Commercial Operation Date or any of its anniversaries.

"Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any action required to be made, attempted or taken by a Party under this PPA, the level of effort in light of the facts known to such Party at the time a decision is made that: (a) can reasonably be expected to accomplish the desired action at a reasonable cost; (b) is consistent with Good Utility Practices; and (c) takes into consideration the amount of advance notice required to take such action, the duration and type of action and the competitive environment in which such action occurs.

"Committed Solar Energy" for any period means the megawatt-hours of Solar Energy committed to be delivered to the Company by Seller from the Facility in such period, set forth in EXHIBIT J - COMMITTED SOLAR ENERGY AND SOLAR ENERGY PAYMENT RATE BY COMMERCIAL OPERATION YEAR. For any period that does not coincide with a Commercial Operation Year, Committed Solar Energy shall be calculated as the month-weighted sum of the Committed Solar Energy falling in each of the two Commercial Operation Years using expected monthly generation profile data, set forth in EXHIBIT K – EXPECTED MONTHLY GENERATION PROFILE.

"Committed Solar Energy Measurement Period" shall have the meaning set forth in Section 12.1(I)

"Company" shall have the meaning set forth in the first paragraph of this PPA.

"Confidential Information" shall have the meaning set forth in Section 20.18(A).

"Construction Contract" means the contract or contracts providing for the engineering, procurement, construction, acquisition, manufacture, delivery or installation of the generating and step-up transformation equipment that is to be part of the Facility and the engineering, procurement and construction of the Facility.

"Construction Milestones" means the dates set forth in EXHIBIT B-MILESTONES.

"Compensable Curtailment Energy" shall have the meaning set forth in Section 8.2(A).

"Damage Caps" shall have the meaning set forth in Section 12.3.

"Day" means a calendar day.

"DC" means direct electric current.

"Dispute" shall have the meaning set forth in Article 13.

"Economic Curtailment" shall mean curtailments of delivery of Solar Energy that arise from Company's scheduling and other market participation activities as may be required of Seller by the Market Operator, if any including any such curtailment arising from any energy offer made by, or on behalf of, Company with respect to the Facility. If Seller asserts that any curtailment was an Economic Curtailment and Company disputes that such curtailment arose from such scheduling or market participation activities of Company, Company shall furnish to Seller, subject to Section 20.18, copies of such records of Company relating to Company's scheduling and market participation activities as Seller reasonably requests for purposes of resolving the dispute.

"Effective Date" shall have the meaning set forth in the introductory paragraph.

"Electric Metering Devices" means revenue quality meters, metering equipment and data processing equipment used to measure, record or transmit data relating to the output from the Facility, including the metering current transformers and the metering voltage transformers.

"Eligible Energy Resource" means any resource that qualifies as a renewable energy resource eligible to be certified to receive, claim, own or use RECs pursuant to the protocols and procedures developed and approved by the State Regulatory Agency in the REC Registration Program.

"Emergency" means any event or occurrence after the date of this PPA that results in the declaration of an Emergency Condition under and as defined in the Interconnection Agreement.

"Energy Markets Control Center" or "EMCC" means Company's merchant representatives responsible for dispatch of generating units, including the Facility.

"Energy Resource Interconnection Service" means the type of interconnection service which allows Seller to connect the Facility to the transmission or distribution system, as applicable, as an "Energy Resource" as defined by the Transmission Tariff, and be eligible to deliver the Facility's output using the existing firm or non-firm capacity on the transmission system on an as-available basis.

"Environmental Contamination" means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of Applicable Law, and present a material risk under Applicable Laws that the Site will not be available or usable for the purposes contemplated by this PPA.

"ERO" means the Electric Reliability Organization certified by FERC pursuant to Section 215 of the Federal Power Act or any successor organization; the Western Electricity Coordinating Council is the certified ERO as of the date of this PPA.

"Event of Default" shall have the meaning set forth in Article 12.

"Excess Solar Energy" shall have the meaning set forth in Section 8.1(C).

"Expected Solar Irradiation" for any 12-month period means **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]. The Expected Solar Irradiation (global horizontal) is **[TRADE SECRET BEGINS** **TRADE SECRET ENDS]** and the Expected Solar Irradiation (diffuse horizontal) is **[TRADE SECRET BEGINS** **TRADE SECRET ENDS]**.

"Facility" means Seller's electric generating facilities, associated balance of plant, parts and equipment consistent with the warranties for the major components, and all equipment necessary to interconnect to the Transmission Authority's System, all as further described in EXHIBIT C-FACILITY DESCRIPTION, including all of the following: Seller's equipment, buildings, Units, generators, step-up transformers, output breakers, facilities necessary to connect to the Interconnection Point, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for construction, operation, maintenance, generation and delivery of the capacity and energy subject to this PPA.

"Facility Debt" means the obligations of Seller or its Affiliates to any lender pursuant to the Financing Documents, including principal of, premium and interest on indebtedness, fees, expenses or penalties, amounts due upon acceleration, prepayment or restructuring, swap or interest rate hedging breakage costs and any claims or interest due with respect to any of the foregoing. For the avoidance of doubt, Facility Debt includes Tax Equity Financing.

"Facility Lender" means, collectively, any lenders providing any Facility Debt and any successors or assigns thereto and Tax Equity Investors.

"Facility Property" means all property rights necessary for the use of the Facility for its intended purpose, including (i) the Facility; (ii) the Site; (iii) Seller's Interconnection Facilities; (iv) the Facility collection facilities and substation; (v) Seller's rights and obligations under the Interconnection Agreement; (vi) Permits, and all material contracts; and (vi) all Facility fixtures, equipment and personal property.

"Federal Power Act" means the provisions of 16 U.S.C. 791(A) et seq. and amendments or supplements thereto.

"FERC" means the Federal Energy Regulatory Commission or any successor agency.

"Financing Documents" means the documents associated with any Tax Equity Financing and the loan and credit agreements, notes, bonds, indentures, security

agreements, lease financing agreements, mortgages, deeds of trust, interest rate exchanges, swap agreements and other documents relating to the development, bridge, construction or permanent debt financing for the Facility, including any credit enhancement, credit support, working capital financing, or refinancing documents, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"Force Majeure" means an event or circumstance that prevents a Party from performing its obligations under this PPA, which event or circumstance (i) was not anticipated as of the Date of this PPA, (ii) is not within the control of or the result of the fault or negligence of the Party claiming its occurrence, and (iii) which by exercise of due diligence and foresight could not reasonably have been avoided, *provided, however, that* such an event or circumstance shall not include: (a) inability, or excess cost, to procure any equipment necessary to perform the obligations of this PPA; (b) acts or omissions of a third party (not under contract to Seller), unless such acts or omissions are themselves excused by reason of Force Majeure; (c) mechanical or equipment breakdown or inability to operate, if such breakdown or inability to operate is attributable to Seller's failure to operate and maintain the equipment in accordance with Good Utility Practices or the applicable manufacturer's instructions; (d) changes in market conditions; or (e) any labor strikes, slowdowns, work stoppages, or other labor disruptions limited only to Seller or Seller's Affiliates.

"Forced Outage" means any condition at the Facility that requires the immediate and unplanned removal of the Facility, or at least ten percent thereof, from service, another outage state, or a reserve shutdown state, resulting from immediate mechanical/electrical/hydraulic control system trips and operator-initiated trips in response to abnormal Facility conditions or alarms.

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"Generation Benefits" means existing or future environmental benefits or attributes, economic and other related carbon credits, carbon offsets, carbon allowances or benefits, renewable energy credits or green tags, carbon dioxide emissions credits, avoided or reduced carbon dioxide emissions, that are attributable to Energy generated by the Seller and sold to Company under this PPA, whether pursuant to or arising from any Governmental Authority or international agreement or treaty, *provided, however, that* this definition excludes (i) any credits, offsets or other benefits arising out of or associated with any emission or pollutant other than carbon dioxide emissions, (ii) any local, state or federal depreciation deductions or other tax credits providing a tax benefit to Seller based on ownership of, or energy production from, any portion of the Facility, including the Investment Tax Credits that may be available to Seller with respect to the Facility, and (iii) depreciation and other tax benefits arising from ownership or operation of the Facility unrelated to its status as a generator of renewable or environmentally clean energy.

"Good Utility Practices" means the practices, methods, standards and acts engaged in or approved by a significant portion of the applicable segment of the electric power generation industry pertaining to facilities of the type, similar size and location to the Facility that, at a particular time, in the exercise of Commercially Reasonable judgment, in light of the facts that are known, or reasonably should have been known, at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with Applicable Law, Permits, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. Good Utility Practices is not limited to the optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods, standards and acts generally acceptable or approved by a significant portion of the applicable segment of the electric power generation industry in the relevant region, during the relevant period.

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"Guarantor" shall have the meaning set forth in Section 11.1.

"Hazardous Materials" means any substance, material, gas, or particulate matter that is regulated by any local Governmental Authority, any applicable State, or the United States of America, as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including, without limitation, protection of non-human forms of life, land, water, groundwater, and air, including any material or substance that is (i) defined as "toxic," "polluting," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "solid waste" or "restricted hazardous waste" under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. §1251); (vii) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6901); (viii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601); (ix) defined as a "chemical substance" under the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.* (15 U.S.C. §2601); or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 *et seq.* (7 U.S.C. §136).

"House Power" means retail power to the Facility, for purposes of unit start-up or shut-down, or for any other purpose.

"Indemnified Party" shall have the meaning set forth in Section 17.1.

"Indemnifying Party" shall have the meaning set forth in Section 17.1.

"Interconnection Agreement" means the separate agreement for interconnection of the Facility to the Transmission Authority's System, as such agreement may be amended from time to time. For purposes of this PPA, the Interconnection Agreement shall be interpreted to include any third party facility construction agreement or other Agreement required by the Transmission Authority to interconnect the Facility in accordance with the Transmission Tariff. For the avoidance of doubt, "Interconnection Agreement" excludes any temporary or provisional interconnection agreement or any agreement where the Transmission Provider may limit the operational output of the Facility.

"Interconnection Facilities" means those facilities designated in the Interconnection Agreement for the direct purpose of interconnecting the Facility at the Interconnection Point, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities, whether owned by Seller, the Transmission Authority or another entity. This equipment is conceptually depicted in EXHIBIT C-FACILITY DESCRIPTION to this PPA.

"Interconnection Point" means the physical point within the operational authority of Transmission Authority as specified in the Interconnection Agreement as project *J305,* at which electrical interconnection is made between the Facility and the Transmission Authority's System in accordance with the Transmission Authority OATT and the Interconnection Agreement.

"Investment Grade" means a long-term credit rating (corporate or long-term senior unsecured debt) of (a) Baa3 or higher by Moody's, and (b) BBB- or higher by S&P.

"Investment Tax Credits" means investment tax credits under Section 48 of the Internal Revenue Code, as in effect from time to time throughout the Term, or any successor or other provision providing for a federal tax credit determined by reference to capital investment in equipment used to produce renewable electric energy from solar energy resources for which Seller, as the owner of the Facility, is eligible.

"Issuer" shall have the meaning set forth in Section 11.1.

"kW" means kilowatt.

"kWh" means kilowatt hour.

"Lender Consent" shall have the meaning set forth in Section 18.2.

"Liquidated Delay Damages" means $200 per MW of Facility AC Nameplate Capacity per Day.

"Local Provider" means the utility providing House Power to the Facility.

"Maintenance Schedule" has the meaning set forth in Section 10.2.

"Market Operator" means the entity that instructs market participants and/or generators to regulate generation. assets, including the Facility, within any energy market in which Company participates with respect to the Solar Energy or Capacity Attributes and Ancillary Services based on price-based offer curves for the purpose of matching generation output to system load demand while maintaining bulk electric system reliability. If such entity is also the Transmission Provider, then "Market Operator" shall be construed to mean such entity acting in its capacity as the entity that instructs market participants and/or generators to regulate generation assets, including the Facility, within the energy market in which Company participates with respect to the Solar Energy or Capacity Attributes or Ancillary Services based on price-based offer curves for the purpose of matching generation output to system load demand while maintaining bulk electric system reliability.

"Material Adverse Effect" means any effect (or effects taken together) that is materially adverse to the present or future business, operations, assets, liabilities, properties, results in operations or condition (financial or otherwise), prospects, or property of a Party, its business, or this PPA.

"MPUC" means the Minnesota Public Utility Commission (or any successor thereto in the State of Minnesota).

"MISO" means Midwest Independent Transmission System Operator, Inc., a non-profit, nonstock corporation organized and existing under the laws of the State of Delaware, and any successor organization.

"MW" means megawatt or one thousand kW.

"MWh" means megawatt hours.

"Nameplate Capacity" means the designed maximum output for the Facility at the Point of Delivery in AC and shall equal 62.25 MW.

"NDPSC" means the North Dakota Public Service Commission *(*or any successor thereto in the State of North Dakota).

"NEER" means NextEra Energy Resources, LLC.

"NERC" means the North American Electric Reliability Corporation or any successor organization.

"Network Resource" means the applicable amount of capacity for the Facility that has been designated as a "network resource" under the Transmission Tariff.

"Network Resource Interconnection Service" means the type of Interconnection Service that allows Seller to connect the Facility to the Interconnection Provider's System as a "Network Resource" as defined in the MISO Tariff.

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"Non-Compensable Curtailment" shall have the meaning set forth in Section 8.2.

"Notice(s)" shall have the meaning set forth in Section 20.1.

"On-Peak Months" means the months of January, February, June, July, August, September and December.

"Operating Committee" means one representative each from Company and Seller pursuant to Section 10.4.

"Operating Procedures" means those procedures developed pursuant to Section 10.4, if any.

"Operating Records" means all agreements associated with the Facility, operating logs, blueprints for construction, operating manuals, all warranties on equipment, and all documents, whether in printed or electronic format, that Seller uses or maintains for the operation of the Facility.

"Option" shall have the meaning set forth in Section 19.2.

"Park Potential" means the number provided to the Company in real time through the Company's SCADA System in accordance with the AGC Protocols, which depicts Seller's real time calculation of the Potential Energy capable of being provided by the Facility to Company as measured at the Point of Delivery. Park Potential shall be calculated as the aggregate energy available in real time for delivery at the Point of Delivery using the best-available data obtained through Commercially Reasonable methods; and shall be dependent upon measured direct normal solar insolation, temperature, barometric pressure, wind speed (mph) wind direction, Solar Unit availability, and derate(s) and transmission line losses, and any other adjustment necessary to accurately reflect the Potential Energy at the Point of Delivery.

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"Party" and "Parties" shall have the meanings set forth in the introductory paragraph.

"Pending Facility Transaction" or "PFT" means (i) any Change of Control of Seller, (ii) the issuance by Seller or any of its Affiliates of a request for proposals or the response by Seller or any of its Affiliates to a request for proposal or similar process (e.g., auction) for the purchase or sale to any unaffiliated third party of any equity interests in Seller or the Facility, or any group(s) of assets or equity interests that includes the Facility, (iii) the commencement by Seller or any of its Affiliates of substantive negotiations with any unaffiliated third party with respect to the sale of any equity interests in Seller or the Facility, or any group(s) of assets or equity interests that includes the Facility, (iv) the execution by Seller or any of its Affiliates of any letter of intent, memorandum of understanding or similar document, whether or not legally binding, which contemplates the sale or lease to an unaffiliated third party of any equity interests in Seller or the Facility or any group(s) of assets or equity interests that includes the Facility, *provided, however, that* a PFT does not include, (i) any financing, refinancing or replacing of the Facility Debt by Seller or any of its Affiliates; (ii) any transaction between and among Affiliates of Seller; (iii) any transaction in which Company declined to exercise its ROFO rights; (iv) any Tax Equity Financing; and (v) any Permitted Transaction.

"Permit(s)" means all applicable construction, land use, air quality, emissions control, environmental and other permits, licenses and approvals from any Governmental Authority required under Applicable Laws for construction, ownership, operation and maintenance of the Facility and the generation and delivery of any output from the Facility to Company.

"Permitted Extension" shall have the meaning set forth in Section 4.2(B).

"Permitted Transaction" means **[TRADE SECRET BEGINS**

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"PFT Notice" shall have the meaning set forth in Section 19.2.

"PI" means the "plant information" system as described and implemented in Section 10.7.

"Point of Delivery" means the physical point within the operational authority of Transmission Authority at which Seller makes available to Company and delivers to Company the capacity and energy being provided by Seller to Company under this PPA as specified in EXHIBIT C-FACILITY DESCRIPTION to this PPA.

"Potential Energy" means the quantity of the energy that Seller is capable of delivering at the Point of Delivery. In the event that Park Potential is not a reliable proxy for Potential Energy pursuant to Section 8.2(B), Potential Energy shall be calculated as the aggregate energy available for delivery at the Point of Delivery using the best-available data obtained through Commercially Reasonable methods; and shall be dependent upon measured Solar speeds, power curves, Solar Unit availability, and derate(s) and transmission line losses, and any other adjustment necessary to accurately reflect the Facility's capability to produce and deliver energy to the Point of Delivery.

"Post-COD Damage Cap" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Post-COD Security Fund" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Pre-COD Damage Cap" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Pre-COD Security Fund" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Qualified Operator" means **[TRADE SECRET BEGINS**

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"REC Registration Program" means any State, regional or federal program established to register Eligible Energy Resources and create and certify RECs arising from energy generated from such Resource, including any rights associated with any renewable energy information or tracking system that exists or may be established by Applicable Law with regard to monitoring, registering, tracking, certifying, or trading such credits.

"Renewable Energy Credits" or "RECs" means a contractual right to the full set of non-energy attributes, including any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly attributable to a specific amount of capacity and/or electric energy generated from an Eligible Energy Resource, including any benefits as may be created under any existing or future statutory or regulatory scheme (federal, state, or local) by virtue of or due to the Facility's actual energy production or the Facility's energy production capability because of the Facility's environmental or renewable characteristics or attributes, including any Renewable Energy Credits or similar rights arising out of or eligible for consideration in the REC Registration Program. For the avoidance of doubt, "RECs" excludes Tax Benefits.

"Replacement Power Costs" means the costs incurred by Company, after the Commercial Operation Milestone, that are necessary to replace the products and services that Seller was required to provide under this PPA, but failed to so provide, less the sum of any payments from Company to Seller, under this PPA, that were eliminated as a result of such failure; *provided, however, that* the net amount shall never be less than zero in any hour and if the calculation for any hour results in a number less than zero, the number for such hour shall be deemed to be zero. Replacement Power Costs shall be determined on an hourly basis and shall equal the sum of all hours where the following calculation achieves a positive number.

Replacement Power Costs = (A + B + C) – D, where

"A" is the product of (x) the number of MW of capacity derived by subtracting the number of MW of capacity that qualifies for capacity credit actually made available to Company from the amount of qualifying capacity associated with the entire Facility, and (y) the applicable market price for capacity made available to Company's system;

"B" is the sum of (i) the product of the number of MWh of energy purchased by Company to replace any of the Committed Solar Energy that was not delivered under this PPA and the applicable market price for energy delivered to Company's system at a point nearest to the Point of Delivery for the hour, and (ii) the product of the MWh of energy derived in clause (i) and the actual cost of registered RECs for that number of MWh; and

"C" an amount equal to the actual cost of transmission, ancillary services, fuel and fuel transportation and related penalties that could not be avoided or mitigated and transaction charges to deliver reasonably available energy to Company in amounts equal to the number of MWh for which Replacement Power Costs are owed;

"D" is the product of the MWh of energy purchased by Company associated with the Committed Nameplate Capacity that was not delivered under this PPA and the Solar Energy Payment Rate.

"ROFO" shall have the meaning set forth in Section 19.2.

"ROFO Notice" shall have the meaning set forth in Section 19.2.

"SCADA" means supervisory control and data acquisition.

"SCADA System" means supervisory control and data acquisition.

"Scheduled Termination Date" means May 31, 2042.

"Security Fund" means the letter of credit, escrow fund, guaranty and/or other collateral that Seller is required to establish and maintain, pursuant to Section 11.1, as security for Seller's performance under this PPA.

"Seller CPs" means those conditions precedent listed below that must be satisfied or waived by the deadline date(s) shown:

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"Seller Excuse Hours" means those hours during which Seller is unable to schedule or deliver Solar Energy to Company as a result of (A) Non-Compensable Curtailments; (B) Force Majeure; (C) Economic Curtailments; and (D) any unexcused failure of Company to perform any obligation of Company under this PPA that causes Seller to be unable to generate or deliver Solar Energy to the Point of Delivery.

"Site" means the parcel of real property on which the Facility will be constructed and located, including any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of the Facility. The Site is more specifically described in EXHIBIT C - FACILITY DESCRIPTION.

"Solar Energy" means the net electric energy generated from (or, with respect to any curtailed energy, capable of being generated from) an Eligible Energy Resource utilizing solar irradiance as its source of electric generation in compliance with Minn. Stat. Section 216B.1691, including any and all associated RECs and delivered

to the Point of Delivery as measured by the Electric Metering Devices installed pursuant to Section 5.2. Solar Energy shall be of a power quality of 60 cycle, three-phase alternating current that is compliant with the Interconnection Agreement. Solar Energy shall be net of energy self-generated and concurrently consumed by the Facility, and net of losses prior to the Points of Delivery.

"Solar Energy Payment Rate" means the rate as shown in EXHIBIT J – COMMITTED SOLAR ENERGY AND SOLAR ENERGY PAYMENT RATE BY COMMERCIAL OPERATION YEAR.

"Solar Units" means the equipment necessary for the Facility to collect sunlight at the Site and convert it into electricity or thermal energy. Solar Units includes modules, inverters, and transformers. Manufacturers and model numbers similar, or technical equivalent to:

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"Start-up Testing" means the initial synchronization to the Transmission System. Including production of energy as measured on the Electric Metering Devices.

"State Regulatory Agency" means the MPUC or NDPSC or any successor agency.

"State Regulatory Approval" occurs after a final written order is received from both State Regulatory Agencies, and means final written orders of the State Regulatory Agencies that (i) are not subject to application for rehearing, reargument or reconsideration and (ii) singly or in the aggregate make affirmative determination that Company's execution of this PPA is reasonable and in the public interest, and all costs incurred under this PPA are recoverable from Company's customers pursuant to Applicable Law, subject only to ongoing prudency review of Company's performance and administration of this PPA.

"Step-In Rights" means Company's right, but not the obligation, to assume control and operate the Facility as agent for Seller (whether voluntary or involuntary) in accordance with Seller's rights, obligations, and interest under this PPA.

"Tax Benefits" means any and all (i) tax credits based on ownership of, investment in or energy production from the Facility or any portion thereof, including the production credit and the investment credit described, respectively, in Sections 45 and 48 of the Internal Revenue Code of 1986, as amended, (ii) grants based on ownership

of, investment in or energy production from the Facility or any portion thereof, including the grant described in Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 and (iii) other tax benefits, including depreciation and other cost recovery deductions, arising in connection with ownership of, investment in, or operation of the Facility, or any portion thereof, in each case allocated, allowed, allowable, assigned, awarded, certified or otherwise transferred or granted to Seller or Company by any Governmental Authority in any jurisdiction in connection with the Facility.

"Tax Equity Financing" means a transaction or series of transactions involving one or more investors seeking a return that is enhanced by tax credits and/or tax depreciation (each a "Tax Equity Investor") and generally (i) described in Revenue Procedures 2001-28 (sale-leaseback (with or without "leverage")), 2007-65 (flip partnership) or 2014-12 (flip partnership and master tenant partnership) as those revenue procedures are reasonably applied or analogized to a solar project transaction (as opposed to a wind farm or rehabilitated real estate) or (ii) contemplated by Section 50(d)(5) of the Code , as amended (a pass-through lease).

"Term" means the period of time during which this PPA shall remain in full force and effect as further defined in Article 2.

"Test Energy" means that energy which is produced by the Facility, delivered to Company at the Point of Delivery, and purchased by Company, pursuant to Section 4.4, in order to perform all testing of the Facility.

"Test Energy Rate" means a payment rate of 70% of the Solar Energy Payment Rate applicable as of the Commercial Operation Date.

"Transmission Authority" means collectively those entities owning and/or operating the interconnected transmission system applicable to Seller and the Facility pursuant to a Transmission Tariff, including (i) Northern States Power Company operating under and in accordance with its Joint Open Access Transmission Tariff, and (ii) all entity(s) responsible under the Interconnection Agreement for providing the transmission lines, any Interconnection Facilities and other equipment and facilities with which the Facility interconnects at the Interconnection Point and transmission system.

"Transmission Authority's System" means the contiguously interconnected electric transmission and sub-transmission facilities, over which the Transmission Authority has rights (by ownership or contract) to provide bulk transmission of capacity and energy from the Interconnection Point.

[TRADE SECRET *BEGINS*
TRADE SECRET ENDS]

"Transmission Tariff" means the applicable Open Access Transmission of the Transmission Authority, as amended from time to time.

"UCP" shall have the meaning set forth in EXHIBIT G-1, FORM OF LETTER OF CREDIT.

"Ultimate Parent Entity" shall have the meaning set forth under Section 7A of the Clayton Act, 15 U.S.C. 18a, also known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

EXHIBIT B

CONSTRUCTION MILESTONES

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT C

FACILITY DESCRIPTION AND SITE MAPS

The Facility is a 62.25 MW AC (at the Point of Delivery) solar power generation station located adjacent to the Company's Lyon substation near the town of Marshall in Lyon county Minnesota and shall be identified as Seller's Marshall Solar Generation Facility. Maps and one-line diagrams of the Facility and associated equipment are included as part of this Exhibit.

The address of the Facility is 2991 320th Ave., Marshall, MN 56258 (44.475283º, -95.668718º).

The Facility must include the following specific components:

* have the panel space and 125VDC battery supplied voltage necessary to accommodate the metering, telemetering and communications equipment required by the PPA;

* communication circuits from the Facility to the EMCC for the purpose of telemetering, supervisory control/data acquisition, and voice communications as required by Company;

* equipment and software necessary to receive, accept and react to an AGC signal from the Company's SCADA System and to comply with the AGC Protocols as further specified on EXHIBIT H – OPERATING STANDARDS, AGC PROTOCOLS, DATA COLLECTION;

* each Solar Unit is equipped with meteorological measurement equipment , individually linked to Seller's information system;

* capability of sending real time data and OPC interface to Company's plant information PI system;

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT D

NOTICES AND CONTACT INFORMATION

Company	Seller
Notices: Thomas A. Imbler Vice President, Commercial Operations Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-7414 Email: thomas.a.imbler@xcelenergy.com Jessica Collins Renewable Purchased Power Manager Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-7740 Email: jessica.l.collins@xcelenergy.com	**Notices:** Marshall Solar, LLC c/o NextEra Energy Resources, LLC 700 Universe Boulevard Juno Beach, FL 33408 Attn: Tim Oliver, Executive Director Phone: 561-691-7072 Email: Timothy.Oliver@nee.com Marshall Solar, LLC c/o NextEra Energy Resources, LLC 700 Universe Boulevard Juno Beach, FL 33408 Attn: Mitch Ross, Vice President and General Counsel Phone: 561-691-7126 Email: Mitch.Ross @nee.com
Operating Committee Representative: Jessica Collins Renewable Purchased Power Manager Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-7740 Email: jessica.l.collins@xcelenergy.com **Alternate:** Kathleen D. Little Renewable Purchased Power Analyst Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-6530 Email: kathleen.little@xcelenergy.com	**Operating Committee Representative:** Marshall Solar, LLC c/o NextEra Energy Resources, LLC 700 Universe Boulevard Juno Beach, FL 33408 Attn: Tim Oliver, Executive Director Phone: 561-691-7072 Email: Timothy.Oliver@nee.com **Alternate:** Marshall Solar, LLC c/o NextEra Energy Resources, LLC 700 Universe Boulevard Juno Beach, FL 33408 Attn: Gregory Schneck Phone: 561-304-5274 Email: Greg.Schneck@nee.com

Real-Time Contact Information	**Real-Time Contact Information**
Real-time Communications Contact Real-time Generation Dispatch desk (24 hour coverage) Phone: 303.571.6280* Fax: 303.571.7305 Manager (normal business hours) Phone: 303-571-7030* *Recorded phone Transmission Operation Contact Position: Real Time Transmission Operations Phone: 303.571.6490 FAX: 715.737.5425 E-mail: mark.schultz@xcelenergy.com	Fleet Performance and Diagnostics Center (FPDC) Phone: (561) 691-3636 Toll Free: (866) 375-3737 Section 1.01 Fax: (561) 694-3615

EXHIBIT E
INSURANCE COVERAGE

Type of Insurance	Minimum Limits of Coverage
Commercial General Liability (CGL) and commercial umbrella	$11,000,000 combined single limit each occurrence and the aggregate, where applicable. If CGL insurance contains a general aggregate limit, it shall apply separately to the Facility.

CGL insurance shall be written on ISO occurrence form CG 00 01 01 96 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products/completed operations, contracts, property damage, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), all with limits as specified above. CGL insurance shall include ISO endorsement CG 24 17 (or an equivalent endorsement) which modifies the definition of "Insured contract" to eliminate the exclusion of easement or license agreements in connection with construction or demolition operations on or within 50 feet of a railroad. There shall be no endorsement or modification of the CGL insurance limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

Company shall be included as an insured under the CGL policy, using ISO additional insured endorsement CG 20 10 (or a substitute providing equivalent coverage), and under the commercial umbrella insurance. The commercial umbrella insurance shall provide coverage over the top of the CGL insurance, the Business Automobile Liability insurance, and the Employers Liability insurance.

The CGL and commercial umbrella insurance to be obtained by or on behalf of Seller shall be endorsed as follows:

> Such insurance as afforded by this policy for the benefit of Company shall be primary as respects any claims, losses, damages, expenses, or liabilities arising out of this PPA, and insured hereunder, and any insurance carried by Company shall be excess of and noncontributing with insurance afforded by this policy.

Business Automobile Liability	$2,000,000 combined single limit (each accident), including all Owned, Non-Owned, Hired and Leased Autos.

Business Automobile Liability insurance shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

Workers Compensation	Statutory Requirements. Seller may comply with these requirements through the use of a qualified self-insurance plan.

Type of Insurance	Minimum Limits of Coverage
Employers Liability	$2,000,000 each accident for bodily injury by accident, or $2,000,000 each employee for bodily injury by disease.

Builder's Risk	Replacement value of the Facility.

Builder's Risk insurance, or an installation floater, shall include coverage for earthquake and flood, collapse, faulty workmanship, materials and design, testing of machinery or equipment, freezing or changes in temperature, debris removal, and partial occupancy.

Environmental Impairment Liability	$5,000,000 each occurrence.

All-Risk Property insurance covering physical loss or damage to the Facility	Full replacement value of the Facility. A deductible may be carried which deductible shall be the absolute responsibility of Seller.

All-Risk Property insurance shall include: (i) coverage for fire, flood, Solar and storm, tornado and earthquake with respect to facilities similar in construction, location and occupancy to the Facility, with sublimits of no less than $10,000,000 each for flood and earthquake; and (ii) Boiler and Machinery insurance covering all objects customarily subject to such insurance, including boilers and Units, in an amount equal to their full replacement value.

Business Interruption insurance	Amount required to cover Seller's continuing or increased expenses, resulting from full interruption, for a period of 12 calendar months.

Business Interruption insurance shall cover loss of revenues or the increased expense to resume operations attributable to the Facility by reason of total or partial suspension or delay of, or interruption in, the operation of the Facility as a result of an insured peril covered under Property insurance as set forth above, to the extent available on Commercially Reasonable terms as determined by Company, subject to a Commercially Reasonable deductible that shall be the responsibility of Seller. Notwithstanding any other provision of this PPA, Seller shall not be required to have Business Interruption insurance until the Commercial Operation Date.

EXHIBIT F

SELLER'S PERMITS

Regulatory Authority	Statute	Permit/ Approval	Description
Federal Approvals			
U.S. Army Corps of Engineers (USACE)	Clean Water Act	Section 404 Permit	Required for the discharge of dredged or fill material into waters of U.S. Minimal levels of fill (0.5 acres) may be covered under existing General Permits/Letters of Permission
	Clean Water Act	Jurisdictional Determination	Analysis of potential Waters of the U.S. and determination of USACE jurisdiction
U.S. Fish and Wildlife Service	Endangered Species Act	T&E Species Review / Section 7 Consultation	Evaluation of potential for endangered species at site.
Federal Aviation Administration	14 CFR, Part 77	Obstruction Evaluation	Evaluation of potential for structures to impact navigable airspace
Federal Energy Regulatory Commission	Public Utility Holding Company Act of 2005	EWG or QF Certification	Authorizes applicant to retain status as exempt wholesale generator as defined in Commission rules.

Regulatory Authority	Statute	Permit/ Approval	Description
Federal Energy Regulatory Commission	Section 205, Federal Power Act	MBR Authorization	Authorizes applicant to make market based sales of energy, capacity, and ancillary services.
Lead Federal Agency	National Historic Preservation Act	Section 106 Consultation	Consultation with Federal Agency regarding mitigative measures required for impacts to cultural resources.
State Approvals			
Minnesota Public Utilities Commission (PUC)	Minnesota Statutes §§216B.2421 and 216B.243, subd. 2, and Minnesota Rules Chapter 7849	Certificate of Need	Needed for a large energy project in Minnesota. Commission determines basic types of facility to be constructed, size of facility, and the time of the facility
		Site Permit	Needed for a large energy project in Minnesota
Minnesota Pollution Control Agency (MPCA)	Clean Water Act	Section 401 Certification	Verify that project construction would comply with state water quality standards.
	National Pollutant Discharge Elimination System Act	General Permit (Construction)	For stormwater discharges from construction activities

Regulatory Authority	Statute	Permit/ Approval	Description
	Minnesota Hazardous Waste Rules Chapter 7045	License for Very Small Quantity Generator of Hazardous Waste	For discharge of hazardous waste.
Minnesota Department of Natural Resources (DNR)	Minnesota Statute Chapter 84.415.	License to Cross Public Land and Water	For projects that affect the course, current, or cross-section of DNR Public Waters, or for utility crossings of Public Lands.
Minnesota Board of Water and Soil Resources (BWSR)	Wetland Conservation Act (WCA)	WCA Approval	For wetland impacts. Ranges from an exemption for small or temporary impacts to a permit and mitigation for greater impacts
Minnesota Department of Transportation (MnDOT)	Minnesota Statute 505, Minnesota Rules 8810.0050	Access Driveway Permit	Required to provide driveway access to state owned right of way.
	Minnesota Statute 169.862	Over-dimension Permit	Required to transport oversize loads on state maintained roads.
Minnesota Department of Health	Minnesota Statutes, Chapter 103I, Minnesota Rules, Chapter 4725	Water Supply Well Notification	New water supply well construction.

Regulatory Authority	Statute	Permit/ Approval	Description
	Minnesota Statutes326B.49 Subd. 2.	Plumbing Plan Review	Required to ensure compliance with Minnesota Plumbing Code
Local Regulations			
Local Government Unit (Lyon County)	Minnesota Rules Chapter 7849 Minnesota Rules 4410.000	Local Review of Site Permit Application	Local government unit can approve site permit application instead of the PUC.
Lyon County	County Highway Department Regulations	New or Modified Driveway or Entrance Permit	N/A
		Temporary Road Closure	N/A
		Utility Crossing Permit	N/A
		Transportation Permit (Overweight and/or Overwidth)	N/A
	County Planning and Zoning Regulations	Land Use Permit	For installation of solar facility and meteorological station.
		Conditional Use Permit	For installation of solar facility/tie line.

EXHIBIT G
FORM OF SECURITY DOCUMENTS

EXHIBIT G-1

FORM OF LETTER OF CREDIT

LETTERHEAD OF ISSUING BANK

Irrevocable Standby Letter of Credit No:_____

Date of Issuance: _____

Initial Expiration Date: [Must be at least one year after date of issuance]

Beneficiary:

Applicant:

As the Issuing Bank ("Issuer"), we, [Name of Issuing Bank], hereby establish this irrevocable Standby Letter of Credit No. _____ (this "Letter of Credit") in favor of the above-named beneficiary ("Beneficiary") for the account of the above-named applicant ("Applicant") in the amount of USD $_____ (_____ U.S. Dollars).

Beneficiary may draw all or any portion of this Letter of Credit at any time and from time to time, and Issuer will make funds immediately available to Beneficiary upon presentation of Beneficiary's draft(s) at sight in substantially the form attached hereto as Exhibit "A" ("Sight Draft"), drawn on Issuer and accompanied by this Letter of Credit. All Sight Drafts must be signed on behalf of Beneficiary and the signatory must indicate his or her title or other official capacity. No other documents will be required to be presented. Issuer will effect payment under this Letter of Credit within twenty-four (24) hours after presentment of any Sight Draft. Payment shall be made in U.S. Dollars with Issuer's own funds in immediately available funds.

Issuer will honor any Sight Draft presented in substantial compliance with the terms of this Letter of Credit at the Issuer's letterhead office, the office located at _____ or any other full service office of the Issuer on or before the above-stated expiration date, as such expiration date may be extended hereunder. Partial and multiple draws and presentations are permitted on any number of occasions. Following any partial draw, Issuer will endorse this Letter of Credit and return the original to Beneficiary.

Issuer acknowledges that this Letter of Credit is issued pursuant to the provisions of that certain [Title of Agreement] between Beneficiary and Applicant dated as of _____, 20__ (as the same may have been or may be amended from time to time, the "_____"). Notwithstanding any reference in this Letter of Credit to the ____ or any other documents, instruments or agreements, or references in the ___ or any other documents, instruments or agreements to this

Letter of Credit, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit will be automatically extended each year without amendment for a period of one (1) year from the expiration date hereof, as extended, unless at least thirty (30) days prior to the expiration date, Issuer notifies Beneficiary by registered mail that it elects not to extend this Letter of Credit for such additional period. Notice of non-extension will be given by Issuer to Beneficiary at Beneficiary's address set forth herein or at such other address as Beneficiary may designate to Issuer in writing at Issuer's letterhead address.

This Letter of Credit is freely transferable by Beneficiary in whole or in part, and the number of transfers is unlimited. Issuer agrees that it will effect any transfers immediately upon presentation to Issuer of this Letter of Credit and a completed written transfer request substantially in the form attached hereto as Exhibit "B." Such transfer will be effected at no cost to Beneficiary. Any transfer fees assessed by Issuer will be payable solely by Applicant, and the payment of any transfer fees will not be a condition to the validity or effectiveness of the transfer of this Letter of Credit.

Issuer waives any rights it may have, at law or otherwise, to subrogate to any claims Beneficiary may have against Applicant or Applicant may have against Beneficiary.

This Letter of Credit is subject to the uniform customs and practice for documentary credits (2007 Revision), International Chamber of Commerce publication No. 600 (The "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. With respect to Article 14(b) of the UCP, Issuer shall have a reasonable amount of time, not to exceed three (3) banking days following the date of Issuer's receipt of documents from Beneficiary (to the extent required herein), to examine the documents and determine whether to take up or refuse the documents and to inform Beneficiary accordingly.

In the event of an act of God, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control that interrupts Issuer's business and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

ISSUER:

By: _____
Authorized Signature

Name: _____
Its: _____

EXHIBIT "A"
TO LETTER OF CREDIT

SIGHT DRAFT

Draft Number _____
$_____

At sight, pay to the order of [Name of Beneficiary to be inserted], the amount of USD $_____ (_____ and 00/100ths U.S. Dollars).

Value received and charged to the account of: [Name of Issuer and address]. Drawn under [Name of Issuer to be inserted] Standby Letter of Credit No. _____.

Dated: _____, 20__

[Name of Beneficiary to be inserted]

By:_____

Name:_____
Its Authorized Representative and [Title or Other official Capacity to be inserted]

Account: [Applicant to be inserted]

EXHIBIT "B"
TO LETTER OF CREDIT

FORM OF TRANSFER REQUEST

Irrevocable Standby Letter of
Credit No. _____

Current Beneficiary: Applicant:

_____ _____
_____ _____
_____ _____
_____ _____

To: [Name of Issuer] ("Issuer")

The undersigned, as the current "Beneficiary" of the above-referenced Letter of Credit, hereby requests that you reissue the Letter of Credit in favor of the transferee named below [insert transferee name and address below]:

_____
_____
_____
_____

From and after the date this transfer request is delivered to Issuer, the transferee shall be the "Beneficiary" under the Letter of Credit for all purposes and shall be entitled to exercise and enjoy all of the rights, privileges and benefits thereof.

Dated: _____ [Name of Beneficiary]

By: _____
Name: ____
Title: _____

[Notary Acknowledgement]

To be signed by a person purporting to be an authorized representative of Beneficiary and indicating his or her title or other official capacity, and acknowledged by a notary public.

EXHIBIT G-2

FORM OF GUARANTY

This Guaranty is executed and delivered as of this _____ day of _____, 20__ by _____., a _____ ("Guarantor"), in favor of _____ ("Company"), in connection with the performance by _____, a _____ [limited liability company] ("Seller") of a Power Purchase Agreement dated _____, 20____ between Seller and Company (the "PPA").

- RECITALS -

A. Seller is planning to construct, own, and operate a Solar power electric generation facility having Nameplate Capacity of approximately ____ MW to be located in _____ County, _____ (the "Facility").

B. Seller and Company have entered into the PPA for the purchase and sale of capacity and electrical energy from the Facility on the terms and conditions set forth therein.

Seller is controlled by Guarantor. Guarantor expects to derive substantial benefits from the performance of the PPA by Seller and Company. To induce Company to enter into the PPA and consummate the purchase and sale of electrical energy contemplated by the PPA, Guarantor has agreed to guarantee the obligations of Seller as provided in this Guaranty.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

- AGREEMENT -

1. Guaranty. Subject to the provisions of this Guaranty, Guarantor hereby absolutely, irrevocably, unconditionally, and fully guarantees to Company the due, prompt, and complete observance, performance, and discharge of each and every payment obligation of Seller under the PPA, whether incurred before or after the date of delivery of this Guaranty (the "Obligations"). This is a guaranty of payment, not of collection, and as such, Company shall not be required to institute, pursue, or exhaust any remedies against Seller before instituting suit, obtaining judgment, and executing thereon against Guarantor under this Guaranty.

2. Maximum Liability. Notwithstanding anything herein to the contrary, Guarantor's maximum liability under this Guaranty shall be limited to ($US_____), plus costs of collection with respect to any valid claim(s) made by Company hereunder that are incurred in the enforcement or protection of the rights of Company.

3. Rights of Company. Guarantor hereby grants to Company, in Company's discretion and without the need to notify or obtain any consent from Guarantor, and

without termination, impairment, or any other effect upon Guarantor's duties hereunder, the power and authority from time to time:

(a) to renew, compromise, extend, accelerate, or otherwise change, substitute, supersede, or terminate the terms of performance of any of the Obligations, in each case in accordance with the PPA;

(b) to grant any indulgences, forbearances, and waivers, on one or more occasions, for any length of time, with respect to Seller's performance of any of the Obligations; and

(c)to accept collateral, further guaranties, and/or other security for the Obligations, and, if so accepted, then to impair, exhaust, exchange, enforce, waive, or release any such security.

4. Performance. If any of the Obligations are not performed according to the tenor thereof, and any applicable notice and cure period provided by the PPA has expired ("Default"), Guarantor shall immediately upon receipt of written demand by Company (a) perform or cause Seller to perform the Obligation in Default, and (b) pay, reimburse, and indemnify Company against any liabilities, damages, and related costs (including attorneys' fees) incurred by Company as a result thereof, all in such manner and at such times as Company may reasonably direct.

5. Satisfaction. Satisfaction by Guarantor of any duty hereunder incident to a particular Default or the occurrence of any other Default shall not discharge Guarantor except with respect to the Default satisfied, it being the intent of Guarantor that this Guaranty be continuing until such time as all of the Obligations have irrevocably been discharged in full, at which time this Guaranty shall automatically terminate. If at any time the performance of any Obligation by Seller or Guarantor is rescinded or voided under the federal Bankruptcy Code or otherwise, then Guarantor's duties hereunder shall continue and be deemed to have been automatically reinstated, restored, and continued with respect to that Obligation, as though the performance of that Obligation had never occurred, regardless of whether this Guaranty otherwise had terminated or would have been terminated following or as a result of that performance.

6. Notice of Acceptance. Guarantor waives and acknowledges notice of acceptance of this Guaranty by Company.

7. Waivers by Guarantor. Guarantor hereby waives and agrees not to assert or take advantage of:

(a) all set-offs, counterclaims, and, subject to Section 4 above, all presentments, demands for performance, notices of non-performance, protests, and notices of every kind that may be required by Applicable Laws;

(b) any right to require Company to proceed against Seller or any other person, or to require Company first to exhaust any remedies against Seller or any other person, before proceeding against Guarantor hereunder;

(c) any defense based upon an election of remedies by Company;

(d) any duty of Company to protect or not impair any security for the Obligations;

(e) the benefit of any laws limiting the liability of a surety;

(f) any duty of Company to disclose to Guarantor any facts concerning Seller, the PPA or the Project, or any other circumstances, that would or allegedly would increase the risk to Guarantor under this Guaranty, whether now known or hereafter learned by Company, it being understood that Guarantor is capable of and assumes the responsibility for being and remaining informed as to all such facts and circumstances; and

(g) until all Obligations in Default have been fully paid and/or performed, any rights of subrogation, contribution, reimbursement, indemnification, or other rights of payment or recovery for any payment or performance by it hereunder. For the avoidance of doubt, if any amount is paid to Guarantor in violation of this provision, such amount shall be held by Guarantor for the benefit of, and promptly paid to, Company.

8. Cumulative Remedies. The rights and remedies of Company hereunder shall be cumulative and not alternative to any other rights, powers, and remedies that Company may have at law, in equity, or under the PPA. The obligations of Guarantor hereunder are independent of those of Seller and shall survive unaffected by the bankruptcy of Seller. Company need not join Seller in any action against Guarantor to preserve its rights set forth herein.

9. Representations and Warranties. Guarantor represents and warrants to Company as follows:

(a) Guarantor is a corporation, duly organized, validly existing, and in good standing under the laws of the state of its incorporation. Seller is a direct or indirect wholly-owned subsidiary of Guarantor. Guarantor has all necessary corporate power and authority to execute and deliver this Guaranty and to perform its obligations hereunder.

(b) The execution, delivery and performance of this Guaranty has been duly and validly authorized by all corporate proceedings of Guarantor and is not in violation of any law, judgment of court or government agency . This Guaranty has been duly and validly executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

10. Collection Costs. Guarantor hereby agrees to pay to Company, upon demand, and in addition to the maximum liability set forth in Section 3 hereof, all reasonable attorneys' fees and other expenses which Company may expend or incur in enforcing the Obligations against Seller and/or enforcing this Guaranty against Guarantor, whether or not suit is filed, including, without limitation, all attorneys' fees, and other expenses incurred by Company in connection with any insolvency, bankruptcy, reorganization, arrangement, or other similar proceedings involving Seller that in any way affect the exercise by Company of its rights and remedies hereunder.

11. Severability. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

12. Waiver or Amendment. No provision of this Guaranty or right of Company hereunder can be waived, nor can Guarantor be released from Guarantor's duties hereunder, except by a writing duly executed by Company. This Guaranty may not be modified, amended, revised, revoked, terminated, changed, or varied in any way whatsoever except by the express terms of a writing duly executed by Company.

13. Successors and Assigns. This Guaranty shall inure to the benefit of and bind the successors and assigns of Company and Guarantor.

14. Governing Law. This Guaranty shall be governed by and construed in accordance with the law of the State of _____ without regard to the principles of conflicts of law thereof.

15. Notices. All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in the manner contemplated by the PPA, addressed as follows:

(a) if to Company as provided in the PPA

(b) if to Guarantor: _____

_____

_____

Attn:
Phone: (___) __
Fax: (___) __

with a copy to: _____

_____

_____

Attn:
Phone: (___) __
Fax: (___) __

or to such other address (es) as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered to Company as of the day and year first above written.

[Name of Guarantor]

By:_____
Name:
Title:

STATE OF_____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, as _____ of _____.

Witness my hand and official seal.

My commission expires: _____

_____
Notary Public

(S E A L)

(space above reserved for recording information)

EXHIBIT G-3
FORM OF ESCROW AGREEMENT

This Escrow Agreement ("Agreement") is entered into and effective this __ day of _____, ____ by and among _____ ("Seller"), _____ (“Company") and _____ ("Escrow Agent").

RECITALS

WHEREAS, Seller and Company are parties to a Solar Energy Purchase Agreement dated _____ (the "PPA"), pursuant to which Seller agrees to build and operate an electric generating facility in _____ (the “Facility”) and to sell energy from the Facility to Company. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the PPA; and

WHEREAS, Section 11.1 of the PPA requires Seller to provide security in favor of Company in amounts set forth in the PPA up to a total of $_____ (the "Escrow Total"); and

WHEREAS, Seller has elected to establish and deliver funds (the "Escrow Funds") into an escrow account with Escrow Agent to meet its PPA security obligations, and Seller, Company and Escrow Agent agree to enter into this Agreement to define the terms of that account.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and other consideration set forth in this Agreement and the PPA, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Appointment of Escrow Agent. On the terms, and subject to the conditions, set forth in this Agreement, Seller and Company hereby appoint Escrow Agent as their agent and custodian to hold, invest and distribute the Escrow Funds and all interest and investment earnings thereon (the "Escrow Interest") in accordance with this Agreement. To the extent any Escrow Interest accrues during the term of this Agreement, such Escrow Interest shall be added to but shall not be included as part of the principal amount of the Escrow Funds except as set forth in Section 5.

2. Delivery of Funds to Escrow Agent.

   a. Seller shall deposit with Escrow Agent an amount equal to $_____ on or before _____ on or before the date required by the PPA.

b. Escrow Agent shall retain and disburse the Escrow Funds pursuant to the terms of this Agreement. The execution and full performance of this Agreement by Seller and Escrow Agent, and retention and disbursement by Escrow Agent of the Escrow Funds pursuant to the terms hereof, fully satisfies Seller's initial obligations under Section 11.1 of the PPA to establish and maintain a security fund. Escrow Agent shall hold the Escrow Funds under the terms of this Agreement and distribute the Escrow Funds only in accordance with Section 4.

c. The Escrow Funds shall, for all purposes, be considered property of Seller unless and until distributed to Company in accordance with this Agreement. To protect Company prior to such distribution, Seller hereby grants to Company a first priority security interest in all of Seller's right, title and interest in and to the Escrow Funds held under this Agreement for the purpose of securing Seller's obligations under the PPA. However, any release of any portion of the Escrow Funds to Company in accordance with this Agreement shall act as an automatic termination of Company's security interest in the Escrow Funds so released. Seller authorizes Company to file such financing statements and other documents as Company reasonably deems necessary or advisable to protect Company's rights in the Escrow Funds. Each party will sign such documents (including upon the request of Company a control agreement), provide such information, send such notices and take such other actions as any other party reasonably requests to consummate more effectively the intent and purpose of the parties under this Section 2(b).

3. Investment. Escrow Agent shall hold and invest the Escrow Funds only in accordance with the terms of this Agreement. At the written direction of Seller, Escrow Agent shall invest and reinvest the Escrow Funds in cash or one or more of the following short-term securities: a money-market fund, short-term treasury obligations, investment-grade commercial paper and other liquid investment-grade investments with maturities of three (3) months or less. All investments of the Escrow Funds shall be held by, or registered in the name of, Escrow Agent or its nominee. All Escrow Interest and investment income earned on the Escrow Funds shall accrue for the benefit of, and be taxable to, Seller.

4. Distributions of Escrow Funds by Escrow Agent. Escrow Agent shall hold the Escrow Funds until instructed or otherwise required to deliver the same or any portion thereof in accordance with Section 4.

5. Distributions.

   a. Escrow Interest. Once Escrow Funds being held by Escrow Agent reach the Escrow Total, Seller may be paid Escrow Interest earned on the

Escrow Funds at times and amounts in Seller's discretion as long as the amount of the Escrow Funds does not, as a result, become less than the Escrow Total.

b. Release at End of Term; Substitution of Security. After the full and final satisfaction of all of Seller's obligations under the PPA, any Escrow Funds remaining with Escrow Agent after all deductions for any damages or other allowed charges made by Company, and all accrued Escrow Interest, shall be released to Seller. If Seller provides a letter of credit or other security under the PPA in form and substance as required by the PPA and in the full amount of the Escrow Total to secure Seller's obligations to Company prior to the expiration or termination of the PPA, the Escrow Funds and any Escrow Interest shall be released to Seller upon the delivery to Company of such effective letter of credit or security mechanism as permitted by the PPA.

c. Escrow Claims by Company. During the term of the PPA Company may draw all or any portion of the Escrow Funds to the extent necessary to recover amounts owing to Company pursuant to the PPA that are not the subject of a good faith dispute, including any damages due to Company and any amounts for which Company is entitled to indemnification under the PPA. Each claim against the Escrow Funds under this Agreement shall be made by Company by delivering to Escrow Agent a certificate, in substantially the form of Exhibit A attached hereto, specifying the nature of the claim (a "Claim Certificate"). A copy of each Claim Certificate shall also be delivered to Seller contemporaneously with provision to Escrow Agent. Escrow Agent shall pay to Company the amount of Escrow Funds set forth in the Claim Certificate, in accordance with the Claim Certificate, on the first business day after it receives the Claim Certificate.

d. Regulations of the Comptroller of the Currency. Company and Seller acknowledge that regulations of the Comptroller of the Currency grant Company and Seller the right to receive brokerage confirmations of any security transactions as they occur. Company and Seller specifically waive such notifications to the extent permitted by law, and Seller will receive monthly cash transaction statements that will detail all investment transactions.

6. Rights and Obligations of Escrow Agent.

a. Duties.

i. Escrow Agent hereby accepts its obligations under this Agreement and represents that it has the legal power and authority to enter into this Agreement and to perform its obligations hereunder. Escrow

Agent agrees that all Escrow Funds held by Escrow Agent under this Agreement shall be segregated from all other property held by Escrow Agent and shall be identified as being held in connection with this Agreement. Segregation may be accomplished by appropriate identification on the books and records of Escrow Agent. Escrow Agent's documents and records with respect to the transactions contemplated by this Agreement shall be available for examination by authorized representatives of Company and Seller. Escrow Agent will deliver to Company and Seller written statements not less than quarterly summarizing any activity with respect to the Escrow Funds (including the amount of interest and earnings thereon) and detailing the balance of the Escrow Funds.

ii. This Agreement may be terminated only by a writing executed by all of Company, Seller and Escrow Agent.

iii. In the event that this Agreement is scheduled to expire or terminate during the term of the PPA, and Seller has not provided security pursuant to the PPA required to replace this Agreement, Company may draw the entire balance of Escrow Funds, up to the Escrow Total, within five (5) business days of the scheduled expiration or termination date, and without regard to any objection asserted by Seller, provided Company holds the Escrow Funds it draws in escrow until the earlier of (i) the date Seller provides adequate replacement security in compliance with the PPA, or (ii) the date Company is entitled to draw and retain all or any portion of the Security Fund under the PPA.

iv. Escrow Agent and Seller will provide immediate notice to Company in the event that (i) the amount of Escrow Funds at any time falls below $_____ prior to the time the Second Deposit is due or (ii) the amount of Escrow Funds at any time falls below the Escrow Total after the Second Deposit is due.

b. No Other Duties. Escrow Agent shall not have any duties or responsibilities under this Agreement except as expressly set forth herein.

c. Escrow Fee. Escrow Agent shall be entitled to receive solely from Seller (a) compensation for its regular services as escrow agent under this Agreement and (b) reimbursement for all reasonable and necessary out-of-pocket expenses incurred by Escrow Agent in fulfilling its obligations under this Agreement, including, without limitation, reasonable fees and disbursements of legal counsel. Such compensation and reimbursement obligations shall be paid from time to time as incurred. In no circumstance will Company have any obligation to pay any amount to Escrow Agent arising out of or under this Agreement.

d. Resignation of Escrow Agent. Escrow Agent may at any time resign by giving thirty (30) days advance written notice of such resignation to Company and Seller. Upon such resignation, Escrow Agent shall not be discharged from its obligations under this Agreement until (a) a successor escrow agent, as mutually agreed on by Seller and Company, shall have been appointed, (b) the successor escrow agent shall have executed and delivered an Escrow Agreement in substantially the form of this Agreement and (c) all Escrow Funds then held by Escrow Agent under this Agreement shall have been delivered to such successor escrow agent.

e. Liability of Escrow Agent. Escrow Agent shall not be liable for any action taken in accordance with the terms of this Agreement, including, without limitation, any distribution of the Escrow Funds in accordance with Section 4, as long as the action was taken in good faith. Escrow Agent shall not be liable for any other act or failure to act under or in connection with this Agreement, except for its own negligence or intentional tortious misconduct. Seller and Company agree to indemnify, defend and hold Escrow Agent harmless from and against all claims, causes of action, costs, judgments, losses and damages arising out of or related to this Agreement, except for any such claims, causes of action, costs, judgments, losses or damages arising from or related to any breach of this Agreement by Escrow Agent or negligent or intentional tortious actions or omissions of Escrow Agent.

f. Reliance on Documentary Evidence. Escrow Agent shall be entitled to rely on any written notice, certificate, affidavit, letter, document or other communication that is reasonably believed by Escrow Agent to be genuine and to have been signed or sent by the proper party or parties, and on statements contained therein, without further inquiry or investigation. Notwithstanding anything to the contrary in this Agreement, Escrow Agent may act on any written instructions given jointly by Company and Seller.

g. Interpleader. If Company and Seller shall disagree about the interpretation of this Agreement, or about the rights and obligations or the propriety of any act contemplated by Escrow Agent hereunder, then Escrow Agent may, within its reasonably exercised discretion, file an action of interpleader in the appropriate court of competent jurisdiction and deposit all of the applicable Escrow Funds with such court.

7. Termination of Agreement. This Agreement shall continue through the date on which all obligations of Seller under the PPA have been fully satisfied or all of the Escrow Funds shall have been paid to Company pursuant to the terms of this Agreement.

8. Taxes. Taxes on distributions of the Escrow Funds shall be paid by Seller.

9. Notices. All notices and other communications (including all certificates delivered pursuant to Section 4) under this Agreement by Company or Seller to Escrow Agent shall be delivered contemporaneously to the other parties in the same manner as provided to Escrow Agent. All notices and other communications under this Agreement shall be given in writing and shall be personally delivered, sent by telecopier or facsimile transmission or sent to the applicable parties at their respective addresses indicated in this Section 9 by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service, as follows:

If to Seller, to:

_____
_____
_____
_____
Attention: ___
Phone: ___
Fax: _____

If to Company:

Manager, Renewable Purchases
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1000
Denver, CO 80202
Phone: (303) 571-7714
Fax: (303) 571-7002

If to Escrow Agent, to:

_____
_____
_____
_____
Attention: ___
Phone: ___
Fax: _____

or to such other person or address as any party shall have specified by notice in writing to the other parties. If personally delivered, such communication shall be deemed

delivered upon actual receipt; if sent by telecopier or facsimile transmission, such communication shall be deemed delivered the day of the transmission, or if the transmission is not made on a business day, the first business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this Section 8, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this Section 8, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal.

10. Miscellaneous.

a. Captions. All titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of the Agreement.

b. No Third-Party Beneficiary. No provision of this Agreement is intended to nor shall it in any way inure to the benefit of any customer, property owner or other third party, so as to constitute any such person a third-party beneficiary under this Agreement, or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

c. Integration; Amendment. This Agreement constitutes the entire agreement among the parties relating to the transactions described herein and supersedes any and all prior oral or written understandings. No amendment, addition to or modification of any provision hereof shall be binding on the parties, and no party shall be deemed to have waived any provision or any remedy available to it unless such amendment, addition, modification or waiver is in writing and signed by a duly authorized officer or representative of the applicable party or parties.

d. Governing Law. The Agreement is made in the State in which the Facility is located and shall be interpreted and governed by the laws of such State or the laws of the United States, as applicable.

e. Good Faith and Fair Dealing; Reasonableness. The parties agree to act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless expressly provided otherwise in this Agreement, (i) whenever this Agreement requires the consent, approval or similar action by a party, such consent, approval or similar action shall not be unreasonably withheld or delayed, and (ii) whenever this Agreement gives a party a right to determine, require,

specify or take similar action with respect to matters, such determination, requirement, specification or similar action shall be reasonable.

f. Severability. Should any provision of this Agreement be or become void, illegal or unenforceable, the validity or enforceability of the other provisions of this Agreement shall not be affected and shall continue in force. The parties will, however, use their reasonable best endeavors to agree on the replacement of the void, illegal or unenforceable provisions with legally acceptable clauses that correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

g. Cooperation. The parties agree to cooperate reasonably with each other in the implementation and performance of this Agreement. Such duty to cooperate shall not require any party to act in a manner inconsistent with its rights under this Agreement.

h. Execution in Counterparts and By Facsimile Transmission. This Agreement may be executed in two (2) or more counterparts and by different parties on separate counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original. This Agreement may be executed and delivered by facsimile, and the parties agree that such facsimile execution and delivery shall have the same force and effect as delivery of an original document with original signatures.

[This space intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first set forth above.

Dated: _____**(Seller)**

By: _____

Name: _____

Its: _____

Dated: _____**(Company)**

By: _____

Name: _____

Its: _____

Dated: _____**(Escrow Agent)**

By: _____

Name: _____

Its: _____

EXHIBIT A TO ESCROW AGREEMENT

ESCROW CLAIM

CERTIFICATE

TO: _____

This Certificate is issued pursuant to that certain Escrow Agreement, dated as of _____, 2010, by and among Company, Seller and you, as Escrow Agent (the "Escrow Agreement"). Capitalized terms used but not otherwise defined in this Certificate shall have the meaning ascribed to them in the Escrow Agreement.

The undersigned representative of Company hereby certifies that Company is entitled to receive Escrow Funds in the amount of $_____ pursuant to the terms of the Escrow Agreement and the PPA, due to the following (generally) _____ _____.

Accordingly, subject to the terms of the Escrow Agreement, you are hereby instructed to distribute, on the first business day after your receipt of this Certificate, the sum of $_____ from the Escrow Funds to the undersigned by wire transfer to the following account:

Bank: _____
Account: _____
Routing Number: _____

Date: ___, 20_____

(Company)

By: _____

Name: _____

Title: _____

EXHIBIT H
OPERATING STANDARDS

General

EXHIBIT H

AGC PROTOCOLS

These AGC protocols for the Facility will cover:

1. AGC Electronic Communications between Company and Seller
2. Data Points to be sent from Seller to Company via AGC
3. Response times and limitations of Facility in regards to AGC
4. Process for communications between Company and Seller in cases when AGC system is not functioning

1. AGC Electronic Communications between Company and Seller

Company will receive and send AGC Set-Point and related data over an analog or digital line. The data points covered under this PPA, as described below, may overlap data requirements for the Transmission Provider, Transmission Authority or Company's Solar Forecasting group.

2. Data Points to be sent from Seller to Company via AGC

The following data points will be transmitted via AGC from Seller to Company and represent Facility level data:

Description	Units
AGC Set-Point (echo)	MW
Power demand	MW
Actual power	MW
Park Potential	MW
Actual reactive power	Mvars
Average Voltage	kV
Number of Units online and running	Integer
AGC Status	Remote/Local

3. Response times and limitations of Facility in regards to AGC

The following protocols outline the expectations around responding to the AGC Set-Point. Except in the case of the Frequency of Changes, these protocols will be generally bound by the manufactures' specifications for the equipment that Seller has chosen for the Facility.

a. Required Response Time

The facility will respond to the AGC Set-Point within the maximum Solar Unit manufactures' specifications. The response time will vary based on the mix of available Units and the current level of output of the facility. The required response time will be subject to change based upon any change in the Solar Unit manufacturers' specifications for ramp rate.

b. Allowable Variances in Excess of AGC Set-Point

Once the facility has reached the AGC Set-Point, there may be variances in excess of such set-point up to 2% on average as measured during a 10-minute period. This is due to changing Solar conditions vs. the manufactures' specifications for responding to those new conditions.

c. Frequency of Changes

Company can send a new AGC Set-Point to the Facility as frequently as the Solar Unit manufacturer specifications allows with the specification for the least frequent change to output allows. If however, the AGC Set-Point is below 10%, then Company will be restricted from changing the AGC Set-Point for thirty (30) minutes to prevent the Units from cycling on and off.

d. Range of AGC Set-Point

The range of set point values can be between 0% and 100% of Park Potential.

4. Backup Communications

In the event of an AGC failure, the Company and Seller shall communicate via telephone in order to correct the failure.

EXHIBIT H
DATA COLLECTION

Not later than the Commercial Operation Date or when reasonably requested prior to the Commercial Operation Date, Seller will deliver to Company a report showing (i) manufacturer, model and year of all panels, inverters and meteorological instrumentation and (ii) the latitude and longitude of the center of the solar panels for every inverter and every meteorological station. Seller will also transmit and provide to Company the real-time data set forth below, refreshed as frequently as allowed by the SCADA System, not to exceed sixty (60) second intervals:

A. Two (2) data points from each inverter:

1. Inverter generation (kW)
2. Inverter availability

B. Five (5) data points from each meteorological station:

1. Global horizontal solar insolation (solar intensity)
2. Temperature
3. Barometric pressure
4. Wind speed (mph)
5. Wind direction (degrees relative to true north)

Seller shall provide a map and key for each inverter sufficient to allow Company to correlate the data received through Company's data historian system to each individual inverter.

EXHIBIT I

LENDER CONSENT PROVISIONS

In the event Seller collaterally assigns its rights hereunder to the Facility Lender as security, any related Lender Consent will contain provisions substantially as follows:

1. Seller and Company will neither modify nor terminate the PPA other than as provided therein, without the prior written consent of the Facility Lender.

2. The Facility Lender shall have the right, but not the obligation, to do any act required to be performed by Seller under the PPA, and any such act performed by the Facility Lender shall be as effective to prevent or cure a default as if done by Seller itself.

3. If Company becomes entitled to terminate the PPA due to an uncured Event of Default by Seller, Company shall not terminate the PPA unless it has first given notice of such uncured Event of Default to the Facility Lender and has given the Facility Lender the same cure period afforded to Seller under Section 12.1 of the PPA, plus an additional thirty (30) Days beyond Seller's cure period to cure any monetary Event of Default and an additional sixty (60) Days beyond Seller's cure period to cure any non-monetary Event of Default; *provided, however*, that if the Facility Lender requires possession of the Facility in order to cure the Event of Default, and if the Facility Lender diligently seeks possession, the Facility Lender's additional thirty (30) day or sixty (60) Day cure period, as applicable, shall not begin until foreclosure is completed, a receiver is appointed or possession is otherwise obtained by or on behalf of the Facility Lender.

4. Neither the Facility Lender nor any other participant in the Facility Debt shall be obligated to perform or be liable for any obligation of Seller under the PPA until and unless any of them assumes possession of the Facility through the exercise of the Facility Lender's rights and remedies.

5. Any party taking possession of the Facility through the exercise of the Facility Lender's rights and remedies shall remain subject to the terms of the PPA and shall assume all of Seller's obligations under the PPA, both prospective and accrued, including the obligation to cure any then-existing defaults capable of cure by performance or the payment of money damages. In the event that the Facility Lender or its successor assumes the PPA in accordance with this paragraph 6, Company shall continue the PPA with the Facility Lender or its successor, as the case may be, substituted wholly in the place of Seller.

6. Within ninety (90) Days of any termination of the PPA in connection with any bankruptcy or insolvency Event of Default of Seller, the Facility Lender (or its successor) and Company shall enter into a new power purchase agreement on the same terms and conditions as the PPA and for the period that would have been remaining under the PPA but for such termination.

EXHIBIT J
COMMITTED SOLAR ENERGY AND SOLAR ENERGY PAYMENT RATE
(by Commercial Operation Year)

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT K
EXPECTED MONTHLY GENERATION PROFILE

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT L

METHODOLOGY FOR ADJUSTING THE TWELVE-MONTH COMMITTED SOLAR ENERGY VALUE

Committed Solar Energy may be adjusted for purposes of assessing whether an Event of Default under Section 12.1(H) if the irradiation received at the Site is below the Expected Solar Irradiation. The adjustment to the 12-month average calculation of Committed Solar Energy is appropriate only when actual solar irradiation falls below the Expected Solar Irradiation for the relevant period as agreed to by the Parties.

As an illustrative example, Table 1 below provides the historical generation and solar irradiation between the months of January and December 2017 at a hypothetical site, the adjustments to the Committed Solar Energy related to this irradiation and the resulting 12-month Committed Solar Energy percentage for a hypothetical solar generating facility. The steps taken in the calculations and referenced sections in the PPA, are provided below.

Step 1 – Actual Solar Irradiation to Expected Solar Irradiation

The Expected Solar Irradiation is determined on a monthly basis by calculating the mean monthly values of the **[TRADE SECRET BEGINS TRADE SECRET ENDS]** data set referenced under the definition of the Expected Solar Irradiation in the PPA. The Expected Solar Irradiation relevant to the Site is the global horizontal irradiance as set forth in the definition of Expected Solar Irradiation in the PPA.

The actual monthly solar irradiation is determined by the pyranometer reading at the Site for the month. (Table 1 - Column C). By dividing the actual solar irradiation by the Expected Solar Irradiation, a ratio is calculated for each month. (Table 1 - Column D)

Seller shall provide Company with the **[TRADE SECRET BEGINS TRADE SECRET ENDS]** data and the on-site pyranometer reading pertaining to the Facility, and all pertinent data regarding the Expected Solar Irradiation adjusted Committed Solar Energy calculation whenever an adjustment is made by Seller.

Step 2 - Adjustments to Committed Solar Energy

The Committed Solar Energy on a monthly basis is determined by multiplying the Expected Monthly Generation Profile (EXHIBIT K – EXPECTED MONTHLY GENERATION PROFILE and Table 1 - Column E) by the annual Committed Solar Energy (EXHIBIT J - COMMITTED SOLAR ENERGY AND SOLAR ENERGY PAYMENT RATE) for the relevant year of operation. The resulting monthly Committed Solar Energy is adjusted down (pursuant to Section 12.1(I) of this PPA) based on any imputed generation associated with Seller's Excuse

Hours and curtailment by Company under Sections 7.3 and 8.2 (Table 1 – Column G), followed by multiplying the Committed Solar Energy by any monthly Actual to Expected Solar Irradiation ratio that is below the expected amount. (Table 1 - Column H)

The actual generation delivered is equal to the MWh that were produced and delivered per the PPA. (Table 1 - Column I)

Step 3 - Committed Solar Energy Percentage

In the final step, the summation of the 12 months of actual generation is divided by the summation of the twelve (12) months adjusted Committed Solar Energy to determine the Committed Solar Energy percentage .

TABLE 1

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

SOLAR ENERGY PURCHASE AGREEMENT

BETWEEN

NORTHERN STATES POWER COMPANY
("COMPANY")

AND

MN SOLAR I LLC
("SELLER")

-date-

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SOLAR ENERGY PURCHASE AGREEMENT
BETWEEN
NORTHERN STATES POWER COMPANY
AND
MN SOLAR I LLC

This Solar Energy Purchase Agreement (this "PPA") is made this ___ day of _____, 2014, (the "Effective Date") by and between (i) **Northern States Power Company**, a Minnesota corporation with a principal place of business at 414 Nicollet Mall, Minneapolis, MN 55401 ("Company"), and (ii) **MN Solar I LLC**, a Delaware limited liability company with a principal place of business at 1710 29th Street, Suite 1068, Boulder, CO 80301 ("Seller"). Company and Seller are hereinafter referred to individually as a "Party" and collectively as the "Parties."

WHEREAS Seller desires to develop, design, construct, interconnect, own, operate and maintain the Facility as defined herein; and

WHEREAS Seller desires to sell and deliver and Company desires to accept and receive certain products and services delivered from the Facility to the Point of Delivery at the prices and on the terms and conditions set forth in this PPA.

NOW THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

Article 1 - Rules of Interpretation

1.1 Interpretation.

(A) Capitalized terms listed in this PPA shall have the meanings set forth in Exhibit A - Definitions or as otherwise defined in this PPA, whether in the singular or the plural or in the present or past tense. Words not otherwise defined in this PPA shall (i) have meanings as commonly used in the English language, (ii) be given their generally accepted meaning consistent with Good Utility Practice, and (iii) be given their well-known and generally accepted technical or trade meanings.

(B) The following rules of interpretation shall apply: (1) The masculine shall include the feminine and neuter; (2) references to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or exhibits of this PPA except as the context may otherwise require; (3) all Exhibits are incorporated into this PPA; *provided, however, that* in the event of a conflict with the terms of this PPA, the PPA shall control; and (4) use of the words "include" or "including" or similar words shall be interpreted as "include without limitation" or "including, without limitation."

(C) This PPA was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this PPA and

none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this PPA or any part hereof.

1.2 Interpretation with Other Agreements.

(A) This PPA does not provide Seller authorization to interconnect the Facility or inject power into the electric delivery system. Seller shall contract for interconnection services in accordance with the applicable Transmission Tariff. Seller acknowledges that any Interconnection Agreement Seller enters into is a separate contract and that (i) this PPA is not binding on the Transmission Authority, (ii) this PPA does not create any rights between Seller and the Transmission Authority, and (iii) the Interconnection Agreement does not modify the Parties' rights and obligations under this PPA. Seller agrees that any applicable Transmission Authority shall be deemed to be a separate and unaffiliated contracting party regardless whether such Transmission Authority is Company or an Affiliate of Company.

(B) This PPA does not provide for the supply of House Power. Seller shall contract with the Local Provider for the supply of House Power. Seller acknowledges that obtaining House Power is a separate contract and that (i) this PPA is not binding on the Local Provider, (ii) this PPA does not create any rights between Seller and the Local Provider, and (iii) the House Power contract does not modify the Parties' rights and obligations under this PPA. Seller agrees that the Local Provider shall be deemed to be a separate and unaffiliated contracting party regardless whether the Local Provider is Company or an Affiliate of Company. Subject to Seller's right to self-generate and consume energy concurrently generated by the Facility or as otherwise allowed by Applicable Law, Seller shall obtain House Power exclusively from the Local Provider.

1.3 Good Faith and Fair Dealing. The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this PPA. Unless expressly provided otherwise in this PPA, (a) when this PPA requires the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld, conditioned or delayed, and (b) wherever this PPA gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be Commercially Reasonable.

1.4 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this PPA, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

Article 2 - Term and Termination

This PPA shall become effective as of the Effective Date, and shall remain in full force and effect until the Scheduled Termination Date, subject to early termination

or extension as provided in this PPA or otherwise agreed to by the Parties. Applicable provisions of this PPA shall continue in effect after termination to the extent necessary to (i) provide for final billings, payments and adjustments, (ii) enforce or complete the duties, obligations or responsibilities of the Parties, and (iii) address any remedies or indemnifications, arising prior to termination.

Article 3 - Facility Description

3.1 Description. Seller shall construct, interconnect, own, operate, and maintain the Facility, as further described in Exhibit C - Facility Description. A scaled map that identifies the Site, the location of the Facility, Interconnection Point, Interconnection Facilities, the Point of Delivery and other important facilities, is included in Exhibit C - Facility Description.

3.2 General Design of the Facility.

(A) Seller shall design, construct, operate and maintain the Facility according to Good Utility Practice(s) and the Interconnection Agreement.

(B) The Facility shall include all equipment necessary to interconnect with the Transmission Authority's System for the delivery of Solar Energy to the Point of Delivery.

(C) The Facility shall include all equipment and telecommunications capabilities necessary to communicate with Company's SCADA System.

(D) The Facility shall include all equipment specified in Exhibit C - Facility Description or otherwise necessary to fulfill Seller's obligations under this PPA.

Article 4 - Implementation

4.1 Project Development.

(A) **[TRADE SECRET BEGINS**
TRADE SECRET ENDS], Seller shall complete a comprehensive independent environmental investigation of the Site and shall disclose to Company any Environmental Contamination identified in that investigation and confirm that such Environmental Contamination has been remediated or is capable of being remediated and that the Site remains appropriate for its intended use by Seller. Seller shall promptly inform Company if due to any Environmental Contamination Seller is constrained in a way that will limit, reduce, interfere with or preclude Seller's ability to perform its obligations under this PPA, along with a statement of whether and to what extent this circumstance may limit or preclude Seller's ability to perform under this PPA. Seller shall provide Company with written recommendations to overcome any such issue(s) that would allow Seller to fully perform under this PPA. Upon request, Seller shall provide Company a copy of the investigation report. Throughout the Term, Seller shall ensure that any Environmental Contamination identified at the Facility or Site is promptly remediated. Seller shall promptly disclose to Company the presence

of any such Environmental Contamination or the existence of any enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination.

(B) Seller shall at its own expense enter the Construction Contract and all other major contracts necessary to the successful development, construction, operation of and delivery from the Facility with qualified and experienced contractors. Upon written request by Company, Seller shall provide Company with a memorandum of agreement executed by the Seller and the contractor party to the Construction Contract and all other major contracts, which memorandum shall set forth the basic terms of such contract, including without limitation the names of the parties thereto, the date of such contract, a summary of any products or services to be provided and information reasonably sufficient for Company to determine that such Construction Contract or major contract provides obligations necessary to meet the Construction Milestones or in lieu thereof, at Seller's option, a copy of the Construction Contract or other major contract (provided that Seller shall be permitted to redact pricing and other sensitive information).

(C) Prior to the Commercial Operation Date, Seller shall (i) submit monthly progress reports to Company in a form agreed upon by the Parties advising Company of the current status of each Construction Milestone, any significant developments or delays along with an action plan for making up delays, and Seller's best estimate of the Commercial Operation Date; (ii) provide copies of reports submitted to the Facility Lender relating to status, progress and development of the project, and (iii) invite Company to participate in monthly meetings to discuss the progress reports, answer questions, and assess the schedule.

(D) Upon reasonable advance Notice to Seller, Company shall have the right to monitor the construction, start-up, testing, and operation of the Facility at the Facility during normal business hours for compliance with this PPA, *provided, however, that* Company shall comply with all of Seller's applicable safety and health rules and requirements and shall not unreasonably interfere with or disrupt the activities of Seller. Company's monitoring of the Facility shall not be construed as inspections or endorsing the design thereof nor as any express or implied warranties including performance, safety, durability, or reliability of the Facility.

(E) Seller shall obtain and pay for all Permits necessary for the construction, ownership, operation and maintenance of the Facility and the generation and delivery of Solar Energy from the Facility to Company. Seller shall keep Company informed as to the status of its permitting efforts and shall provide Company the opportunity to review major applications for, final Permits. Seller shall promptly inform Company of any Permits it is unable to obtain, that are delayed, limited, suspended, terminated or otherwise constrained in a way that will limit, reduce, interfere with or preclude Seller's ability to perform its obligations under this PPA, along with a statement of whether and to what extent this circumstance may limit or preclude Seller's ability to perform under this PPA. Seller shall provide Company with written recommendations to overcome any such issue(s) with any Permits to allow

Seller to fully perform under this PPA. Company shall have the right to inspect and obtain copies of all Permits held by Seller.

(F) Seller shall notify Company (i) sufficiently in advance of any known upcoming significant inspections by any Governmental Authority relating to the Facility to allow Company the opportunity to attend, and (ii) promptly after any unscheduled or impromptu inspection with a description of the nature and outcome of such inspection.

4.2 Commercial Operation. Subject to extension as authorized in this PPA, the Facility shall achieve Commercial Operation no later than the Commercial Operation Milestone. In its efforts to achieve the Commercial Operation Milestone, Seller shall use Commercially Reasonable Efforts to achieve the Construction Milestones set forth in Exhibit B – Construction Milestones. **[TRADE SECRET BEGINS**

TRADE SECRET ENDS].

4.3 COD Conditions. Seller shall provide Company a Notice of the date on which Seller believes the Facility has achieved Commercial Operation, along with all supporting documentation of the satisfaction or occurrence of all COD Conditions. Company shall have up to ten (10) Business Days to review such evidence and raise any Commercially Reasonable objection to Seller's satisfaction of any of the COD Conditions, *provided, however*, *that* such Notice shall be deemed accepted by Company if Company fails to object within such time period. Seller may provide Notice of completion of the COD Conditions on an individual and incremental basis pending resolution of any objections, *provided, however, that* Company shall in all cases have up to ten (10) Business Days to review and object to each Notice. The COD Conditions are:

(A) an officer of Seller, authorized to bind Seller and who is familiar with the Facility, has provided written confirmation that (1) all necessary and material Permits have been obtained and are in full force and effect; (2) Seller is in compliance with this PPA in all material respects; (3) the Facility is available to commence normal operations in accordance with Seller's operating agreements, Construction Contract, and applicable manufacturers' warranties; (4) the Facility has been registered with the Transmission Authority; (5) Seller is obligated under and in material compliance with the Interconnection Agreement; (6) the Facility is fully interconnected to the Transmission Authority's System, has been fully tested, has achieved initial synchronization, and has been successfully operated at a generation level acceptable to the Transmission Authority, without experiencing any abnormal or unsafe operating conditions on any interconnected system; (7) Seller has completed any testing of the Facility and Interconnection Facilities required by the Interconnection Agreement; (8) Seller is delivering Solar Energy to the Point of Delivery; and (9) the Facility is capable of generating and delivering at least 95% of the Nameplate Capacity of Solar Energy to the Point of Delivery;

(B) an officer of Seller, authorized to bind Seller and who is familiar with the Facility has certified that the Facility has been completed in all material

respects, except for punch list items that do not have a Material Adverse Effect on the ability of the Facility to operate for its intended purpose; and

(C) Seller has demonstrated (1) the reliability of the Facility's communications systems and communication interface with Company's EMCC and the Facility is capable of receiving and reacting to signals from Company's SCADA System, and (2) all AGC equipment is installed and operational.

4.4 Test Energy.

(A) Seller shall provide Company and Transmission Authority with the information necessary to have the Facility registered with the Transmission Authority for inclusion in any generation modeling maintained by the Transmission Authority, sufficiently in advance to allow the Facility to be registered in such model at least four (4) months prior to generating any Test Energy. Upon receipt of such information, Company will cooperate reasonably to assist in the registration of the Facility to allow generation of Test Energy.

(B) Prior to the COD, Seller shall coordinate the production and delivery of Test Energy with Company, with not less than five Days' Notice, or such other Commercially Reasonable prior Notice as Company may reasonably request. The Parties shall cooperate to facilitate Seller's testing of the Facility necessary to satisfy the COD Conditions. Company shall pay the Test Energy Rate for all Test Energy delivered prior to COD.

Article 5 - Delivery

5.1 Electric Delivery Arrangements. Seller shall be responsible for making, maintaining and paying the costs associated with the interconnection of the Facility to the Transmission Authority's System, whether incurred directly by Seller or charged to Seller by the Transmission Authority. Seller shall comply with the Transmission Authority's requirements for the interconnection and shall comply with all requirements set forth in the applicable Transmission Tariff. The interconnection request shall request Network Resource Interconnection Service or its equivalent as authorized under the applicable Transmission Tariff. Seller shall cooperate reasonably in any request by Company to assist in Company's efforts to have the Facility approved as a Network Resource or equivalent classification pursuant to the applicable Transmission Tariff. Company shall arrange and be responsible for scheduling and transmission services at the Point of Delivery, and shall schedule or arrange for scheduling services with the Transmission Authority to deliver Solar Energy from the Point of Delivery to Company load. To the extent applicable during the Term, Company shall be the market participant as defined by the Transmission Authority for the Facility.

(A) Seller authorizes Company to contact and obtain information concerning the Facility and Interconnection Facilities directly from any applicable Transmission Authority and, upon request, Seller shall confirm such authorization in

writing to such Transmission Authority or any applicable transmission owners in such form as requested by Company or the Transmission Authority.

(B) Seller shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver Solar Energy to the Point of Delivery.

(C) Company shall be responsible for all electric losses, transmission and ancillary service arrangements and costs required to transmit and deliver Solar Energy beyond the Point of Delivery. If at any time during the Term, the entity owning the transmission facilities at the Point of Delivery changes or the facilities at the Point of Delivery cease to be subject to the Transmission Tariff, then the Parties shall cooperate in good faith to amend this PPA in a manner to facilitate the delivery of output from the Point of Delivery to Company's customers.

5.2 Electric Metering Devices.

(A) All Electric Metering Devices used to measure energy shall be owned, installed, and maintained in accordance with the Interconnection Agreement, at no cost to Company.

1. For purposes of this PPA, meter readings will be adjusted to reflect losses from the Electric Metering Devices to the Point of Delivery based initially on the amount specified by the manufacturer for expected losses, *provided, however, that* the Operating Committee may revise this loss adjustment based on actual experience.

2. Seller shall arrange any necessary authorization to provide Company access to all Electric Metering Devices for all purposes necessary to perform under this PPA and shall provide Company the opportunity to be present at any time when such Electric Metering Devices are to be inspected and tested or adjusted, provided however, that Company shall not unreasonably interfere with or disrupt the activities of Seller and shall comply with all of Seller's safety standards.

(B) Either Party may elect to install and maintain, at its own expense, backup metering devices ("Back-Up Metering"), *provided, however, that* the specifications, installation and testing of any such Back-Up Metering shall be consistent with the requirements for the Electric Metering Devices. Upon written request, the installing Party shall conduct retests requested by the other Party. The actual cost of any retest shall be borne by the Party requesting the test, unless, upon such retest, Back-Up Metering is inaccurate by more than one percent, in which case the cost of the retest shall be borne by the installing Party. If requested in writing, the installing Party shall provide copies of any inspection or testing reports to the requesting Party.

(C) If an Electric Metering Device or Back-Up Metering, fails to register, or if the measurement is inaccurate by more than one percent, an adjustment shall be made correcting all measurements as follows:

1. If the Electric Metering Device is found to be defective or inaccurate, the Parties shall use Back-up Metering, if installed, to determine the amount of such inaccuracy, *provided, however, that* Back-Up Metering has been tested and maintained and adjusted for losses on the same basis as the Electric Metering Device. If Back-Up Metering is not installed, or Back-Up Metering is also found to be inaccurate by more than one percent, the Parties shall use the best available information for the period of inaccuracy, adjusted as agreed by the Parties for losses to the Point of Delivery.

2. If the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period shall be the shorter of (i) the last one-half of the period from the last previous test of the Electric Metering Device to the test that found the Electric Metering Device to be defective or inaccurate, or (ii) 180 Days immediately preceding the test that found the Electric Metering Device to be defective or inaccurate.

3. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Company, Company shall use the corrected measurements as determined in accordance with this Article to re-compute the amount due for the period of the inaccuracy and in accordance with Article 9 may adjust the next regular bill to reflect such re-computed amount provided however, that payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives notice of the amount due.

Article 6 - Conditions Precedent

6.1 Company CPs.

(A) No later than 45 Days after the Effective Date of this PPA, the Company shall file this PPA with the State Regulatory Agencies, pursuant to relevant regulatory requirements, seeking State Regulatory Approval. Seller shall cooperate with Company's effort to seek State Regulatory Approval.

(B) Either Party shall have the right to terminate this PPA, without any further financial or other obligation to the other as a result of such termination, by Notice to the other Party not more than ten (10) Days after the earlier of (i) fourteen (14) Days after receipt of a written order from either or both State Regulatory Agency/ies that singly or in the aggregate do not constitute State Regulatory Approval, or imposing conditions on State Regulatory Approval unsatisfactory to Company, or (ii) six (6) months following the filing hereof with the State Regulatory Agencies without receipt of State Regulatory Approval.

(C) Notwithstanding the foregoing, in the event that any State Regulatory Agency finds that 100% of the costs incurred by Company under this PPA is recoverable from ratepayers within that State (without application of jurisdictional allocators or other reductions to reflect multi-state operations), then the inability or failure to obtain approval from the other State Regulatory Agency shall not give rise to Company's right to terminate this PPA under this Section 6.1 and Company shall waive any rights it may otherwise have to terminate the PPA for failure to obtain State Regulatory Approval

(D) If either Party fails to terminate this PPA in the time allowed by this Section 6.1, each Party shall be deemed to have waived its right to terminate this PPA under this Section 6.1 and this PPA shall remain in full force and effect thereafter.

6.2 Seller CP Seller shall have the right to terminate this PPA, without any further financial or other obligation as a result of such termination, by Notice to Company within 14 Days following the failure of Seller to satisfy the following condition precedent (the "Seller CP") by the required date:

Condition Precedent	*Deadline*
Seller and the Transmission Authority shall have executed an Interconnection Agreement per the Transmission Provider's standard form, with such changes as are necessary or appropriate given the location and characteristics of the Facility.	**[TRADE SECRET BEGINS** **TRADE SECRET ENDS]**

If Seller fails to terminate this PPA in the time allowed by this Section 6.2, the Seller CP shall be deemed to have been waived and this PPA shall remain in full force and effect thereafter.

Article 7 - Sale and Purchase

7.1 General Obligation.

(A) Beginning on the Commercial Operation Date, Seller shall generate from the Facility, deliver to the Point of Delivery, and sell to Company, and Company shall receive and purchase at the Point of Delivery, the products and services required by this PPA. Seller shall not curtail or interrupt deliveries from the Facility for economic reasons of any type whatsoever, except as required by this PPA.

(B) Title and risk of loss of the products and services transacted by this PPA shall transfer from Seller to Company at the Point of Delivery.

7.2 Committed Solar Energy. Seller covenants to deliver the Committed Solar Energy to the Point of Delivery.

7.3 AGC.

(A) Beginning on the Commercial Operation Date, Company shall dispatch Facility through the EMCC AGC system.

(B) Company may notify Seller, by telephonic communication or through use of the AGC Set Point, to curtail the delivery of Solar Energy to Company from the Facility and to the Point of Delivery, for any reason and in its sole discretion and Seller shall promptly comply with such notification.

(C) The AGC Set-Point is calculated by the EMCC AGC system and communicated electronically through the SCADA System. Seller shall ensure that, throughout the Term, the SCADA signal is capable of functioning on all AGC Set Points within the margin of error specified in the Facility's control system manufacturer's energy set point margin of error.

(D) Seller shall ensure that Facility AGC Remote/Local status is in "Remote" set-point control during normal operations.

7.4 Compensation for Other Products and Services.

(A) The Parties acknowledge that existing and future Applicable Laws create value in the ownership, use or allocation of RECs. To the full extent allowed by such Applicable Law, Company shall own or be entitled to claim all RECs to the extent such credits may exist or be created during the Term associated with all Solar Energy (including any Excess Solar Energy) delivered to Company.

1. Seller hereby automatically and irrevocably assigns to Company all Transmission Authority accreditable capacity (Zonal Resource Credits, or ZRCs) based on MISO Module E criteria.

2. Seller hereby automatically and irrevocably assigns to Company all rights, title and authority for Company to register the Eligible Energy Resource and own, hold and manage such RECs in Company's own name and to Company's account, including any rights associated with any renewable energy information or tracking system that exists or may be established (including but not limited to participants in any applicable REC Registration Program and the United States government) with regard to monitoring, registering, tracking, certifying, or trading such credits. Seller hereby authorizes Company to act as its agent for the purposes of registering the Eligible Energy Resource, tracking and certifying RECs and Company has full authority to hold, sell or trade such RECs to its own account of said renewable energy information or tracking systems. Upon the request of Company, at no cost to Company, (i) Seller shall deliver or cause to be delivered to Company such attestations/certifications of RECs, and (ii) Seller shall cooperate with Company's registration and certification of RECs.

3. Prior to the Commercial Operation Date, Seller shall make all applications and/or filings required by Applicable Law for REC accreditation and for the provision of such RECs to Company, or, upon Company's request, provide the information needed for the Company to make these applications and/or filings on the Seller's behalf.

4. Seller shall retain any RECs associated with any Excess Solar Energy not delivered to Company.

(B) Seller shall make available to Company all Generation Benefits and Ancillary Services associated with the Facility at no additional charge under this PPA. Any compensation Seller receives under the Interconnection Agreement or otherwise for Generation Benefits or Ancillary Services associated with the Facility and its Solar Energy shall be provided to Company at no additional cost to Company under this PPA. Seller shall credit Company, as a reduction to Seller's monthly invoice or other mutually-agreed mechanism, for any compensation that Seller receives for Generation Benefits or Ancillary Services.

1. Seller shall use Commercially Reasonable Efforts to maximize the availability of Generation Benefits and Ancillary Services available from the Facility, *provided, however, that* Seller shall not be required to make any extraordinary capital expenditures or incur any significant increased operating expenses in connection with such efforts.

2. In the event a Governmental Authority or Transmission Authority implements new or revised requirements for generators to create, modify, change, or supply Ancillary Services, requiring Seller to install additional equipment after the Commercial Operation Date to meet such requirements, then Seller shall be allowed to recover the cost of such additional equipment by reducing the amount owed to Company under this Section 7.4(B) by an amount sufficient to cover such costs, *provided, however, that* the amount of credit shall in no event be less than zero. Any excess of such cost over the amount of the credit in any year shall instead be carried forward as a reduction of the amount of the credit in subsequent years.

Article 8 - Payment Calculations

8.1 Solar Energy Payment Rate.

(A) Prior to the Commercial Operation Date, Company shall pay Seller for Test Energy delivered to the Point of Delivery pursuant to Section 4.4 at the Test Energy Rate. Seller shall be entitled to no Compensable Curtailment Energy payment prior to the COD in connection with Test Energy.

(B) Commencing on the Commercial Operation Date, Company shall pay Seller the Solar Energy Payment Rate for Solar Energy and RECs delivered to the

Point of Delivery. The Solar Energy Payment Rate for each Commercial Operation Year shall be effective on the first Day of the calendar month following the calendar month in which the applicable anniversary of COD occurs (for example, if COD occurs on December 10, 2016, the Solar Energy Payment Rate for the second Commercial Operation Year as described in Exhibit J shall be effective as of January 1, 2018).

(C) In the event that the Solar Energy in any Commercial Operation Year (including any Compensable Curtailment Energy) exceeds 115% of the Committed Solar Energy ("Excess Solar Energy"), Company shall have the option to either (i) pay Seller the Solar Energy Payment Rate for all such Excess Solar Energy and RECs associated therewith, or (ii) elect not to accept any Excess Solar Energy during that Commercial Operation Year.

1. Seller shall notify Company upon Seller's delivery of Solar Energy hereunder that exceeds 110% of the Committed Solar Energy for a Commercial Operation Year. Company shall elect within 10 Business Days of Seller's Notice to either accept or decline the Excess Solar Energy after the date of Company's election and through the balance of such Commercial Operation Year.

2. If Company elects not to accept Excess Solar Energy, Seller shall have the right to sell such Excess Solar Energy (including associated RECs) to one or more third parties until the end of the applicable Commercial Operation Year, after which the Parties' obligations shall resume pursuant to this Section 8.1(C), *provided, however, that* Seller shall be solely responsible for arranging transmission service and delivery arrangements to such third party at no cost to Company.

8.2 Curtailment Energy Payment Rate.

(A) If following Commercial Operation (i) delivery of Solar Energy is curtailed by Company pursuant to Section 7.3, or an Economic Curtailment occurs, and (ii) any such reduction is not a Non-Compensable Curtailment, then

1. the Parties shall determine the quantity of Solar Energy that would have been produced by the Facility (i) during those periods of time when the Facility is on AGC and the AGC Set-Point is set at a level that will not allow the entire Facility Nameplate Capacity to be deliverable, by determining the difference between Potential Energy and the delivered Solar Energy, and (ii) during those periods of time when the Facility is not on AGC or the AGC Set-Point is set at a level that will allow the Facility Nameplate Capacity to be deliverable, by determining the amount that would have been available for delivery had its generation not been so curtailed ("Compensable Curtailment Energy").

2. Compensable Curtailment Energy shall be the number of MWh represented by the Potential Energy less the Solar Energy actually delivered and measured by the Electric Metering Devices (and excluding any Non-Compensable Curtailments) during the period of curtailment.

3. Company shall pay to Seller for such Compensable Curtailment Energy net of any Non-Compensable Curtailments (i) all amounts that Seller would have received from Company under this PPA had such Compensable Curtailment Energy actually been delivered plus (ii) the amount of any associated Tax Benefits to which Seller would have been entitled but did not receive as a result, on a grossed up basis; provided, however, that Seller has elected to receive such benefits. For the avoidance of doubt, Seller shall not be entitled to recover any Tax Benefits to the extent Seller was not entitled to receive such benefits had the Compensable Curtailment Energy actually been delivered.

(B) For purposes of determining Compensable Curtailment Energy, the amount of Potential Energy at any given time shall be calculated using the best-available data and methods to determine an accurate representation of the amount of Solar Energy.

1. To the extent available, Company agrees to use Seller's real time Park Potential communicated to Company through the SCADA System as the proxy for Potential Energy, except to the extent that Park Potential is demonstrated not to accurately reflect the Potential Energy (plus or minus 2% over a period of one month).

2. During those periods of time when the Park Potential is unavailable or does not accurately represent Potential Energy, the Parties shall use the best available data obtained through Commercially Reasonable methods to determine the Potential Energy.

3. Seller shall be entitled (but not obligated) to sell any curtailed energy to third parties to whom Seller is able successfully to transact and deliver, *provided, however, that* the net amount realized for such sale shall offset amounts owed by Company for Compensable Curtailment Energy. Company shall reasonably cooperate with any such sales, and Seller accepts sole responsibility to obtain transmission rights to deliver such energy at no cost to Company.

(C) Notwithstanding anything in this Article 8 to the contrary, curtailments or reductions of delivery for any of the following reasons shall constitute "Non-Compensable Curtailments" and shall be excluded from Compensable Curtailment Energy, and no payment shall be due Seller under paragraph (A) above for curtailments of delivery of Solar Energy arising out of or resulting from

1. an Emergency;

2. any order or directive of the Transmission Provider or Market Operator that reduces or limits the allowable output of the Facility under the Interconnection Agreement, including curtailments arising out of interconnection limits established by the Transmission Authority or market rules that make conditional or provisional interconnection agreements subordinate to unconditional interconnection agreements;

3. maintenance outages, whether planned or unplanned, of any part of the transmission system or any testing of the transmission system to the extent such maintenance outage requires a restriction or reduction to the output of the Facility or Company's transmission service arrangements;

4. the lack of available transmission for generation from the Facility to the Point of Delivery;

5. Seller's failure to maintain in full force and effect any Permit to construct and/or operate the Facility; and

6. Seller's failure to maintain AGC capability or the Facility's failure or refusal to respond to an AGC instructions from the EMCC.

Article 9 - Billing and Payment

9.1 Billing.

(A) The billing period shall be the calendar month. Within ten Days after the end of any month, Company will provide to Seller a statement containing the applicable billing parameters based on Company's reading of the Electric Metering Devices and Company's assessment of the amount due during the previous calendar month. No later than 15 Business Days after the end of each month, Seller shall submit an invoice to Company in a form and by a method mutually agreed to by the Parties showing the payment amount due Seller during the previous calendar month, specifying the products and services provided, all billing parameters, rates and factors, and any other data reasonably relevant to the calculation of payments due to Seller.

(B) Seller shall include an explanation of any items in dispute, as well as all supporting documentation upon which Seller relies. Billing disputes shall be resolved in accordance with Section 9.3. Seller's failure to timely provide Company with the monthly invoice shall not waive Company's responsibility for payments hereunder.

(C) All billing data based on metered deliveries to Company shall be based on meter readings in accordance with Section 5.2.

9.2 Payment. Unless otherwise specified herein, undisputed payments shall be payable by electronic funds transfer, as designated by the owed Party, on or before the 15th Business Day following receipt of the invoice.

(A) If a payment is late, a late payment charge shall be applied to the unpaid balance for the number of days payment was late and shall be added to the next billing statement. Late payment charges shall include interest calculated using the prime rate of interest as published on the date of the invoice in *The Wall Street Journal* (or, if unavailable, an equivalent publication on or about that date).

(B) Company at any time may offset against amounts owed to Seller, any liquidated amounts, accrued damages and other payments, and undisputed billing errors and adjustments, which are owed by Seller pursuant to this PPA.

(C) Seller and Company shall net their obligations to each other under this PPA, and payment of the net amount will discharge all mutual undisputed obligations between the Parties.

9.3 Billing Disputes Either Party may dispute invoiced amounts, but shall pay at least the undisputed portion on or before the date due. To resolve any billing dispute, the Parties shall use the procedures set forth in Article 13. When the billing dispute is resolved, the Party owing shall pay the amount owed within five Business Days of the date of such resolution, without late payment interest except to the extent that it shall have been established that the amount owed was not disputed in good faith, in which case late payment interest charges shall be calculated on the amount found not to have been disputed in good faith in accordance with the provisions of Section 9.2.

Article 10 - Operations and Maintenance

10.1 Operation and Administration.

(A) Seller shall control and operate the Facility consistent with Good Utility Practices and the Operating Procedures. During daylight hours and/or when the Facility is capable of operation, personnel shall be available at all times via telephone or other electronic means with the capability of remotely operating and stopping the Facility within ten (10) minutes.

(B) Seller shall comply with the requirements of NERC, ERO, Transmission Authority, FERC, or successor organizations, the Operating Procedures (if any), Governmental Authorities, and Good Utility Practice in the operation of the Facility. To the extent that the actions of Seller contributes in whole or in part to actions that result in monetary penalties being assessed to Company by NERC, ERO, Transmission Authority, FERC, or other Governmental Authority, Seller shall reimburse Company for all such monetary penalties proximately caused by Seller.

(C) Seller shall be responsible for providing accurate and timely updates on the current availability of the Facility to Company's EMCC. Seller shall provide to Company a day-ahead availability forecast in accordance with Exhibit H - Operating Standards. Seller acknowledges that such forecasting is consistent with the reporting requirements required for compliance with NERC standards intended to maintain reliability. Seller, as the generator, is primarily responsible for complying with the NERC standards and to report the information to Transmission Authority, ERO or other reliability coordinator. Company agrees to provide the forecasted information to the reliability coordinator on Seller's behalf, *provided, however, that* Seller shall remain responsible to ensure the reliability and accuracy of forecasts and any changes to the real-time or forecast availability of the Facility.

10.2 Facility Maintenance.

(A) Seller shall maintain the Facility in accordance with Good Utility Practice and relevant equipment manufacturers' requirements. Seller shall coordinate its regular maintenance requirements for the Facility with Company. Maintenance Schedules shall be provided to Company in writing and sufficiently in advance for Commercially Reasonable review, and shall be subject to Company's Commercially Reasonable approval ("Maintenance Schedule").

(B) Except as otherwise agreed to by Company, Seller shall minimize the amount of scheduled maintenance during On-Peak Months to the full extent consistent with Good Utility Practices. During any Business Day of an On-Peak Month following Commercial Operation, Seller shall use Commercially Reasonable Efforts to (i) maximize the amount of Solar Energy produced by the Facility, and (ii) minimize the extent and duration of Forced Outages.

(C) When Forced Outages occur, Seller shall notify Company's EMCC of the existence, nature, start time, and expected duration of the Forced Outage as soon as practical, but in no event later than (i) thirty minutes after the Forced Outage occurs, if such Forced Outage occurs during normal business hours, or (ii) 8:00 a.m. local Minnesota time, if such Forced Outage occurs outside of normal business hours. Thereafter Seller shall inform Company's EMCC of any changes in the expected duration of the Forced Outage unless relieved of this obligation by Company's EMCC for the duration thereof.

10.3 Books and Records.

(A) Seller shall maintain an accurate and up-to-date operating log, in electronic format, with records of production for each daylight hour; changes in operating status; Forced Outages; information required by Applicable Law, Governmental Authority, Transmission Authority, or the ERO in the prescribed format; and other information reasonably requested by Company.

(B) Seller and Company shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this PPA, including such records as may be required by Governmental Authorities, Transmission Authority, NERC or ERO as applicable.

(C) Each Party shall keep all books and records necessary for metering, billing and payment and shall provide the other Party Commercially Reasonable access to those records.

(D) Company may audit and examine from time to time upon reasonable request and during normal business hours: (i) Seller's Operating Procedures, (ii) equipment manuals, Operating Records, (iii) and data kept by Seller relating to administration of this PPA, by Company with Applicable Law and relevant

accounting standards. Seller shall cooperate with Company's audit rights under this Section 10.3(D).

10.4 Operating Committee and Operating Procedures.

(A) Company and Seller shall each appoint one representative and one alternate representative to act as the Operating Committee in matters relating to the Parties' performance obligations under this PPA and to develop operating arrangements for the generation, delivery and receipt of Solar Energy from the Facility. All Notices hereunder shall include copies to the Parties' Operating Committee representatives.

(B) The Operating Committee may develop mutually agreeable written Operating Procedures consistent with the requirements of this PPA, to address matters of day-to-day communications; key personnel; operations-center interface; metering, telemetering, telecommunications, and data acquisition procedures; operations and maintenance scheduling and reporting; reports; operations log; testing procedures; and such other matters as may be mutually agreed upon by the Parties.

(C) The Operating Committee shall review the requirements for AGC from time to time after the date hereof and may agree on modifications thereto to the extent necessary or convenient for operation of the Facility in accordance with this PPA.

(D) The Operating Committee shall have authority to act in all technical and day-to-day operational matters relating to performance of this PPA and to attempt to resolve disputes or potential disputes, *provided, however, that* except to the extent explicitly provided for in this PPA, such representatives and the Operating Committee shall not have the authority to amend or modify any provision of this PPA.

10.5 Access to Facility. Appropriate representatives of Company shall have access to the Facility with Commercially Reasonable prior notice, to read meters and perform inspections as may be appropriate to facilitate the performance of this PPA. While at the Facility, such representatives shall observe such Commercially Reasonable safety precautions as may be required by Seller and shall conduct themselves in a manner that will not interfere with the operation of the Facility.

10.6 Capacity Accreditation. Company has certain planning, operating and reporting requirements. Seller shall complete any and all required capacity testing for the Facility pursuant to the procedures and guidelines applicable to Company-owned or purchased generation set forth in, or in accordance with, Module E of MISO's OATT, as amended from time to time.

10.7 Real Time Data.

(A) Seller shall communicate all data necessary for Company to integrate the Facility into Company's EMCC in real time through the Facility's SCADA

System in accordance with the AGC Protocols. Seller shall maintain the Facility's SCADA System so that it is capable of interfacing with and reacting to Company's AGC Set-Point and responding to signals from the Company's EMCC in accordance with the AGC Protocols.

1. Seller shall use Commercially Reasonable Efforts to adjust the real time Park Potential when Company communicates to Seller a measured difference of plus or minus two percent between the metered Solar Energy, during a time where there was no AGC Set-Point, and Park Potential.

2. In the event that Company reasonably concludes that Seller is not (i) providing the data required by this Section, (ii) interfacing with and reacting to Company's AGC Set-Point as required by this PPA, and/or (iii) providing Park Potential data within the required margin of error, then upon Notice from Company, Seller shall, at Seller's expense, take those actions necessary to fully comply with this paragraph. Upon Seller's request, Company shall cooperate with Seller in taking any such actions.

(B) Not later than the Commercial Operation Date, or when reasonably requested prior to the Commercial Operation Date, Seller shall provide Company, at Seller's expense, real time unit performance and meteorological data for the Facility and all meteorological stations at the Facility in accordance with Exhibit H - Operating Standards for the Term of this PPA. Seller shall undertake to maintain Seller-owned data collection systems which are compatible with Company's PI. Seller shall ensure that real time communications capabilities are available and maintained for the transmission to Company's PI. Seller shall ensure that all meteorological equipment at a minimum meets the specifications set forth in Exhibit H - Operating Standards. Company shall be entitled to disclose data gathered through the Company's PI to third parties. Company shall have the right to disclose data gathered through the Company's PI system publicly *provided, however, that* such data is (i) masked to obscure the origin of the data and (ii) aggregated so that the data cannot be correlated and used by competitors of Seller and suppliers to the Facility.

Article 11 - Security for Performance

11.1 Security Fund.

(A) No later than 30 Days following the Parties' receipt of the initial written order of the MPUC approving this PPA on terms and conditions satisfactory to Company in its sole discretion, Seller shall establish, fund, and maintain a Security Fund that is available to pay any amount due to Company pursuant to this PPA, and to provide Company security that Seller will satisfy its obligations under this PPA.

1. The Security Fund shall equal the Pre-COD Security Fund up to the COD, and the Post-COD Security Fund on and after the COD and throughout the Term.

2. Seller shall replenish the Security Fund within 15 Business Days after Company makes a draw on the Security Fund as authorized by this PPA, up to the required amount, *provided, however,* that Seller shall not be required to replenish the Security Fund to a level in excess of the remaining amount of the applicable Damage Cap. Notwithstanding the foregoing, Seller shall replenish all amounts drawn from the Security Fund in respect of damages described in Section 12.3(C).

(B) Company may draw from the Security Fund such amounts as are necessary to recover amounts owing to Company that have not been timely paid pursuant to this PPA, including any damages due to Company and any amounts for which Company is entitled to indemnification under this PPA. Company may, in its sole discretion, draw all or any part of such amounts due to it from any form of security to the extent available pursuant to this Section 11.1 and in any sequence Company may select. Company's failure or delay to draw any amount from the Security Fund in any instance shall not prejudice Company's rights to subsequently recover such amount from the Security Fund or in any other manner. If any such draw or part thereof is later determined to have been improper or not authorized hereunder, Company shall promptly restore the improperly or incorrectly drawn amounts, together with interest thereon from the date of the draw through the date of restoration at the interest rate set forth in Section 9.2, plus any costs incurred by Seller in having such amount restored.

(C) The Security Fund shall be maintained at Seller's expense, shall be originated by or deposited in a financial institution or company ("Issuer") satisfying the requirements of this Section 11.1, and shall be in the form of one or more of the following instruments:

1. The Security Fund may be in the form of an irrevocable standby letter of credit in the form and substance of Exhibit G-1 - Letter of Credit, and any material changes to such Exhibit shall be subject to Commercially Reasonable review and approval by Company (the "Letter of Credit").

a. The Issuer for the Letter of Credit shall have and maintain an unsecured bond rating (unenhanced by third-party support) equivalent to A/A3 or better as determined by all rating agencies that have provided such a rating, and if ratings from either Standard & Poor's and Moody's are not available, equivalent ratings from alternate rating sources reasonably acceptable to Company. If such rating is equivalent to A/A3, the Issuer must not be on credit watch or have a negative outlook by any rating agency.

b. The Letter of Credit must be for a minimum term of 360 Days. Seller shall give Company at least 30 Days advance Notice prior to any expiration or earlier termination of the Letter of Credit. Seller shall cause the renewal or extension of the Letter of Credit or other authorized security for additional consecutive terms of 360 Days or more (or, if shorter, the remainder of the Term) more than 30 Days prior to each expiration date of the security. If the

Letter of Credit or other security is not renewed or extended at least 30 Days prior to its expiration date or otherwise is terminated early, Company shall have the right to draw immediately upon the security and to place the amounts so drawn, at Seller's cost and with Seller's funds, in an interest bearing escrow account in accordance with sub-paragraph (2) below, until and unless Seller provides a substitute form of such security meeting the requirements of this Section 11.1.

2. The Security Fund may be in the form of United States currency, in which Company holds a first and exclusive perfected security interest, deposited with an Issuer who is a state or federally-chartered commercial bank with operations in the State in which the Facility is located (or such other escrow agent reasonably acceptable to Company in its sole discretion) in an account under which Company is designated as beneficiary with sole authority to draft from the account or otherwise access the security (the "Escrow Account"). The Escrow Account shall be established pursuant to an Escrow Agreement substantially in the form attached as Exhibit G-3 - Escrow Agreement. Funds held in the Escrow Account may be deposited in a money-market fund, short-term treasury obligations, investment-grade commercial paper and other liquid investment-grade investments with maturities of three months or less, with all investment income thereon to be taxable to, and to accrue for the benefit of, Seller. After the Commercial Operation Date, periodic sweeps by Seller for recovery of interest earned by the escrowed funds shall be allowed, and, at any time the balance in the escrow account exceeds the required amount of security, the escrow agent may remit any excess to Seller.

3. Following COD, the Security Fund may consist of a guaranty substantially in the form of Exhibit G-2 - Guaranty, from an Issuer with a minimum of net worth of at least $200,000,000 and a senior unsecured credit rating (unenhanced by third-party support) equivalent to BBB+ or better as determined by all rating agencies that have provided such a rating, and if ratings from both Standard & Poor's and Moody's (or if either one or both are not available, equivalent ratings from alternate rating sources reasonably acceptable to Company). If such senior unsecured credit rating of the Issuer is exactly equivalent to BBB+, the Issuer must not be on credit watch or have a negative outlook by a rating agency. If the credit rating of the Issuer is downgraded or there has been a change that has a Material Adverse Effect in the creditworthiness of the Issuer, then Seller shall be required to convert the guarantee provided by such Issuer to a Security Fund instrument meeting the criteria set forth in either sub-paragraph (1) or sub-paragraph (2) above no later than 10 Days after receiving information from or about the Issuer that the Issuer no longer satisfies the requirements of this paragraph.

(D) Seller may change the form of the Security Fund at any time and from time to time upon Commercially Reasonable prior Notice to Company, *provided, however, that* the Security Fund must at all times satisfy the requirements of this Section 11.1.

(E) Company may reevaluate from time to time the value of any Security Fund posted by Seller to determine, in a Commercially Reasonable manner,

whether (i) it continues to satisfy the requirements in this PPA or (ii) there has been a change that has a Material Adverse Effect in the creditworthiness of the Issuer or guarantor, such that it does not or with the passage of time, it will no longer satisfy the requirements of this PPA. If Company determines, in a Commercially Reasonable manner, that there has been an event that has caused, or will cause, with the passage of time, Seller's Security Fund to no longer satisfy the requirements of this PPA, then Company shall provide prompt Notice to Seller of such event and after receipt of such Notice, Seller shall be required to provide alternative Security Fund that satisfies the terms of this PPA.

(F) The Security Fund shall survive termination of this PPA to be available to pay any amounts owed to Company arising prior to or upon termination. Promptly following (i) the end of the Term and the completion of all of Seller's obligations under this PPA, or (ii) termination of this PPA for any reason prior to the end of the Term. Company shall determine the amount, if any, owed by Seller for any obligations or damages arising out of this PPA ,and Company may draw such amount and/or shall release the balance of the Security Fund (including any accumulated interest, if applicable) to Seller.

11.2 Expenses. Seller shall reimburse Company for the incremental direct expenses (including fees and expenses of counsel) incurred by Company in making a draw of funds or in connection with the preparation, negotiation, execution and release of any security instruments and related documents, used by Seller to establish and maintain the Security Fund under this Article 11.

Article 12 - Default and Remedies

12.1 Events of Default. Any of the following events shall constitute an Event of Default of the specified Party if such event is not cured within the cure period specified for such event (if any):

(A) Either Party's failure to make any payment to the other Party as required by this PPA, including invoices pursuant to Article 9, Liquidated Delay Damages, Actual Damages, any required indemnification, or any other required payment, and such amount remains unpaid for a period of 10 Business Days after the date the defaulting Party receives Notice from the non-defaulting Party that the amount is overdue.

(B) Either Party's application for, or consent (by admission of material allegations of a petition or otherwise) to, the appointment of a receiver, trustee or liquidator for a Party or for all or substantially all of its assets, or its authorization of such application or consent, or the commencement of any proceedings seeking such appointment against it without such authorization, consent or application, which proceedings continue undismissed or unstayed for a period of 30 Days from its inception.

(C) Either Party's authorization or filing of a voluntary petition in bankruptcy or application for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization, readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction or the institution of such proceedings against a Party without such authorization, application or consent, which proceedings remain undismissed or unstayed for 30 Days from its inception or which result in adjudication of bankruptcy or insolvency within such time.

(D) Either Party's unauthorized assignment of this PPA or Change of Control, immediately upon its occurrence and without further notice or opportunity to cure from the non-defaulting Party.

(E) Any material representation or warranty made by a Party in this PPA is proven to have been false in any material respect when made.

(F) Any material representation or warranty made by a Party in this PPA ceases to remain true during the Term, other than as expressly specified in this Article 12, if (i) such cessation would reasonably be expected to result in a Material Adverse Effect on the non-defaulting Party, and (ii) such misrepresentation is not remedied within ten (10) Business Days after notice is received by the defaulting Party; *provided, however*, if such event of failure is not susceptible to cure within such ten (10) day period, then such cure period shall be extended for an additional period (not to exceed ninety (90) Days) provided Seller is diligently seeking to cure such event or failure.

(G) Seller's failure to establish and maintain the Security Fund as of the date required and in the amounts required, which failure remains uncured for five (5) Business Days after Company provides Notice of Seller's failure.

(H) Seller's failure to achieve Commercial Operation more than 90 Days after the Commercial Operation Milestone, *provided, however,* that if during such period Seller provides a written opinion from a mutually-agreeable independent engineer that the COD can reasonably be achieved within an additional 90 Day period, then Seller shall be allowed a total period not to exceed 180 Days after the Commercial Operation Milestone to achieve Commercial Operation, *provided further* that Liquidated Delay Damages shall have been paid throughout the entire period of delay and that no additional cure period for such default shall be allowed.

(I) Seller's failure to deliver at least **[TRADE SECRET BEGINS TRADE SECRET ENDS]** of the Committed Solar Energy during any Commercial Operation Year, beginning with the second (2^{nd}) Commercial Operation Year (a "Committed Solar Energy Measurement Period").

1. To the extent a failure to deliver Committed Solar Energy is attributable to (i) Seller Excuse Hours; (ii) actual solar irradiation falling below the Expected Solar Irradiation for the twelve-month period, as calculated using the

methodology set forth in Exhibit L; and/or (iii) curtailment by Company under Section 7.3, the contribution of such occurrences shall be imputed into the calculation of Committed Solar Energy for the purposes of, and only for the purposes of, establishing a default of Seller under this paragraph.

2. This Event of Default shall be curable and deemed cured if (i) within thirty (30) Days following the end of the applicable Committed Solar Energy Measurement Period, Seller cures the reason(s) for such default (or, if such cure cannot reasonably be effected within thirty (30) Days, Seller commences to cure such default within thirty (30) days and then diligently pursues such cure to completion as soon as practicable thereafter), and (ii) as a result of such efforts, during the twelve-month period subsequent to the applicable Committed Solar Energy Measurement Period, the production of Solar Energy by the Facility (adjusted as provided in paragraph (1)) equals or exceeds **[TRADE SECRET BEGINS**
TRADE SECRET ENDS] of the Committed Solar Energy. For the avoidance of doubt, Seller shall be permitted to add and/or replace portions of the Facility if and to the extent reasonably required to cure Seller's default pursuant to this paragraph.

(J) Seller's material breach of the Interconnection Agreement that has a Material Adverse Effect on Seller's ability to deliver Solar Energy to Company, which breach remains unremedied for 30 Days after Notice thereof shall have been given by the non-defaulting Party (or such longer period for cure, if any, provided by the Interconnection Agreement).

(K) The failure by either Party to perform or observe any other material obligation to the other Party under this PPA, that is not excused by Force Majeure and such failure shall remain unremedied for 30 Days after Notice thereof shall have been given by the non-defaulting Party, *provided*, that, if such Event of Default is not susceptible to cure within 30 Days, then such cure period shall be extended for an additional period (not to exceed ninety (90) Days) provided the defaulting Party is diligently seeking to cure such Event of Default.

12.2 Remedies. Upon the occurrence of any Event of Default of this PPA, the non-defaulting Party may pursue all rights and remedies available to it at law and in accordance with the terms of this PPA. Except as explicitly provided to the contrary in this PPA, each right or remedy of the Parties provided for in this PPA shall be cumulative of and shall be in addition to every other right or remedy provided for in this PPA, and the exercise of one or more or the rights or remedies provided for herein shall not preclude the simultaneous or later exercise by such Party of any other rights or remedies provided for herein.

(A) Termination and Damages. For any uncured Event of Default, the non-defaulting Party may, at its option do any, some, or all of the following:

1. Offset from any payments due from the non-defaulting Party any amount otherwise due, including any unpaid Liquidated Delay Damages or Actual Damages;

2. Seek Actual Damages in such amounts and on such basis for the default as authorized by this PPA;

3. In the case of an Event of Default by Seller, draw on the Security Fund for any unpaid Liquidated Delay Damages or Actual Damages;

4. In the case of an Event of Default by Seller, exercise of Company's Step-In Rights.

5. Terminate this PPA immediately upon Notice, without penalty or further obligation to the defaulting Party. Upon the termination of this PPA under this paragraph, the non-defaulting Party shall be entitled to receive from the defaulting Party, subject to the Damage Caps in favor of Seller, all of the Liquidated Delay Damages and Actual Damages in connection with the Event of Default resulting in such termination.

(B) Liquidated Delay Damages. Prior to the COD, Seller shall be liable to pay Company Liquidated Delay Damages as a liquidated damage and not a penalty for any delay in meeting the Commercial Operation Milestone on the terms and conditions as follows:

1. Provided Seller actually pays Liquidated Delay Damages as and when owed, the payment of such Liquidated Delay Damages shall be Company's sole and exclusive remedy for Seller's failure to achieve, or Seller's delay in achieving the Commercial Operation Milestone. Liquidated Delay Damages shall be payable in lieu of Actual Damages accrued for the period during which Liquidated Delay Damages are assessed. The Parties specifically recognize that Company's damages associated with any delays in achieving the Commercial Operation Milestone will be significant but that it will be difficult to quantify those damages.

2. All Liquidated Delay Damages shall begin to accrue on the Day after the Commercial Operation Milestone as may be extended pursuant to this PPA until the Day such Commercial Operation Date is achieved.

(C) Actual Damages. For all Events of Default arising after the COD, the non-defaulting Party shall be entitled to receive from the defaulting Party all direct damages proximately caused by such Event of Default ("Actual Damages") incurred by the non-defaulting Party; *provided, however, that* if an Event of Default has occurred and has continued uncured for a period of 365 Days, the non-defaulting Party shall be required to either waive its right to collect further damages on account of such Event of Default or elect to terminate this PPA. If Seller is the defaulting Party, the Parties agree that Actual Damages recoverable by Company hereunder on account of an Event of Default of Seller may include Replacement Power Costs. If Company is the defaulting Party, the Parties agree that Actual Damages may include any direct damages available under this PPA.

(D) Specific Performance. In addition to the other remedies specified in this Article 12, in the event that any Event of Default of Seller during the period of Commercial Operation is not cured within the applicable cure period set forth herein, Company may elect to treat this PPA as being in full force and effect and Company shall have the right to specific performance. By way of example, if the breach by Seller arises from a failure by a third party operating the Facility pursuant to an operating agreement entered into with Seller, and Seller fails or refuses to enforce its rights under the operating agreement that would result in the cure, or partial cure, of the Event of Default, Company's right to specific performance shall include the right to obtain an order compelling Seller to enforce its rights under the operating agreement.

12.3 Limitation on Damages.

(A) Except as otherwise provided in this Section 12.3, (i) Seller's aggregate financial liability to Company for Liquidated Delay Damages shall not exceed Pre-COD Damage Cap, and (ii) Seller's aggregate financial liability to Company for Actual Damages shall not exceed the Post-COD Damage Cap (collectively the "Damage Cap(s)").

(B) If at any time during the Term, Company incurs damages in excess of a Damage Cap that Seller does not agree to pay when billed by Company, Company shall have the right to terminate this PPA upon Notice.

(C) The Damage Caps shall not apply to Actual Damages arising out of any of the following events:

1. damage to Company-owned facilities caused by Seller's acts or omissions;

2. Seller's intentional misrepresentation or misconduct in connection with this PPA or the operation of the Facility;

3. the sale or diversion by Seller to a third party of any capacity or energy committed to Company under this PPA except to the extent permitted by this PPA;

4. Seller's failure (i) to maintain insurance coverages in the types and amounts required by this PPA or (ii) to apply any insurance proceeds to restoration of damaged equipment of the Facility following a casualty except to the extent allowed by this PPA;

5. any claim for indemnification under this PPA;

6. any Environmental Contamination caused by Seller in connection with this PPA; or

7. damages incurred by Company in connection with any bankruptcy or insolvency proceeding involving Seller, including Company's loss of the

benefit of its bargain due to rejection or other termination of this PPA in such proceeding.

(D) The Parties confirm that the express remedies and measures of damages provided in this PPA satisfy the essential purposes hereof. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to Actual Damages only. ***Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary, special, equitable or indirect damages, lost profits or other business interruption damages by statute, in tort or contract (except to the extent expressly provided herein***); *provided, however, that* if either Party is held liable to a third party for such damages and the Party held liable for such damages is entitled to indemnification from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

12.4 Step-In Rights.

(A) Upon the occurrence of an Event of Default, Company shall have the right, but not the obligation, subject to the consent of the Facility Lender, to exercise its Step-In Rights for the period of time until Seller has cured its Event of Default or this PPA has been terminated. Exercising Step-In Rights shall not preclude or limit Company's right to exercise any other remedy it has against Seller under this PPA.

(B) Seller irrevocably appoints Company as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions necessary or appropriate to implement Company's Step-In Rights. Seller shall not grant any person, other than the Facility Lender, a right to possess, assume control of, or operate the Facility in derogation of Company's Step-In Rights.

(C) Company acknowledges that the Facility Lender may foreclose and take possession of and operate the Facility and Company may be required to relinquish its Step-In Rights in such circumstance. Prior to commencing construction of the Facility, Seller shall obtain the written agreement of the Facility Lender recognizing Company's Step-In Rights as being limited only by foreclosure of the Facility as a result of Seller's material default of its contractual obligations with the Facility Lender.

(D) Company shall implement its Step-In Rights in conformance with Good Utility Practice and shall perform Seller's obligations in a manner consistent with Seller's duties under this PPA. Seller shall reimburse Company for its expenses and costs (including the fees and expenses of counsel) reasonably incurred by Company in connection with exercising its Step-In Rights. Company shall give Seller and the

Facility Lender 10 Days Notice in advance of exercising Company's Step-In Rights. Upon receipt of such Notice:

1. Seller shall make available at the Facility all material documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Good Utility Practice.

2. Seller shall give Company, its employees, contractors, or designated third parties unrestricted access to the Site and the Facility.

3. Seller shall cooperate in the implementation of Company's Step-In Rights.

4. Company shall use the Solar Energy generated and delivered from the Facility during such period to *first*, reimburse Company for any and all expenses reasonably incurred by Company in exercising its Step-In Rights, and to *second*, remit any remaining proceeds to Seller.

(E) Company may draw upon the Security Fund to cover any expenses incurred by Company in exercising its rights under this Section 12.4.

(F) Seller shall retain legal title to and ownership of the Facility notwithstanding any exercise by Company of its Step-In Rights.

(G) If exercised, (i) Company may relinquish its Step-In Rights at any time, on at least 15 Days' prior Notice to Seller, and (ii) Company shall relinquish its Step-In Rights upon the earlier to occur of termination or expiration of this PPA, or cure by Seller of the outstanding default(s) that led to Company's assertion of its Step-In Rights.

(H) Company's Step-In Rights shall not constitute an assumption by Company of any liability attributable to Seller.

12.5 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use Commercially Reasonable Efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of the PPA.

Article 13 - Dispute Resolution

13.1 Dispute Resolution.

(A) In the event of any dispute arising under this PPA (a "Dispute"), within 10 Business Days following Notice by either Party, (i) each Party shall appoint a representative, and (ii) the representatives shall meet, negotiate and attempt in good faith to resolve the Dispute quickly, informally and inexpensively. In the event the representatives cannot resolve the Dispute within 30 Days after the first meeting, either Party may request that consideration and resolution of the Dispute be

transferred to a designated representative of each Party's senior management. Within 10 Days following such a request, each Party shall submit a written summary of the Dispute describing the issues and claims to a senior officer of each Party designated to address the Dispute. Within 10 Business Days after receipt of each Party's Dispute summaries, the senior management representatives for both Parties shall negotiate in good faith to resolve the Dispute. If such senior management representatives are unable to resolve the Dispute thereafter within 90 Days, either Party may seek available legal remedies.

(B) If no Notice has been issued within 24 months following the occurrence of events or circumstances giving rise to the Dispute (regardless of the knowledge or potential knowledge of either Party of such events and circumstances), the Dispute and all claims related thereto shall be deemed waived and the aggrieved Party shall thereafter be barred from proceeding thereon.

(C) SELLER AND COMPANY EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS PPA OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF SELLER AND COMPANY RELATED HERETO AND EXPRESSLY AGREE TO HAVE ANY DISPUTES ARISING UNDER OR IN CONNECTION WITH THIS PPA BE ADJUDICATED BY A JUDGE OF THE COURT HAVING JURISDICTION WITHOUT A JURY.

Article 14 - Force Majeure

14.1 Applicability of Force Majeure. A Party shall be relieved of its obligations to perform this PPA and shall not be considered to be in default with respect to any obligation under this PPA if, and to the extent such Party is prevented from fulfilling such obligation by Force Majeure, *provided, however, that*: (i) such Party gives prompt Notice describing the circumstances and impact of the Force Majeure; (ii) the relief from its obligations sought by such Party is of no greater scope and of no longer duration than is required by the Force Majeure; (iii) such Party proceeds with reasonable due diligence to overcome the Force Majeure and resume performance of its obligations under this PPA; and (iv) such Party provides Notice promptly after the conclusion of the Force Majeure.

14.2 Limitations on Effect of Force Majeure.

(A) Force Majeure shall only relieve a Party of such obligations as are actually precluded by the Force Majeure.

(B) In no event will the existence of Force Majeure extend this PPA beyond its stated Term.

(C) If Force Majeure affecting Seller continues for an uninterrupted period of **[TRADE SECRET BEGINS TRADE SECRET ENDS]** from its inception (with respect to Force Majeure occurring prior to COD) or 365 Days from its inception (with respect to Force Majeure occurring after COD), Company may, at any time following the end of such period, terminate this PPA upon Notice to Seller, without further obligation by either Party except as to costs and balances incurred prior to the effective date of such termination.

14.3 Delays Attributable to Company. Seller shall be excused from performing its obligations under this PPA where Seller can establish that such a failure was caused by (i) any delay or failure by Company to perform its obligations under this PPA, or (ii) any delay or failure by the Transmission Authority to perform its obligations under the Interconnection Agreement, in each case whether or not caused by Force Majeure.

Article 15 - Representations and Warranties

15.1 General Representations and Warranties. Each Party hereby represents and warrants to the other as follows, which representations and warranties will be deemed to be repeated, if applicable, by each Party throughout the Term:

(A) It is a valid separate legal entity, duly organized, validly existing and in good standing under Applicable Law. It is qualified to do business in the State in which the Facility is located and each other jurisdiction where the failure to so qualify would have a Material Adverse Effect on the business or financial condition of the other Party; it has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

(B) The Party's execution, delivery, and performance of all of its obligations under this PPA have been duly authorized by all necessary corporate action, and do not and will not:

1. require any consent or approval by any governing corporate or management body, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to the other Party upon its request);

2. violate any Applicable Law, or violate any provision in any formation documents, the violation of which could have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA;

3. result in a breach or constitute a default under the representing Party's formation documents or bylaws, or under any agreement relating to its management or affairs or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which it is a party or by which it or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA; or

4. result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of the representing Party now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA.

(C) This PPA is a valid and binding obligation of the representing Party.

(D) The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which the representing Party is a party or any judgment, order, or Applicable Law, applicable to it or its business.

(E) Within the meaning of the United States bankruptcy code, (i) this PPA constitutes a "master netting agreement", (ii) all transactions pursuant to this PPA constitute "forward contracts" or a "swap agreement", (iii) the representing Party is a "forward contract merchant" and "master netting agreement participant", and (iv) and all payments made or to be made pursuant to this PPA constitute "settlement payments."

(F) It is (i) an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended, 7 U.S.C. § 1a(12), (ii) a "market participant" under applicable exchange and market rules; (iii) a producer, processor, or commercial user of, or a merchant handling, the commodity which is the subject of this PPA, or the products or by products thereof; and (iv) entering into this PPA solely for purposes related to its business as such.

(G) This PPA grants each Party the contractual right to "cause the liquidation, termination or acceleration" of the transactions within the meaning of Section 556, 560 and 561 of the bankruptcy code, as they may be amended superseded or replaced from time to time. Upon a bankruptcy, a non-defaulting Party shall be entitled to exercise its rights and remedies under this PPA in accordance with the safe harbor provisions of the bankruptcy code set forth in, inter alia, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 548(d)(2), 556, 560 and 561, as they may be amended superseded or replaced from time to time.

15.2 Seller's Specific Representation. To the best knowledge of Seller, and except for those Permits identified in Exhibit F - Seller's Permits, which Seller anticipates will be obtained by Seller in the ordinary course of business, all Permits or other action required by any Governmental Authority to authorize Seller's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

15.3 Company's Specific Representation. To the best knowledge of Company, and except for the State Regulatory Approval(s) identified in Section 6.1, all approvals,

authorizations, consents, or other action required by any Governmental Authority to authorize Company's execution, delivery and performance of this PPA, have been duly obtained and are in full force and effect.

Article 16 - Insurance

16.1 Evidence of Insurance. No later than mobilization to the site for commencement of construction and then annually upon each renewal thereafter, Seller shall provide Company with two copies of insurance certificates acceptable to Company evidencing that insurance coverages for the Facility are in compliance with the specifications for insurance coverage set forth in Exhibit E - Insurance to this PPA. Such certificates shall (a) name Company as an additional insured (except worker's compensation); (b) provide that Company shall receive 30 Days prior Notice of non-renewal or cancellation of any of the corresponding policies (except that such Notice shall be 10 Days for non-payment of premiums); (c) provide a waiver of any rights of subrogation against Company, its Affiliates and their officers, directors, agents, subcontractors, and employees; and (d) indicate that the Commercial General Liability policy has been endorsed as described above. All policies shall be written with insurers with an AM Best rating of at least A-VII or a Standard & Poor's rating of at least A. All policies shall be written on an occurrence basis, except as provided in Section 16.2. All policies shall contain an endorsement that Seller's policy shall be primary in all instances regardless of like coverages, if any, carried by Company. Seller's liability under this PPA is not limited to the amount of insurance coverage required herein.

16.2 Term and Modification of Insurance.

(A) All insurance required under this PPA shall cover occurrences during the Term and for a period of two years after the Term. In the event that any insurance as required herein is commercially available only on a "claims-made" basis, such insurance shall provide for a retroactive date not later than the date of this PPA and such insurance shall be maintained by Seller for a minimum of six years after the Term.

(B) Company shall have the right, at times deemed appropriate to Company during the Term, to request Seller to modify the insurance minimum limits specified in Exhibit E - Insurance in order to maintain Commercially Reasonable coverage amounts commensurate with solar energy projects of a comparable size in similar locations. Seller shall make all Commercially Reasonable Efforts to comply with any such request.

(C) If any insurance required to be maintained by Seller hereunder ceases to be reasonably available and commercially feasible in the commercial insurance market, Seller shall provide Notice to Company, accompanied by a certificate from an independent insurance advisor of recognized national standing, certifying that such insurance is not reasonably available and commercially feasible in the commercial insurance market for electric generating plants of similar type,

geographic location and capacity. Upon receipt of such Notice, Seller shall attempt to obtain other insurance that would provide comparable protection against the risk to be insured.

16.3 Application of Proceeds. Following a casualty, Seller shall apply any insurance proceeds to reconstruction of the Facility.

Article 17 - Indemnity

17.1 Indemnification Each Party (the "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party (the "Indemnified Party") from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including reasonable attorneys' fees) for personal injury or death to persons and damage to the Indemnified Party's real property and tangible personal property or facilities or the property of any other person or entity to the extent arising out of, resulting from, or caused by the (i) an Event of Default or other breach under this PPA, (ii) violation of Applicable Laws, (iii) negligent or tortious acts, errors, or omissions, or (iv) intentional acts or willful misconduct, of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents.

(A) This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Party, but the Indemnifying Party's liability to indemnify the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party's negligent or intentional acts, errors or omissions caused the damages.

(B) Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

(C) Nothing in this Section 17.1 shall enlarge or relieve Seller or Company of any liability to the other for any breach of this PPA.

17.2 Notice of Claim. Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article 17 may apply, the Indemnified Party shall Notice thereof to the Indemnifying Party. The Indemnifying Party shall assume the defense thereof with counsel designated by such Party and satisfactory to the Indemnified Party, *provided, however, that* if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party's expense, unless a liability insurer is willing to pay such costs.

17.3 Settlement of Claim. If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided, however, that* settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement.

17.4 Amounts Owed. Except as otherwise provided in this Article 17, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article 17, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss net of any insurance proceeds received by the Indemnified Party following a Commercially Reasonable effort by the Indemnified Party to obtain such insurance proceeds.

Article 18 - Lender Provisions

18.1 Accommodation of Facility Lender. Company shall make Commercially Reasonable Efforts to provide such consents to collateral assignment, certifications, representations, information or other documents, as may be reasonably requested by Seller in connection with the financing of the Facility consistent with the terms set forth in Exhibit I – Consent Provisions (generally, a "Lender Consent"), *provided, however, that* in providing a Lender Consent, Company shall have no obligation to alter or modify the terms of this PPA or provide any consent or enter into any agreement, that has a Material Adverse Effect on any of Company's rights, benefits, risks, or obligations under this PPA. Seller shall reimburse, or shall cause the Facility Lender to reimburse, Company for the direct expenses (including the fees and expenses of counsel) reasonably incurred by Company in the preparation, negotiation, execution and/or delivery of the Lender Consent and any documents requested by Seller or the Facility Lender, and provided by Company, pursuant to this Section 18.1.

18.2 Facility Lender Notice and Right to Cure. Seller shall provide Company with a Notice identifying the Facility Lender and providing appropriate contact information for the Facility Lender. Following receipt of such Notice, Company shall provide Notice of any breach or default of Seller to the Facility Lender, and Company will accept a cure performed by the Facility Lender, so long as the cure is accomplished within the applicable cure period set forth in this PPA.

18.3 Notice of Facility Lender Action. Within ten (10) Days following Seller's receipt of each notice from the Facility Lender of Facility Lender's exercise or intent to exercise any remedies under the Financing Documents, Seller shall deliver a copy of such notice to Company.

18.4 Officer Certificates. Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available personnel and records relating to the Facility to the extent that the requesting Party requires the same

in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including administrative proceedings before utility regulatory commissions.

Article 19 - Assignment and Other Transfer Restrictions

19.1 Transfer Without Consent is Null and Void. Any Change of Control or sale, transfer, or assignment of any interest in the Facility or in this PPA made without fulfilling the requirements of this PPA shall be null and void and a breach of this PPA.

(A) Except as permitted in this Section 19.1, neither Party shall assign this PPA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; *provided, however,* that

1. at least 30 Days prior Notice of any proposed assignment requiring consent shall be given to the other Party;

2. any assignee shall expressly assume the assignor's obligations under this PPA;

3. no assignment shall relieve the assignor of its obligations under this PPA in the event the assignee fails to perform (except as otherwise provided in subsection (B) below), unless the other Party waives in writing the assignor's continuing obligations under this PPA;

4. no assignment shall impair any security given by Seller, unless such security has been replaced in accordance with Section 11.1;

5. before this PPA is assigned by Seller, the assignee must first obtain such approvals as may be required by all applicable Governmental Authorities;

(B) Seller's consent shall not be required for Company to assign this PPA to an Affiliate of Company; *provided, however, that* Company shall remain liable for obligations incurred under this PPA unless the assignee (i) is an entity that provides retail electric service in the State of Minnesota, (ii) is subject to rate and quality service regulation under the jurisdiction of the MPUC, and (iii) has or attains an Investment Grade Credit Rating.

(C) Company's consent shall not be required for Seller to assign this PPA for collateral purposes, to the Facility Lender, or for any change of control resulting from the exercise of the Facility Lender's rights thereunder. Seller shall provide Company Notice of any such assignment no later than 30 Days after the assignment. For the avoidance of doubt, for any change of control resulting from the exercise of the Facility Lender's rights, Facility Lender shall be subject to the obligations set forth in Section 19.1(A)(1)–(4).

(D) Company recognizes that Seller intends to sell the Facility (or Seller's parent will sell its membership interests in Seller) to a third party prior to

Commercial Operation. Company's consent shall not be required for any assignment of this PPA in connection with such sale if the successor owner of the Facility demonstrates to Company's reasonable satisfaction that it has sufficient experience to operate the Facility successfully, including a minimum of three (3) years' experience in the solar energy construction, generation and operation business, and owns, controls or operates a minimum of 100 MW of utility-scale solar energy generation capacity. For the avoidance of doubt, for any such sale to a successor owner of the Facility, the obligations set forth in Section 19.1(A)(1)-(4) shall apply.

(E) Any Change of Control of Seller (other than as permitted by subsections (C) and (D) immediately above), whether voluntary or by operation of law, shall require the prior written consent of Company, which shall not be unreasonably withheld. Company shall have no obligation to provide any such consent prior to the fulfillment and expiration of its ROFO rights under Section 19.3 or its PFT rights under Section 19.4, as applicable.

19.2 Option. Seller hereby grants Company an option to purchase the Facility Property (the "Option") on the terms set forth in this Section 19.2.

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

Company may notify Seller of Company's intent to exercise its Option.

(B) Within 30 days following Company's Notice of exercise, the Parties shall jointly appoint a qualified, independent, appraiser to determine the fair market value of the Facility Property. If the Parties cannot agree, then each Party shall select an appraiser and the two appraisers shall appoint the final appraiser. Seller shall provide all information regarding the Facility Property necessary for the appraiser's determination of fair market value. The appraiser shall complete its appraisal within 60 days of receipt of all such necessary data. Company shall pay the costs of the appraisal. During the period in which the appraiser is evaluating the Facility Property, Seller shall allow Company the Commercially Reasonable opportunity to investigate the proposed transaction and conduct due diligence.

(C) Upon the determination of the fair market value of the Facility Property, Company may elect by Notice to Seller either to pursue or to abandon its purchase of the Facility Property. If Company elects to pursue its purchase:

1. the Parties shall negotiate and enter into a definitive agreement for such purchase, on commercially reasonable terms;

2. the purchase price shall be the higher of (i) the appraised fair market value; or (ii) the Facility Debt as of the date of Company's original Notice of intent to exercise, payable in good funds in any event;

3. Seller shall deliver the Facility Property to Company free and clear of all material liens and encumbrances;

4. Company shall assume all contracts to which Seller is obligated, with respect to the operation of the Facility; and

5. the closing shall occur on a date set by Company, on reasonable prior notice to Seller, not less than thirty (30) Days and not more than ninety (90) Days following the determination of the purchase price.

(D) Following Company's exercise of its Option and continuing to closing on any resulting sale, Seller shall maintain the Facility Property in good operating condition and shall perform its contractual and other obligations under agreements comprising any portion of the Facility Property.

19.3 ROFO. Seller hereby grants to Company a right of first offer with respect to the Facility (the "ROFO"), on the terms set forth in this Section 19.3.

(A) At any time after the Commercial Operation Date, if Seller or any Affiliate of Seller decides to sell the Facility or a majority of the LLC interests in Seller to an unaffiliated third party, Seller shall first offer to Company the opportunity to purchase the Facility Property (the "ROFO Notice"). The ROFO Notice shall set forth the minimum price which Seller is willing to accept to proceed with the contemplated transaction.

(B) Seller shall allow Company 30 Days after the ROFO Notice to investigate the proposed transaction and conduct due diligence. Within such period, Company shall either exercise or waive its ROFO rights, by Notice to Seller.

(C) If Company exercises its ROFO:

1. the Parties shall negotiate and enter into a definitive agreement for such purchase, on commercially reasonable terms;

2. the purchase price shall equal the price offered by Seller in the ROFO Notice, payable by Company in good funds;

3. Seller shall deliver the Facility Property to Company free and clear of all material liens and encumbrances;

4. Company shall assume all contracts to which Seller is obligated, with respect to the operation of the Facility; and

5. the closing shall occur on a date set by Company, on reasonable prior notice to Seller, not less than thirty (30) Days and not more than ninety (90) Days following the determination of the purchase price.

(D) If Company waives its ROFO:

1. Seller shall have the right to sell the Facility Property (or Seller's owner may sell its LLC membership interests in Seller) to any unaffiliated third party, at any time within the twelve-month period following the ROFO Notice, at a price not less the price set forth in the ROFO Notice. Any buyer shall take the Facility free and clear of Company's ROFO rights under this Section 19.3.

2. If a sale of the Facility or of the membership interests in Seller fails to close within 12 months following a ROFO Notice, Company's ROFO rights under this Section 19.3. shall again apply to any subsequent proposed sale of the Facility or of the membership interests in Seller.

19.4 PFT. If and when Seller proposes a Pending Facility Transaction that does not trigger Company's ROFO rights under Section 19.3, Seller shall give Company at least 45 Days' prior Notice of such Pending Facility Transaction (a "PFT Notice") in order to provide Company with a reasonable opportunity to discuss and negotiate with Seller the possible sale of the Facility to Company. Any PFT Notice shall include a fair summary of Seller's plans with respect to the Facility in connection with the proposed Pending Facility Transaction, to the extent then known by Seller, provided that the name of the prospective buyer and other confidential information may be redacted. Seller shall have no obligation to sell nor shall Company have any obligation to purchase the Facility, following a PFT Notice, *provided, however, that* issuance of a PFT Notice shall not relieve Seller of its obligations to provide a ROFO Notice if and when applicable pursuant to Section 19.3. In the event that the transaction giving rise to a PFT Notice has not been completed within nine (9) months following the PFT Notice, Seller shall be required to resubmit a PFT Notice for such transaction

19.5 Subcontracting. Seller may subcontract its duties or obligations under this PPA without the prior written consent of Company, *provided, however, that* no such subcontract shall relieve Seller of any of its duties or obligations hereunder.

Article 20 - Miscellaneous

20.1 Notices. Notices required by this PPA shall be in writing and addressed to the other Party, including the other Party's representative on the Operating Committee, at the addresses noted in Exhibit D - Notices as either Party updates them from time to time by Notice to the other Party. Notices shall either be hand delivered or mailed, postage prepaid. If mailed, Notices shall be simultaneously sent by facsimile or other electronic means. Any Notice shall be deemed to have been received by the close of the Business Day on which it was hand delivered or transmitted electronically (unless hand delivered or transmitted after the close of the

Business Day, in which case it shall be deemed received at the close of the next Business Day). Real-time or routine communications concerning Facility operations shall be exempt from this Section 20.1.

20.2 Taxes and Change of Law.

(A) Seller shall be solely responsible for any and all present or future taxes and other impositions of Governmental Authorities relating to (i) the construction, ownership or leasing, operation or maintenance of the Facility, or any components or appurtenances thereof, (ii) any sales or *ad valorem* taxes relating to the Facility, and (iii) any taxes on the products and services generated by Seller and sold/delivered to Company, incurred at or prior to the Point of Delivery. Seller's prices under Article 8 are inclusive of such taxes and impositions during the Term.

(B) Company shall be solely responsible for the payment of any and all current and future taxes on the products and services generated by Seller and sold/delivered to Company, incurred beyond Point of Delivery.

(C) The Parties shall cooperate to minimize tax exposure, *provided, however, that* neither Party shall be obligated to incur any financial burden to reduce taxes for which the other Party is responsible hereunder. Company shall purchase the Solar Energy generated by Seller and sold/delivered to Company under this PPA solely on a wholesale basis, with Company obligated to resell such Solar Energy to Company's wholesale and/or retail customers. Company shall obtain and provide Seller with any certificates required by any Governmental Authority, or otherwise reasonably requested by Seller to evidence that the deliveries of electric energy hereunder are sales for resale.

20.3 Applicable Laws. Each Party shall at all times comply with all Applicable Laws, except for any non-compliance that, individually or in the aggregate, could not reasonably be expected to have a material effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder.

(A) As applicable, each Party shall give all required notices, shall procure and maintain all necessary governmental permits, licenses, and inspections necessary for performance of this PPA, and shall pay its respective charges and fees in connection therewith.

(B) Each Party shall promptly disclose to the other, any violation of any Applicable Laws arising out of or in connection with the Facility and this PPA.

(C) Upon permanent cessation of generation from the Facility, Seller shall decommission the Facility, remove the Facility and remediate the Site as, if and when required by Applicable Laws.

20.4 Fines and Penalties.

(A) Seller shall pay when due all fees, fines, penalties or costs incurred by Seller or its agents, employees or contractors for noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, except for such fines, penalties and costs that are being actively contested in good faith and with due diligence by Seller and for which adequate financial reserves have been set aside to pay such fines, penalties or costs in the event of an adverse determination.

(B) If fees, fines, penalties, or costs are claimed or assessed against Company by any Governmental Authority due to noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, or, if the work of Seller or any of its contractors or subcontractors is delayed or stopped by order of any Governmental Authority due to noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, Seller shall reimburse and hold Company harmless against any such costs incurred by Company, including claims for indemnity or contribution made by third parties against Company in accordance with Article 17, except to the extent Company recovers any such costs through other provisions of this PPA.

20.5 Rate Changes.

(A) The terms and conditions and the rates for service specified in this PPA shall remain in effect for the term of the transaction described herein. Absent the Parties' written agreement, this PPA shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act.

(B) Absent the agreement of all Parties to the proposed change, the standard of review for changes to this PPA whether proposed by a Party, a non-party, or FERC acting *sua sponte* shall be the "public interest" standard of review set forth in United Gas Pipe Line v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (aka the "Mobile-Sierra" doctrine), as interpreted in Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1, 128 S. Ct. 2733 (2008).

20.6 Disclaimer of Third Party Beneficiary Rights. In executing this PPA, Company does not and does not intend to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this PPA.

20.7 Relationship of the Parties.

(A) This PPA shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation

or liability upon either Party. Except as specifically provided for in this PPA to the contrary, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

(B) Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform such services, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of Company for any purpose; nor shall Seller represent to any person that he or she is or shall become a Company employee.

20.8 Equal Employment Opportunity Compliance Certification. Seller acknowledges that as a government contractor Company is subject to Applicable Laws regarding equal employment opportunity and affirmative action. The Parties shall comply with all Applicable Laws may also be applicable to Seller as a subcontractor to Company. All such Applicable Laws shall be deemed to be incorporated herein as required by Applicable Law, including 41 C.F.R. §§60-1.4(a)(1-7).

20.9 Survival of Obligations. Cancellation, expiration, or earlier termination of this PPA shall not relieve the Parties of obligations, including warranties, remedies, or indemnities, that by their nature should survive such cancellation, expiration, or termination, which obligations shall survive for the period of the applicable statute(s) of limitation.

20.10 Severability. In the event any of the terms, covenants, or conditions of this PPA, its Exhibits, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the PPA and their application not adversely affected thereby shall remain in force and effect**;** *provided, however, that* Company and Seller shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this PPA with a view toward effecting the purposes of this PPA by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

20.11 Complete Agreement; Amendments. The terms and provisions contained in this PPA constitute the entire agreement between Company and Seller with respect to the Facility and shall supersede all previous communications, representations, or agreements, either verbal or written, between Company and Seller with respect to the sale of Solar Energy from the Facility. This PPA, including Exhibits, may be amended, changed, modified, or altered in accordance with the terms of this PPA, *provided, however, that* such amendment, change, modification, or alteration shall be in writing.

20.12 Binding Effect. This PPA is binding upon and shall inure to the benefit of the Parties hereto and their respective successors, legal representatives, and assigns.

20.13 Headings. Captions and headings used in this PPA are for ease of reference only and do not constitute a part of this PPA.

20.14 Counterparts. This PPA may be executed in counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

20.15 Governing Law. The interpretation and performance of this PPA and each of its provisions shall be governed and construed in accordance with the laws of the State in which the Facility is located, exclusive of conflict of laws principles. The Parties submit to the exclusive jurisdiction of the state courts of the State in which the Facility is located, and venue is hereby stipulated as the capital city of such State or such other city as mutually agreed to by the Parties.

20.16 Press Releases and Media Contact. Upon the request of either Party, the Parties shall develop a mutually agreed joint press release to be issued describing the location, size, type and timing of the Facility, the long-term nature of this PPA, and other relevant factual information about the relationship. In the event during the Term, either Party is contacted by the media concerning this PPA or the Facility, the contacted Party shall inform the other Party of the existence of the inquiry, any questions asked, and the substance of any information provided to the media.

20.17 Exhibits. Either Party may change the information in Exhibit D - Notices at any time by Notice without the approval of the other Party. All other Exhibits may be changed to the extent allowed by specific provisions of this PPA or with the mutual consent of both Parties.

20.18 Confidentiality. Although this PPA is not Confidential Information, the Parties acknowledge and agree that during the course of the performance of their respective obligations under this PPA, either Party may need to provide information to the other Party, which the disclosing party deems confidential, proprietary or a trade secret ("Confidential Information"). The Parties specifically acknowledge that this PPA can be disclosed in its entirety without restriction.

(A) Confidential Information shall include all documentation and data, including special techniques, methods, computer programs and software, that the disclosing Party considers proprietary or trade secret and furnishes to the receiving Party and wants the receiving Party to treat such Confidential Information as confidential which may be designated as Confidential Information by clear and distinct notation on such documentation or by equivalent method, and shall be treated as such by the receiving Party. Documentation and data not so designated need not be considered by the receiving Party to be proprietary or trade secret; *provided, however, that* any and all data and documentation regarding Facility output, performance, outages and similar operational information shall be considered Confidential Information without the need for further designation if any disclosure thereof would be

in a form or by a means that associates such data or documentation with the Facility or Seller or any of its Affiliates, or from which a reasonable person could make such an association. The disclosing Party hereby grants to the receiving Party authority to use Confidential Information for the purposes of this PPA, including keeping electronic copies of such Confidential Information. The receiving Party agrees to keep such Confidential Information confidential, except as set forth in this Section 20.18, to use it for work necessary to the performance of this PPA, and not to sell, transfer, sublicense, disclose or otherwise make available any such Confidential Information to others; *provided, however, that* Confidential Information may be disclosed by the receiving Party to the agents, employees, advisors, consultants, or potential or actual debt or equity investors of the receiving Party, subject to their acceptance of the obligations of confidentiality imposed hereby and for whose violations of this requirement of confidentiality the receiving Party shall be responsible.

(B) Confidential Information shall not include any data or information that:

1. can be documented was in the public domain as allowed by this Section 20.18, or through no fault or action of the receiving Party at the time it was disclosed by the disclosing Party to the receiving Party or at any time thereafter;

2. can be documented was independently developed by the receiving Party;

3. can be documented was known to the receiving Party from an ultimate source other than the disclosing Party without breach of this PPA by the receiving Party; or

4. is legally requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process or, in the opinion of its counsel, by Applicable Laws) to be disclosed.

[remainder of this page intentionally left blank]

IN WITNESS WHEREOF, the Parties have executed this PPA.

Seller:

MN Solar I LLC

By: _____
Michael J. Martin, President

Company:

Northern States Power Company, a Minnesota Corporation

By: _____
David M. Sparby, President and CEO
Northern States Power Company, a Minnesota Corporation

EXHIBIT A

DEFINITIONS

The following terms shall have the meanings set forth below:

"AC" means alternating electric current.

"Actual Damages" has the meaning set forth in Section 12.2(C).

"Affiliate" means any person or entity that directly or indirectly controls, is under the control of, or is under common control with, the named entity by the power to direct or cause the direction of the management of the policies of named entity, whether through ownership interest, by contract or otherwise.

"AGC" or "Automatic Generation Control" means the equipment and capability of an electric generation facility to automatically adjust the generation quantity within the applicable Balancing Authority with the purpose of interchange balancing and specifically, the Facility's capability of accepting AGC Set-Point electronically and automatically adjusting and regulating the Facility's energy production via the Facility's SCADA System.

"AGC Protocols" means the protocols for automatic generation control included in Exhibit H – Operating Standards, as modified in accordance with Section 10.6.

"AGC Remote/Local" means a handshake electronic signal sent from the Facility to the EMCC AGC system, and from the EMCC AGC system to the Facility, indicating the Facility is receiving AGC Set-Point locally (from the facility) or remotely (EMCC AGC system) and is following that AGC Set-Point.

"AGC Set-Point" means the Company-generated analog or digital signal sent by the SCADA System to the Facility, representing the maximum Solar Energy output for the Facility.

"Ancillary Services" means those ancillary services defined under the Transmission Tariff as well as those other services and products that may be included under such tariff from time to time, which are associated, directly or indirectly, with the capacity of the Facility or the transmission of energy from the Facility.

"Applicable Law" means all laws, statutes, treaties, codes, ordinances, regulations, certificates, orders, licenses and permits of any Governmental Authority that are applicable to a Party, the business of a Party or the Facility, now in effect or hereafter enacted, amendments to or interpretations of any of the foregoing by a Governmental Authority having jurisdiction, and all applicable judicial, administrative, arbitration and regulatory decrees, judgments, injunctions, writs, orders, awards or like actions.

"Back-Up Metering" shall have the meaning set forth in Section 5.2(B).

"Balancing Authority" means the system of electrical generation, distribution and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

"Business Day" means any Day that is not a Saturday, a Sunday, or a FERC recognized holiday.

"Capacity Resource" means the amount of net generating capacity associated with the Facility for which capacity credit may be obtained under applicable planning reserve procedures and requirements as designated by Company.

"Change of Control" means the occurrence of any one of the following events with respect to Seller or any direct or indirect owner of a majority of the ownership interests in Seller: (i) a transfer of a majority of the ownership interests in Seller or such owner, or (ii) any consolidation or merger of Seller or such owner in which Seller or such owner, as the case may be, is not the continuing or surviving entity; *provided, however*, that a Change of Control shall not be deemed to have occurred as a result of

a. transactions exclusively among Affiliates of Seller,

b. any exercise by the Facility Lender of its rights and remedies under the Financing Documents,

c. a change of the ultimate parent entity of Seller (defined under Section 7A of the Clayton Act, 15 U.S.C. 18a, aka the Hart-Scott-Rodino Antitrust Improvements Act of 1976), or

d. any change of economic and voting rights triggered in Seller's organization documents arising from the financing of the Facility and that does not result in the transfer of ownership, economic or voting rights in any entity that had no such rights immediately prior to the change.

"COD Conditions" means all of the requirements that must be satisfied by Seller as a prerequisite to achieving Commercial Operation as set forth in Section 4.3.

"Commercial Operation" means the period beginning on the Commercial Operation Date and continuing through the Term of this PPA.

"Commercial Operation Date" or "COD" means 12:00 am on the date following the date upon which Seller satisfies the COD Conditions, or such other date as is mutually agreed upon by the Parties.

"Commercial Operation Milestone" means the Construction Milestone for the Commercial Operation Date specified in Exhibit B – Construction Milestones.

"Commercial Operation Year" means any consecutive 12 month period during the Term, commencing with the Commercial Operation Date or any of its anniversaries.

"Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any action required to be made, attempted or taken by a Party under this PPA, the level of effort in light of the facts known to such Party at the time a decision is made that: (a) can reasonably be expected to accomplish the desired action at a reasonable cost; (b) is consistent with Good Utility Practices; and (c) takes into consideration the amount of advance notice required to take such action, the duration and type of action and the competitive environment in which such action occurs.

"Committed Solar Energy" for any period means the megawatt-hours of Solar Energy committed to be delivered to the Company by Seller from the Facility in such period, set forth in Exhibit J – Committed Solar Energy and Solar Energy Payment Rate. For any period that does not coincide with a Commercial Operation Year, Committed Solar Energy shall be calculated as the month-weighted sum of the Committed Solar Energy falling in each of the two Commercial Operation Years using expected monthly generation profile data, set forth in Exhibit K – Expected Monthly Generation Profile.

"Committed Solar Energy Measurement Period" shall have the meaning set forth in Section 12.1(l).

"Company" shall have the meaning set forth in the first paragraph of this PPA.

"Confidential Information" shall have the meaning set forth in Section 20.18(A).

"Construction Contract" means the contract or contracts providing for the engineering, procurement, construction, acquisition, manufacture, delivery and installation of the generating and step-up transformation equipment that is to be part of the Facility and the engineering, procurement and construction of the Facility.

"Construction Milestones" means the dates set forth in Exhibit B – Construction Milestones.

"Compensable Curtailment Energy" shall have the meaning set forth in Section 8.2(A).

"Damage Caps" shall have the meaning set forth in Section 12.3.

"Day" means a calendar day.

"DC" means direct electric current.

"Dispute" shall have the meaning set forth in Article 13.

"Economic Curtailment" shall mean curtailments of delivery of Solar Energy that arise from Company's scheduling and other market participation activities as may be required of Seller by the Market Operator, if any including any such curtailment arising from any energy offer made by, or on behalf of, Company with respect to the Facility. If Seller asserts that any curtailment was an Economic Curtailment and

Company disputes that such curtailment arose from such scheduling or market participation activities of Company, Company shall furnish to Seller, subject to Section 20.18, copies of such records of Company relating to Company's scheduling and market participation activities as Seller reasonably requests for purposes of resolving the dispute.

"Effective Date" shall have the meaning set forth in the introductory paragraph.

"Electric Metering Devices" means revenue quality meters, metering equipment and data processing equipment used to measure, record or transmit data relating to the Solar Energy from the Facility, including the metering current transformers and the metering voltage transformers.

"Eligible Energy Resource" means any resource that qualifies as a renewable energy resource eligible to be certified to receive, claim, own or use RECs pursuant to the protocols and procedures developed and approved by the State Regulatory Agency in the REC Registration Program.

"Emergency" means any event or occurrence after the date of this PPA that results in the declaration of an Emergency Condition under and as defined in the Interconnection Agreement.

"Energy Markets Control Center" or "EMCC" means Company's merchant representatives responsible for dispatch of generating units, including the Facility.

"Energy Resource Interconnection Service" means the type of interconnection service that allows Seller to connect the Facility to the transmission or distribution system, as applicable, as an "Energy Resource" as defined by the Transmission Tariff, and be eligible to deliver Solar Energy using the existing firm or non-firm capacity on the transmission system on an as-available basis.

"Environmental Contamination" means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of Applicable Law, and present a material risk under Applicable Laws that the Site will not be available or usable for the purposes contemplated by this PPA.

"ERO" means the Electric Reliability Organization certified by FERC pursuant to Section 215 of the Federal Power Act or any successor organization; the Western Electricity Coordinating Council is the certified ERO as of the date of this PPA.

"Event of Default" shall have the meaning set forth in Article 12.

"Excess Energy" shall have the meaning set forth in Section 8.1(C).

"Expected Solar Irradiation" for any 12-month period means the monthly total global horizontal values calculated from the NREL Solar Power Prospector v2.0 TGY data set for tile **[TRADE SECRET BEGINS** **TRADE SECRET**

ENDS]. The total annual Expected Solar Irradiation (plane-of-array) is **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Facility" means Seller's electric generating facilities, associated balance of plant, parts and equipment consistent with the warranties for the major components, and all equipment necessary to interconnect to the Transmission Authority's System, all as further described in Exhibit C - Facility Description, including all of the following: Seller's equipment, buildings, generators, step-up transformers, output breakers, facilities necessary to connect to the Interconnection Point, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for construction, operation, maintenance, generation and delivery of Solar Energy subject to this PPA.

"Facility Debt" means the obligations of Seller or its Affiliates to any lender pursuant to the Financing Documents, including principal of, premium and interest on indebtedness, fees, expenses or penalties, amounts due upon acceleration, prepayment or restructuring, swap or interest rate hedging breakage costs and any claims or interest due with respect to any of the foregoing. For the avoidance of doubt, Facility Debt includes Tax Equity Financing.

"Facility Lender" means, collectively, any lenders providing any Facility Debt and any successors or assigns thereto and Tax Equity Investors.

"Facility Property" means all property rights necessary for the use of the Facility for its intended purpose, including (i) the Facility; (ii) the Site; (iii) Seller's Interconnection Facilities; (iv) the Facility collection facilities and substation; (v) Seller's rights and obligations under the Interconnection Agreement; (vi) Permits, and all material contracts; and (vii) all Facility fixtures, equipment and personal property.

"Federal Power Act" means the provisions of 16 U.S.C. 791(A) et seq. and amendments or supplements thereto.

"FERC" means the Federal Energy Regulatory Commission or any successor agency.

"Financing Documents" means the documents associated with any Tax Equity Financing and the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, deeds of trust, interest rate exchanges, swap agreements and other documents relating to the development, bridge, construction or permanent debt financing for the Facility, including any credit enhancement, credit support, working capital financing, or refinancing documents, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"Force Majeure" means an event or circumstance that prevents a Party from performing its obligations under this PPA, which event or circumstance (i) was not anticipated as of the Date of this PPA, (ii) is not within the control of or the result of the fault or negligence of the Party claiming its occurrence, and (iii) by exercise of due diligence and foresight could not reasonably have been avoided, *provided, however, that* such an event or circumstance shall not include:

a. inability, or excess cost, to procure any equipment necessary to perform the obligations of this PPA;

b. acts or omissions of a third party (not under contract to Seller), unless such acts or omissions are themselves excused by reason of Force Majeure;

c. mechanical or equipment breakdown or inability to operate, attributable to circumstances occurring within design criteria and normal operating tolerances of similar equipment designed to be located in the local vicinity; (d) changes in market conditions; or

d. any labor strikes, slowdowns, work stoppages, or other labor disruptions.

"Forced Outage" means any condition at the Facility that requires the immediate and unplanned removal of the Facility, or at least ten percent thereof, from service, another outage state, or a reserve shutdown state, resulting from immediate mechanical/electrical/hydraulic control system trips and operator-initiated trips in response to abnormal Facility conditions or alarms, including, for the avoidance of doubt, conditions caused by Force Majeure, but excluding Scheduled Outages.

"Generation Benefits" means existing or future environmental benefits or attributes, economic and other related carbon credits, carbon offsets, carbon allowances or benefits, renewable energy credits or green tags, carbon dioxide emissions credits, avoided or reduced carbon dioxide emissions, that are attributable to Energy generated by the Seller and sold to Company under this PPA, whether pursuant to or arising from any Governmental Authority or international agreement or treaty, *provided, however, that* this definition excludes any credits, offsets or other benefits arising out of or associated with any emission or pollutant other than carbon dioxide emissions.

"Good Utility Practices" means the practices, methods, standards and acts engaged in or approved by a significant portion of the applicable segment of the electric power generation industry pertaining to facilities of the type, similar size and location to the Facility that, at a particular time, in the exercise of Commercially Reasonable judgment, in light of the facts that are known, or reasonably should have been known, at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with Applicable Law, Permits, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. Good Utility Practices is not intended to be the optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods, standards and acts generally

acceptable or approved by a significant portion of the applicable segment of the electric power generation industry in the relevant region, during the relevant period.

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"Guarantor" shall have the meaning set forth in Section 11.1.

"Hazardous Materials" means any substance, material, gas, or particulate matter that is regulated by any Governmental Authority, as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including, without limitation, protection of non-human forms of life, land, water, groundwater, and air, including any material or substance that is (i) defined as "toxic," "polluting," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "solid waste" or "restricted hazardous waste" under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.*; (vii) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.*; (viii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.*; (ix) defined as a "chemical substance" under the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.*; or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 *et seq.*.

"House Power" means retail power to the Facility, for purposes of unit start-up or shut-down, or for any other purpose.

"Indemnified Party" shall have the meaning set forth in Section 17.1.

"Indemnifying Party" shall have the meaning set forth in Section 17.1.

"Interconnection Agreement" means the separate agreement for interconnection of the Facility to the Transmission Authority's System, as such agreement may be amended from time to time. For purposes of this PPA, the Interconnection Agreement shall be interpreted to include any third party facility construction agreement or other Agreement required by the Transmission Authority to interconnect the Facility in accordance with the Transmission Tariff. For the avoidance of doubt, "Interconnection Agreement" excludes any temporary or provisional interconnection agreement.

"Interconnection Facilities" means those facilities designated in the Interconnection Agreement for the direct purpose of interconnecting the Facility at the Interconnection Point, along with any easements, rights of way, surface use

agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities, whether owned by Seller, the Transmission Authority or another entity. This equipment is conceptually depicted in Exhibit C - Facility Description to this PPA.

"Interconnection Point" means the physical point within the operational authority of Transmission Authority as specified in the Interconnection Agreement as **[TRADE SECRET BEGINS TRADE SECRET ENDS]**, at which electrical interconnection is made between the Facility and the Transmission Authority's System in accordance with the Transmission Authority OATT and the Interconnection Agreement.

"Investment Grade" means a long-term credit rating (corporate or long-term senior unsecured debt) of (a) Baa3 or higher by Moody's, and (b) BBB- or higher by S&P.

"Issuer" shall have the meaning set forth in Section 11.1.

"kW" means kilowatt.

"kWh" means kilowatt hour.

"Lender Consent" shall have the meaning set forth in Section 18.2.

"Liquidated Delay Damages" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Local Provider" means the utility providing House Power to the Facility.

"Maintenance Schedule" has the meaning set forth in Section 10.2.

"Market Operator" means the entity that instructs market participants and/or generators to regulate generation. assets, including the Facility, within any energy market in which Company participates with respect to the Solar Energy or Capacity Attributes and Ancillary Services based on price-based offer curves for the purpose of matching generation output to system load demand while maintaining bulk electric system reliability. If such entity is also the Transmission Provider, then "Market Operator" shall be construed to mean such entity acting in its capacity as the entity that instructs market participants and/or generators to regulate generation assets, including the Facility, within the energy market in which Company participates with respect to the Solar Energy or Capacity Attributes or Ancillary Services based on price-based offer curves for the purpose of matching generation output to system load demand while maintaining bulk electric system reliability.

"Material Adverse Effect" means any effect (or effects taken together) that is materially adverse to the present or future business, operations, assets, liabilities, properties, results in operations or condition (financial or otherwise), prospects, or property of a Party, its business, or this PPA.

"MPUC" means the Minnesota Public Utility Commission (or any successor thereto in the State of Minnesota).

"MW" means megawatt or one thousand kW.

"MWh" means megawatt hours.

"Nameplate Capacity" means the designed maximum output for the Facility at the Point of Delivery in AC and shall equal 24.75 MW.

"NDPUC" means the North Dakota Public Service Commission (or any successor thereto in the State of North Dakota).

"NERC" means the North American Electric Reliability Corporation or any successor organization.

"Network Resource" means the applicable amount of capacity for the Facility that has been designated as a "network resource" under the Transmission Tariff.

"Non-Compensable Curtailment" shall have the meaning set forth in Section 8.2.

"Notice(s)" shall have the meaning set forth in Section 20.1.

"On-Peak Months" means the months of January, February, June, July, August, September and December.

"Operating Committee" means one representative each from Company and Seller pursuant to Section 10.4.

"Operating Procedures" means those procedures developed pursuant to Section 10.4, if any.

"Operating Records" means all agreements associated with the Facility, operating logs, blueprints for construction, operating manuals, all warranties on equipment, and all documents, whether in printed or electronic format, that Seller uses or maintains for the operation of the Facility.

"Option" means Company's right to purchase the Facility Property on the terms and conditions set forth in Section 19.2.

"Park Potential" means the number provided to the Company in real time through the Company's SCADA System in accordance with the AGC Protocols, which depicts Seller's real time calculation of the Potential Energy capable of being provided by the Facility to Company as measured at the Point of Delivery. Park Potential shall be calculated as the aggregate energy available in real time for delivery at the Point of Delivery using the best-available data obtained through Commercially Reasonable methods; and shall be dependent upon measured direct normal solar insolation,

temperature, barometric pressure, wind speed (mph) wind direction, Facility availability, and derate(s) and transmission line losses, and any other adjustment necessary to accurately reflect the Potential Energy at the Point of Delivery.

"Party" and "Parties" shall have the meanings set forth in the introductory paragraph.

"Pending Facility Transaction" or "PFT" means (i) any post-COD Change of Control of Seller, (ii) the issuance by Seller or any of its Affiliates of a request for proposals or the response by Seller or any of its Affiliates to a request for proposal or similar process (e.g., auction) for the purchase or sale to any unaffiliated third party of any equity interests in Seller or the Facility, or any group(s) of assets or equity interests that includes the Facility, (iii) the commencement by Seller or any of its Affiliates of substantive negotiations with any unaffiliated third party with respect to the sale of any equity interests in Seller or the Facility, or any group(s) of assets or equity interests that includes the Facility, or (iv) the execution by Seller or any of its Affiliates of any letter of intent, memorandum of understanding or similar document, whether or not legally binding, which contemplates the sale or lease to an unaffiliated third party of any equity interests in Seller or the Facility or any group(s) of assets or equity interests that includes the Facility, *provided, however, that* a PFT does not include

a. any financing, refinancing or replacing of the Facility Debt by Seller or any of its Affiliates;

b. any transaction between and among Affiliates of Seller; and

c. any transaction in which Company declined to exercise its ROFO rights.

"Permit(s)" means all applicable construction, land use, air quality, emissions control, environmental and other permits, licenses and approvals from any Governmental Authority required under Applicable Laws for construction, ownership, operation and maintenance of the Facility and the generation and delivery of Solar Energy from the Facility to Company at the Point of Delivery.

"PFT Notice" shall have the meaning set forth in Section 19.4.

"PI" means the "plant information" system that captures, transmits and preserves certain critical operational data of the Facility, as described in Exhibit H – Operating Standards.

"Point of Delivery" means the physical point within the operational authority of Transmission Authority at which Seller makes available to Company and delivers to Company the Solar Energy being provided by Seller to Company under this PPA as specified in Exhibit C - Facility Description to this PPA.

"Potential Energy" means the quantity of the energy that Seller is capable of delivering at the Point of Delivery. In the event that Park Potential is not a reliable proxy for Potential Energy pursuant to Section 8.2(B), Potential Energy shall be calculated as the aggregate energy available for delivery at the Point of Delivery using

the best-available data obtained through Commercially Reasonable methods; and shall be dependent upon measured Solar speeds, power curves, Facility availability, and derate(s) and transmission line losses, and any other adjustment necessary to accurately reflect the Facility's capability to produce and deliver energy to the Point of Delivery.

"Post-COD Damage Cap" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Post-COD Security Fund" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Pre-COD Damage Cap" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Pre-COD Security Fund" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"REC Registration Program" means any State, regional or federal program established to register Eligible Energy Resources and create and certify RECs arising from energy generated from such Resource, including any rights associated with any renewable energy information or tracking system that exists or may be established by Applicable Law with regard to monitoring, registering, tracking, certifying, or trading such credits.

"Renewable Energy Credits" or "RECs" means a contractual right to the full set of non-energy attributes, including any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly attributable to a specific amount of capacity and/or electric energy generated from an Eligible Energy Resource, including any benefits as may be created under any existing or future statutory or regulatory scheme (federal, state, or local) by virtue of or due to the Facility's actual energy production or the Facility's energy production capability because of the Facility's environmental or renewable characteristics or attributes, including any Renewable Energy Credits or similar rights arising out of or eligible for consideration in the REC Registration Program. For the avoidance of doubt, "RECs" excludes Tax Benefits.

"Replacement Power Costs" means the costs incurred by Company, after the Commercial Operation Milestone, that are necessary to replace Committed Solar Energy that Seller was required to provide under this PPA, but failed to so provide, less the sum of any payments from Company to Seller, under this PPA, that were eliminated as a result of such failure; *provided, however, that* the net amount shall never be less than zero in any hour and if the calculation for any hour results in a number less than zero, the number for such hour shall be deemed to be zero. Replacement Power Costs shall be determined on an hourly basis and shall equal the sum of all hours where the following calculation achieves a positive number.

Replacement Power Costs = (A + B + C) – D, where

"A" is the product of (x) the number of MW of capacity derived by subtracting the number of MW of capacity that qualifies for capacity credit actually made available to Company from the amount of qualifying capacity associated with the entire Facility, and (y) the applicable market price for capacity made available to Company's system;

"B" is the sum of (i) the product of the number of MWh of energy purchased by Company to replace any of the Committed Solar Energy that was not delivered under this PPA and the applicable market price for energy delivered to Company's system at a point nearest to the Point of Delivery for the hour, and (ii) the product of the MWh of energy derived in clause (i) and the actual cost of registered RECs for that number of MWh; and

"C" is an amount equal to the actual cost of transmission, ancillary services, fuel and fuel transportation and related penalties that could not be avoided or mitigated and transaction charges to deliver reasonably available energy to Company in amounts equal to the number of MWh for which Replacement Power Costs are owed;

"D" is the product of the MWh of energy purchased by Company associated with the Committed Solar Energy that was not delivered under this PPA and the Solar Energy Payment Rate.

"ROFO" shall have the meaning set forth in Section 19.3.

"ROFO Notice" shall have the meaning set forth in Section 19.3.

"SCADA" means supervisory control and data acquisition.

"Scheduled Termination Date" means May 31, 2042.

"Security Fund" means the letter of credit, escrow fund, guaranty and/or other collateral that Seller is required to establish and maintain, pursuant to Section 11.1, as security for Seller's performance under this PPA.

"Seller CP" shall have the meaning set forth in Section 6.2.

"Seller Excuse Hours" means those hours during which Seller is unable to schedule or deliver Solar Energy to Company as a result of (A) Non-Compensable Curtailments; (B) Force Majeure; (C) Economic Curtailments; and (D) any unexcused failure of Company to perform any obligation of Company under this PPA that causes Seller to be unable to generate or deliver Solar Energy to the Point of Delivery.

"Site" means the parcel of real property on which the Facility will be constructed and located, including any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction,

operation and maintenance of the Facility. The Site is more specifically described in Exhibit C - Facility Description to this PPA.

"Solar Energy" means the net electric energy generated from (or, with respect to any curtailed energy, capable of being generated from) an Eligible Energy Resource utilizing solar irradiance as its source of electric generation in compliance with Minn. Stat. Section 216B.1691, including any and all associated RECs and delivered to the Point of Delivery as measured by the Electric Metering Devices installed pursuant to Section 5.2. Solar Energy shall be of a power quality of 60 cycle, three-phase alternating current that is compliant with the Interconnection Agreement. Solar Energy shall be net of energy self-generated and concurrently consumed by the Facility, and net of losses prior to the Point of Delivery. For the avoidance of doubt, "Solar Energy" includes Test Energy.

"Solar Energy Payment Rate" means the rate as shown in Exhibit J – Committed Solar Energy and Solar Energy Payment Rate.

"Start-up Testing" means the initial synchronization to the Transmission System. Including production of energy as measured on the Electric Metering Devices.

"State Regulatory Agency/ies" means the MPUC and/or the NDPUC.

"State Regulatory Approval" means final written orders of the State Regulatory Agencies that (i) are not subject to application for rehearing, reargument or reconsideration, and (ii) singly or in the aggregate make an affirmative determination that Company's execution of this PPA is reasonable and in the public interest, and all costs incurred under this PPA are recoverable from Company's customers pursuant to Applicable Law, subject only to ongoing prudency review of Company's performance and administration of this PPA.

"Step-In Rights" means Company's right, but not the obligation, to assume control and operate the Facility as agent for Seller (whether voluntary or involuntary) in accordance with Seller's rights, obligations, and interest under this PPA.

"Tax Benefits" means any and all (i) tax credits based on ownership of, investment in or energy production from the Facility or any portion thereof, including the production credit and the investment credit described, respectively, in Sections 45 and 48 of the Internal Revenue Code of 1986, as amended, (ii) grants based on ownership of, investment in or energy production from the Facility or any portion thereof, including the grant described in Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 and (iii) other tax benefits, including depreciation and other cost recovery deductions, arising in connection with ownership of, investment in, or operation of the Facility, or any portion thereof, in each case allocated, allowed, allowable, assigned, awarded, certified or otherwise transferred or granted to Seller or Company by any Governmental Authority in any jurisdiction in connection with the Facility.

"Tax Equity Financing" means a transaction or series of transactions involving one or more investors seeking a return that is enhanced by tax credits and/or tax depreciation (each a "Tax Equity Investor") and generally (i) described in Revenue Procedures 2001-28 (sale-leaseback (with or without "leverage")), 2007-65 (flip partnership) or 2014-12 (flip partnership and master tenant partnership) as those revenue procedures are reasonably applied or analogized to a solar project transaction (as opposed to a wind farm or rehabilitated real estate) or (ii) contemplated by Section 50(d)(5) of the Code , as amended (a pass-through lease).

"Term" means the period of time during which this PPA shall remain in full force and effect as further defined in Article 2.

"Test Energy" means the Solar Energy that is produced by the Facility, delivered to Company at the Point of Delivery, and purchased by Company, pursuant to Section 4.4, prior to Commercial Operation.

"Test Energy Rate" means a payment rate **[TRADE SECRET BEGINS TRADE SECRET ENDS]** the Solar Energy Payment Rate for the first Commercial Operation Year.

"Transmission Authority" means collectively those entities owning and/or operating the interconnected transmission system applicable to Seller and the Facility pursuant to a Transmission Tariff, including (i) Northern State Power Company operating under and in accordance with its Joint Open Access Transmission Tariff, and (ii) all entity(s) responsible under the Interconnection Agreement for providing the transmission lines, any Interconnection Facilities and other equipment and facilities with which the Facility interconnects at the Interconnection Point and transmission system.

"Transmission Authority's System" means the contiguously interconnected electric transmission and sub-transmission facilities, over which the Transmission Authority has rights (by ownership or contract) to provide bulk transmission of capacity and energy from the Interconnection Point.

"Transmission Tariff" means the applicable Open Access Transmission of the Transmission Authority, as amended from time to time.

"UCP" shall have the meaning set forth in Exhibit G-1 – Form of Letter of Credit.

"Ultimate Parent Entity" shall have the meaning set forth under Section 7A of the Clayton Act, 15 U.S.C. 18a, also known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

* * * * *

EXHIBIT B

CONSTRUCTION MILESTONES

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT C

FACILITY DESCRIPTION AND SITE MAPS

The Facility shall be located on the Site and shall be identified as Seller's MN Solar I Generation Facility. Maps and one-line diagrams of the Facility and associated equipment are included as part of this Exhibit.

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

The Facility must include the following specific components:

* the panel space and 125VDC battery supplied voltage necessary to accommodate the metering, telemetering and communications equipment required by the PPA;
* communication circuits from the Facility to the EMCC for the purpose of telemetering, supervisory control/data acquisition, and voice communications as required by Company;
* equipment and software necessary to receive, accept and react to an AGC signal from the Company's SCADA System and to comply with the AGC Protocols included in Exhibit H – Operating Standards;
* capability of sending real time data and OPC interface to Company's plant information PI system; and
* at least one meteorological station with measurement equipment capable of measuring: ambient temperature, wind speed, global horizontal insolation (measured with a pyranometer), and plane-of-array insolation (measured with a reference cell), individually linked to Seller's information system.

Project Location Map
[TRADE SECRET BEGINS

TRADE SECRET ENDS]

Project Layout
[TRADE SECRET BEGINS

TRADE SECRET ENDS]

Project One-line Diagram
[TRADE SECRET BEGINS

TRADE SECRET ENDS]

Point of Interconnection Map
[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT D

NOTICES AND CONTACT INFORMATION

Company	Seller
Notices: Thomas A. Imbler Vice President, Commercial Operations Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303.571.7414 Tim Kawakami Director, Purchased Power Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303.571.2748	**Notices:** **[TRADE SECRET BEGINS** **TRADE SECRET ENDS]**
Operating Committee Representative: Jessica Collins Renewable Purchased Power Manager Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303.571.7740 **Alternate/Contractual Contact:** John Ault Purchased Power Analyst Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303.571.2746 FAX: 303.571.6141 Email: john.ault@xcelenergy.com	**Operating Committee Representative:** **[TRADE SECRET BEGINS** **TRADE SECRET ENDS]** **Alternate:** **[TRADE SECRET BEGINS** **TRADE SECRET ENDS]**

Real-Time Contact Information	**Real-Time Contact Information**
Real-Time Contact Information Real-time Generation Dispatch desk (24 hour coverage) Phone: 303-571-7426* Fax: 303-571-7305 *Real-Time Communications Contact*: Manager (normal business hours) Phone: 303-571-6490 *Transmission Operation Contact*: Real Time Transmission Ops Phone: 612-321-7433 (transmission switching issues) *Balancing Authority Operator (BAO)*: 612-321-7432 (day-to-day generator loading issues) * recorded phone	**[TRADE SECRET BEGINS** **TRADE SECRET ENDS]**

EXHIBIT E
INSURANCE COVERAGE

Type of Insurance	Minimum Limits of Coverage
Commercial General Liability (CGL) and Commercial Umbrella/Excess Liability	**[TRADE SECRET BEGINS TRADE SECRET ENDS]** combined single limit each occurrence and in the aggregate, where applicable. If CGL insurance contains a general aggregate limit, it shall apply separately to the Facility. Coverage required herein may be procured through any combination of primary and excess coverage limits.

CGL insurance shall be written on ISO occurrence form CG 00 01 01 96 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products/completed operations, sudden and accidental pollution, contracts, property damage, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), all with limits as specified above. CGL insurance shall include ISO endorsement CG 24 17 (or an equivalent endorsement) which modifies the definition of "insured contract" to eliminate the exclusion of easement or license agreements in connection with construction or demolition operations on or within 50 feet of a railroad. There shall be no endorsement or modification of the CGL insurance limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

Company shall be included as an insured under the CGL policy, using ISO additional insured endorsement CG 20 10 (or a substitute providing equivalent coverage), and under the commercial umbrella insurance. The commercial umbrella insurance shall provide coverage over the top of the CGL insurance, the Business Automobile Liability insurance, and the Employers Liability insurance.

The CGL and commercial umbrella insurance to be obtained by or on behalf of Seller shall be endorsed as follows (or with substitute language providing equivalent coverage):

> Such insurance as afforded by this policy for the benefit of Company shall be primary as respects any claims, losses, damages, expenses, or liabilities arising out of this PPA, and insured hereunder, and any insurance carried by Company shall be excess of and noncontributing with insurance afforded by this policy.

Business Automobile Liability	**[TRADE SECRET BEGINS TRADE SECRET ENDS]** combined single limit (each accident), including all Owned, Non-Owned, Hired and Leased Autos.

Business Automobile Liability insurance shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability

coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

Type of Insurance	**Minimum Limits of Coverage**
Workers Compensation	Statutory Requirements. Seller may comply with these requirements through the use of a qualified self-insurance plan.
Employers Liability	**[TRADE SECRET BEGINS TRADE SECRET ENDS]** each accident for bodily injury by accident, or **[TRADE SECRET BEGINS TRADE SECRET ENDS]** each employee for bodily injury by disease.
Builder's Risk	Replacement value of the Facility.

Builder's Risk insurance, or an installation floater, shall include coverage for earthquake and flood, to the maximum amount commercially available, collapse, damage resulting from faulty workmanship, materials and design, testing of machinery or equipment, freezing or changes in temperature, debris removal, and interim operations. A reasonable deductible may be carried, which shall be the absolute responsibility of Seller.

All-Risk Property insurance covering physical loss or damage to the Facility	Full replacement value of the Facility. A deductible may be carried which deductible shall be the absolute responsibility of Seller.

All-Risk Property insurance shall include: (i) coverage for fire, flood, storm, tornado and earthquake with respect to facilities similar in construction, location and occupancy to the Facility, with sublimits of no less than $10,000,000 each for flood and earthquake; and (ii) Boiler and Machinery insurance covering all objects customarily subject to such insurance, including boilers and Solar Units, in an amount equal to their full replacement value.

Time Element insurance	Amount required to cover Seller's continuing or increased expenses, resulting from full interruption, for a period of 12 calendar months.

Time Element insurance shall cover loss of revenues or the increased expense to resume operations attributable to the Facility by reason of total or partial suspension or delay of, or interruption in, the operation of the Facility as a result of an insured peril covered under Property insurance as set forth above, to the extent available on Commercially Reasonable terms as determined by Company, subject to a Commercially Reasonable deductible that shall be the responsibility of Seller. Notwithstanding any other provision of this PPA, Seller shall not be required to have Time Element insurance unless requested by a Facility Lender.

Notwithstanding anything to the contrary in this Exhibit E, Seller shall have the right to self-insure one or more required insurance coverages as long as the person or entity providing such self-insurance is reasonably acceptable to Company.

EXHIBIT F

SELLER'S PERMITS

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT G

FORM OF SECURITY DOCUMENTS

EXHIBIT G-1: Form of Letter of Credit

LETTERHEAD OF ISSUING BANK

Irrevocable Standby Letter of Credit No:_____

Date of Issuance: _____

Initial Expiration Date: [Must be at least one year after date of issuance]

Beneficiary: Northern States Power Company

Applicant:

As the Issuing Bank ("Issuer"), we, [Name of Issuing Bank], hereby establish this irrevocable Standby Letter of Credit No. _____ (this "Letter of Credit") in favor of the above-named beneficiary ("Beneficiary") for the account of the above-named applicant ("Applicant") in the amount of USD $_____ (_____ U.S. Dollars).

Beneficiary may draw all or any portion of this Letter of Credit at any time and from time to time, and Issuer will make funds immediately available to Beneficiary upon presentation of Beneficiary's draft(s) at sight in substantially the form attached hereto as Exhibit "A" ("Sight Draft"), drawn on Issuer and accompanied by this Letter of Credit. All Sight Drafts must be signed on behalf of Beneficiary and the signator must indicate his or her title or other official capacity. No other documents will be required to be presented. Issuer will effect payment under this Letter of Credit within twenty-four (24) hours after presentment of any Sight Draft. Payment shall be made in U.S. Dollars with Issuer's own funds in immediately available funds.

Issuer will honor any Sight Draft presented in substantial compliance with the terms of this Letter of Credit at the Issuer's letterhead office, the office located at _____ or any other full service office of the Issuer on or before the above-stated expiration date, as such expiration date may be extended hereunder. Partial and multiple draws and presentations are permitted on any number of occasions. Following any partial draw, Issuer will endorse this Letter of Credit and return the original to Beneficiary.

Issuer acknowledges that this Letter of Credit is issued pursuant to the provisions of that certain Solar Energy Purchase Agreement between Beneficiary and Applicant dated as of October 1, 2014 (as the same may have been or may be amended from time to time, the "PPA"). Notwithstanding any reference in this Letter of Credit to the PPA or any other documents, instruments or agreements, or references in the PPA or any other documents, instruments or agreements to this Letter of Credit, this Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit will be automatically extended each year without amendment for a period of one (1) year from the expiration date hereof, as extended, unless at least thirty (30) days prior to the expiration date, Issuer notifies Beneficiary by registered mail that it elects not to extend this Letter of Credit for such additional period. Notice of non-extension will be given by Issuer to Beneficiary at Beneficiary's address set forth herein or at such other address as Beneficiary may designate to Issuer in writing at Issuer's letterhead address.

This Letter of Credit is freely transferable by Beneficiary, in whole or in part, and the number of transfers is unlimited. Issuer agrees that it will effect any transfers immediately upon presentation to Issuer of this Letter of Credit and a completed written transfer request substantially in the form attached hereto as Exhibit "B." Such transfer will be effected at no cost to Beneficiary. Any transfer fees assessed by Issuer will be payable solely by Applicant, and the payment of any transfer fees will not be a condition to the validity or effectiveness of the transfer of this Letter of Credit.

Issuer waives any rights it may have, at law or otherwise, to subrogate to any claims Beneficiary may have against Applicant or Applicant may have against Beneficiary.

This Letter of Credit is subject to the uniform customs and practice for documentary credits (2007 Revision), International Chamber of Commerce publication No. 600 (the "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. With respect to Article 14(b) of the UCP, Issuer shall have a reasonable amount of time, not to exceed three (3) banking days following the date of Issuer's receipt of documents from Beneficiary (to the extent required herein), to examine the documents and determine whether to take up or refuse the documents and to inform Beneficiary accordingly.

In the event of an act of God, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control that interrupts Issuer's business and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

ISSUER:

By: _____
Authorized Signature

Name: _____

Its: _____

EXHIBIT "A"
(to Letter of Credit)

SIGHT DRAFT

Draft Number _____
$_____

At sight, pay to the order of [Name of Beneficiary to be inserted], the amount of USD $_____ (_____ and 00/100ths U.S. Dollars).

Value received and charged to the account of: [Name of Issuer and address]. Drawn under [Name of Issuer to be inserted] Standby Letter of Credit No. _____.

Dated: _____, 20__

[Name of Beneficiary to be inserted]

By:_____

Name:_____
Its Authorized Representative and [Title or Other official Capacity to be inserted]

Account: [Applicant to be inserted]

EXHIBIT "B"
(to Letter of Credit)

FORM OF TRANSFER REQUEST

Irrevocable Standby Letter of Credit No. _____

Current Beneficiary:

_____
_____
_____
_____

Applicant:

_____
_____
_____
_____

To: [Name of Issuer] ("Issuer")

The undersigned, as the current "Beneficiary" of the above-referenced Letter of Credit, hereby requests that you reissue the Letter of Credit in favor of the transferee named below [insert transferee name and address below]:

_____
_____
_____
_____

From and after the date this transfer request is delivered to Issuer, the transferee shall be the "Beneficiary" under the Letter of Credit for all purposes and shall be entitled to exercise and enjoy all of the rights, privileges and benefits thereof.

Dated: _____

[Name of Beneficiary]

By: _____
Name: _____
Title: _____

[Notary Acknowledgement]

To be signed by a person purporting to be an authorized representative of Beneficiary and indicating his or her title or other official capacity, and acknowledged by a notary public.

Exhibit G-2: Form of Guaranty

GUARANTY

This Guaranty is executed and delivered as of this _____ day of _____, 20__ by _____, a _____ ("Guarantor"), in favor of **Northern States Power Company** ("Company"), in connection with the performance by **MN Solar I LLC**, a Delaware limited liability company ("Seller"), of a Solar Energy Purchase Agreement dated October 1, 2014 between Seller and Company (the "PPA").

- RECITALS -

A. Seller is planning to construct, own, and operate a solar power electric generation facility having Nameplate Capacity of approximately 25 MW, to be located in Lyon County, Minnesota (the "Facility").

B. Seller and Company have entered into the PPA for the purchase and sale of capacity and electrical energy from the Facility on the terms and conditions set forth therein.

Seller is controlled by Guarantor. Guarantor expects to derive substantial benefits from the performance of the PPA by Seller and Company. To induce Company to enter into the PPA and consummate the purchase and sale of electrical energy contemplated by the PPA, Guarantor has agreed to guarantee the obligations of Seller as provided in this Guaranty.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

- AGREEMENT -

1. Guaranty. Subject to the provisions of this Guaranty, Guarantor hereby absolutely, irrevocably, unconditionally, and fully guarantees to Company the due, prompt, and complete observance, performance, and discharge of each and every payment obligation of Seller under the PPA, whether incurred before or after the date of delivery of this Guaranty (the "Obligations"). This is a guaranty of payment, not of collection, and as such, Company shall not be required to institute, pursue, or exhaust any remedies against Seller before instituting suit, obtaining judgment, and executing thereon against Guarantor under this Guaranty.

2. Maximum Liability. Notwithstanding anything herein to the contrary, Guarantor's maximum liability under this Guaranty shall be limited to $US_____, plus costs of collection with respect to any valid claim(s) made by Company hereunder that are incurred in the enforcement or protection of the rights of Company.

3. Rights of Company. Guarantor hereby grants to Company, in Company's discretion and without the need to notify or obtain any consent from Guarantor, and

without termination, impairment, or any other effect upon Guarantor's duties hereunder, the power and authority from time to time:

(a) to renew, compromise, extend, accelerate, or otherwise change, substitute, supersede, or terminate the terms of performance of any of the Obligations, in each case in accordance with the PPA;

(b) to grant any indulgences, forbearances, and waivers, on one or more occasions, for any length of time, with respect to Seller's performance of any of the Obligations; and

(c) to accept collateral, further guaranties, and/or other security for the Obligations, and, if so accepted, then to impair, exhaust, exchange, enforce, waive, or release any such security.

4. Performance. If any of the Obligations are not performed according to the tenor thereof, and any applicable notice and cure period provided by the PPA has expired ("Default"), Guarantor shall immediately upon receipt of written demand by Company (a) perform or cause Seller to perform the Obligation in Default, and (b) pay, reimburse, and indemnify Company against any liabilities, damages, and related costs (including attorneys' fees) incurred by Company as a result thereof, all in such manner and at such times as Company may reasonably direct.

5. Satisfaction. Satisfaction by Guarantor of any duty hereunder incident to a particular Default or the occurrence of any other Default shall not discharge Guarantor except with respect to the Default satisfied, it being the intent of Guarantor that this Guaranty be continuing until such time as all of the Obligations have irrevocably been discharged in full, at which time this Guaranty shall automatically terminate. If at any time the performance of any Obligation by Seller or Guarantor is rescinded or voided under the federal Bankruptcy Code or otherwise, then Guarantor's duties hereunder shall continue and be deemed to have been automatically reinstated, restored, and continued with respect to that Obligation, as though the performance of that Obligation had never occurred, regardless or whether this Guaranty otherwise had terminated or would have been terminated following or as a result of that performance.

6. Notice of Acceptance. Guarantor waives and acknowledges notice of acceptance of this Guaranty by Company.

7. Waivers by Guarantor. Guarantor hereby waives and agrees not to assert or take advantage of:

(a) all set-offs, counterclaims, and, subject to Section 4 above, all presentments, demands for performance, notices of non-performance, protests, and notices of every kind that may be required by Applicable Laws;

(b) any right to require Company to proceed against Seller or any other person, or to require Company first to exhaust any remedies against Seller or any other person, before proceeding against Guarantor hereunder;

(c) any defense based upon an election of remedies by Company;

(d) any duty of Company to protect or not impair any security for the Obligations;

(e) the benefit of any laws limiting the liability of a surety;

(f) any duty of Company to disclose to Guarantor any facts concerning Seller, the PPA or the Project, or any other circumstances, that would or allegedly would increase the risk to Guarantor under this Guaranty, whether now known or hereafter learned by Company, it being understood that Guarantor is capable of and assumes the responsibility for being and remaining informed as to all such facts and circumstances; and

(g) until all Obligations in Default have been fully paid and/or performed, any rights of subrogation, contribution, reimbursement, indemnification, or other rights of payment or recovery for any payment or performance by it hereunder. For the avoidance of doubt, if any amount is paid to Guarantor in violation of this provision, such amount shall be held by Guarantor for the benefit of, and promptly paid to, Company.

8. Cumulative Remedies. The rights and remedies of Company hereunder shall be cumulative and not alternative to any other rights, powers, and remedies that Company may have at law, in equity, or under the PPA. The obligations of Guarantor hereunder are independent of those of Seller and shall survive unaffected by the bankruptcy of Seller. Company need not join Seller in any action against Guarantor to preserve its rights set forth herein.

9. Representations and Warranties. Guarantor represents and warrants to Company as follows:

(a) Guarantor is a corporation, duly organized, validly existing, and in good standing under the laws of the state of its incorporation. Seller is a direct or indirect wholly-owned subsidiary of Guarantor. Guarantor has all necessary corporate power and authority to execute and deliver this Guaranty and to perform its obligations hereunder.

(b) The execution, delivery and performance of this Guaranty has been duly and validly authorized by all corporate proceedings of Guarantor and is not in violation of any law, judgment of court or government agency . This Guaranty has been duly and validly executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

10. Collection Costs. Guarantor hereby agrees to pay to Company, upon demand, and in addition to the maximum liability set forth in Section 3 hereof, all reasonable attorneys' fees and other expenses which Company may expend or incur in enforcing the Obligations against Seller and/or enforcing this Guaranty against Guarantor, whether or not suit is filed, including, without limitation, all attorneys' fees, and other expenses incurred by Company in connection with any insolvency, bankruptcy, reorganization, arrangement, or other similar proceedings involving Seller that in any way affect the exercise by Company of its rights and remedies hereunder.

11. Severability. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

12. Waiver or Amendment. No provision of this Guaranty or right of Company hereunder can be waived, nor can Guarantor be released from Guarantor's duties hereunder, except by a writing duly executed by Company. This Guaranty may not be modified, amended, revised, revoked, terminated, changed, or varied in any way whatsoever except by the express terms of a writing duly executed by Company.

13. Successors and Assigns. This Guaranty shall inure to the benefit of and bind the successors and assigns of Company and Guarantor.

14. Governing Law. This Guaranty shall be governed by and construed in accordance with the law of the State of Minnesota without regard to the principles of conflicts of law thereof.

15. Notices. All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in the manner contemplated by the PPA, addressed as follows:

(a) *if to Company* : as provided in the PPA

(b) *if to Guarantor*: _____
_____
_____
Attn:
Phone: (___) _____
Fax: (___) _____

with a copy to: _____
_____
_____
Attn:
Phone: (___) _____
Fax: (___) _____

or to such other address (es) as the person to whom notice is given may have previously furnished to the others in writing in the manner set forth above.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered to Company as of the day and year first above written.

[Name of Guarantor]

By:_____
Name:
Title:

STATE OF_____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20__, by _____, as _____ of _____.

Witness my hand and official seal.

My commission expires:_____.

_____
Notary Public

(S E A L)

Exhibit G-3: Form of Escrow Agreement

ESCROW AGREEMENT

This Escrow Agreement ("Agreement") is entered into and effective this __ day of _____, 20__ by and among **MN Solar I LLC** ("Seller"), **Northern States Power Company** (“Company") and _____ ("Escrow Agent").

RECITALS

WHEREAS, Seller and Company are parties to a Solar Energy Purchase Agreement dated October 1, 2014 (the "PPA"), pursuant to which Seller agrees to build and operate an electric generating facility in Lyon County, Minnesota (the “Facility”) and to sell energy from the Facility to Company. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the PPA; and

WHEREAS, Section 11.1 of the PPA requires Seller to provide security in favor of Company in amounts set forth in the PPA up to a total of $_____ (the "Escrow Total"); and

WHEREAS, Seller has elected to establish and deliver funds (the "Escrow Funds") into an escrow account with Escrow Agent to meet its PPA security obligations, and Seller, Company and Escrow Agent agree to enter into this Agreement to define the terms of that account.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and other consideration set forth in this Agreement and the PPA, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Appointment of Escrow Agent. On the terms, and subject to the conditions, set forth in this Agreement, Seller and Company hereby appoint Escrow Agent as their agent and custodian to hold, invest and distribute the Escrow Funds and all interest and investment earnings thereon (the "Escrow Interest") in accordance with this Agreement. To the extent any Escrow Interest accrues during the term of this Agreement, such Escrow Interest shall be added to but shall not be included as part of the principal amount of the Escrow Funds except as set forth in Section 5.

2. Delivery of Funds to Escrow Agent.

a. Seller shall deposit with Escrow Agent an amount equal to $_____ on or before _____ on or before the date required by the PPA.

b. Escrow Agent shall retain and disburse the Escrow Funds pursuant to the terms of this Agreement. The execution and full performance of this Agreement by Seller and Escrow Agent, and retention and disbursement by Escrow Agent of the

Escrow Funds pursuant to the terms hereof, fully satisfies Seller's initial obligations under Section 11.1 of the PPA to establish and maintain a security fund. Escrow Agent shall hold the Escrow Funds under the terms of this Agreement and distribute the Escrow Funds only in accordance with Section 5.

c. The Escrow Funds shall, for all purposes, be considered property of Seller unless and until distributed to Company in accordance with this Agreement. To protect Company prior to such distribution, Seller hereby grants to Company a first priority security interest in all of Seller's right, title and interest in and to the Escrow Funds held under this Agreement for the purpose of securing Seller's obligations under the PPA. However, any release of any portion of the Escrow Funds to Company in accordance with this Agreement shall act as an automatic termination of Company's security interest in the Escrow Funds so released. Seller authorizes Company to file such financing statements and other documents as Company reasonably deems necessary or advisable to protect Company's rights in the Escrow Funds. Each party will sign such documents (including upon the request of Company a control agreement), provide such information, send such notices and take such other actions as any other party reasonably requests to consummate more effectively the intent and purpose of the parties under this Section 2(b).

3. Investment. Escrow Agent shall hold and invest the Escrow Funds only in accordance with the terms of this Agreement. At the written direction of Seller, Escrow Agent shall invest and reinvest the Escrow Funds in cash or one or more of the following short-term securities: a money-market fund, short-term treasury obligations, investment-grade commercial paper and other liquid investment-grade investments with maturities of three (3) months or less. All investments of the Escrow Funds shall be held by, or registered in the name of, Escrow Agent or its nominee. All Escrow Interest and investment income earned on the Escrow Funds shall accrue for the benefit of, and be taxable to, Seller.

4. Distributions of Escrow Funds by Escrow Agent. Escrow Agent shall hold the Escrow Funds until instructed or otherwise required to deliver the same or any portion thereof in accordance with Section 5.

5. Distributions.

a. Escrow Interest. Once Escrow Funds being held by Escrow Agent reach the Escrow Total, Seller may be paid Escrow Interest earned on the Escrow Funds at times and amounts in Seller's discretion as long as the amount of the Escrow Funds does not, as a result, become less than the Escrow Total.

b. Release at End of Term; Substitution of Security. After the full and final satisfaction of all of Seller's obligations under the PPA, any Escrow Funds remaining with Escrow Agent after all deductions for any damages or other allowed charges made by Company, and all accrued Escrow Interest, shall be released to Seller. If Seller provides a letter of credit or other security under the PPA in form and substance as required by the PPA and in the full amount of the Escrow Total to secure

Seller's obligations to Company prior to the expiration or termination of the PPA, the Escrow Funds and any Escrow Interest shall be released to Seller upon the delivery to Company of such effective letter of credit or security mechanism as permitted by the PPA.

c. Escrow Claims by Company. During the term of the PPA, Company may draw all or any portion of the Escrow Funds to the extent necessary to recover amounts owing to Company pursuant to the PPA that are not the subject of a good faith dispute, including any damages due to Company and any amounts for which Company is entitled to indemnification under the PPA. Each claim against the Escrow Funds under this Agreement shall be made by Company by delivering to Escrow Agent a certificate, in substantially the form of Exhibit A attached hereto, specifying the nature of the claim (a "Claim Certificate"). A copy of each Claim Certificate shall also be delivered to Seller contemporaneously with provision to Escrow Agent. Escrow Agent shall pay to Company the amount of Escrow Funds set forth in the Claim Certificate, in accordance with the Claim Certificate, on the first business day after it receives the Claim Certificate.

d. Regulations of the Comptroller of the Currency. Company and Seller acknowledge that regulations of the Comptroller of the Currency grant Company and Seller the right to receive brokerage confirmations of any security transactions as they occur. Company and Seller specifically waive such notifications to the extent permitted by law, and Seller will receive monthly cash transaction statements that will detail all investment transactions.

6. Rights and Obligations of Escrow Agent.

a. Duties.

i. Escrow Agent hereby accepts its obligations under this Agreement and represents that it has the legal power and authority to enter into this Agreement and to perform its obligations hereunder. Escrow Agent agrees that all Escrow Funds held by Escrow Agent under this Agreement shall be segregated from all other property held by Escrow Agent and shall be identified as being held in connection with this Agreement. Segregation may be accomplished by appropriate identification on the books and records of Escrow Agent. Escrow Agent's documents and records with respect to the transactions contemplated by this Agreement shall be available for examination by authorized representatives of Company and Seller. Escrow Agent will deliver to Company and Seller written statements not less than quarterly summarizing any activity with respect to the Escrow Funds (including the amount of interest and earnings thereon) and detailing the balance of the Escrow Funds.

ii. This Agreement may be terminated only by a writing executed by all of Company, Seller and Escrow Agent.

iii. In the event that this Agreement is scheduled to expire or terminate during the term of the PPA, and Seller has not provided security pursuant

to the PPA required to replace this Agreement, Company may draw the entire balance of Escrow Funds, up to the Escrow Total, within five (5) business days of the scheduled expiration or termination date, and without regard to any objection asserted by Seller, provided Company holds the Escrow Funds it draws in escrow until the earlier of (i) the date Seller provides adequate replacement security in compliance with the PPA, or (ii) the date Company is entitled to draw and retain all or any portion of the Security Fund under the PPA.

iv. Escrow Agent and Seller will provide immediate notice to Company in the event that the amount of Escrow Funds at any time falls below $_____.

b. No Other Duties. Escrow Agent shall not have any duties or responsibilities under this Agreement except as expressly set forth herein.

c. Escrow Fee. Escrow Agent shall be entitled to receive solely from Seller (a) compensation for its regular services as escrow agent under this Agreement and (b) reimbursement for all reasonable and necessary out-of-pocket expenses incurred by Escrow Agent in fulfilling its obligations under this Agreement, including, without limitation, reasonable fees and disbursements of legal counsel. Such compensation and reimbursement obligations shall be paid from time to time as incurred. In no circumstance will Company have any obligation to pay any amount to Escrow Agent arising out of or under this Agreement.

d. Resignation of Escrow Agent. Escrow Agent may at any time resign by giving thirty (30) days advance written notice of such resignation to Company and Seller. Upon such resignation, Escrow Agent shall not be discharged from its obligations under this Agreement until (a) a successor escrow agent, as mutually agreed on by Seller and Company, shall have been appointed, (b) the successor escrow agent shall have executed and delivered an Escrow Agreement in substantially the form of this Agreement and (c) all Escrow Funds then held by Escrow Agent under this Agreement shall have been delivered to such successor escrow agent.

e. Liability of Escrow Agent. Escrow Agent shall not be liable for any action taken in accordance with the terms of this Agreement, including, without limitation, any distribution of the Escrow Funds in accordance with Section 4, as long as the action was taken in good faith. Escrow Agent shall not be liable for any other act or failure to act under or in connection with this Agreement, except for its own negligence or intentional tortious misconduct. Seller and Company agree to indemnify, defend and hold Escrow Agent harmless from and against all claims, causes of action, costs, judgments, losses and damages arising out of or related to this Agreement, except for any such claims, causes of action, costs, judgments, losses or damages arising from or related to any breach of this Agreement by Escrow Agent or negligent or intentional tortious actions or omissions of Escrow Agent.

f. Reliance on Documentary Evidence. Escrow Agent shall be entitled to rely on any written notice, certificate, affidavit, letter, document or other

communication that is reasonably believed by Escrow Agent to be genuine and to have been signed or sent by the proper party or parties, and on statements contained therein, without further inquiry or investigation. Notwithstanding anything to the contrary in this Agreement, Escrow Agent may act on any written instructions given jointly by Company and Seller.

g. Interpleader. If Company and Seller shall disagree about the interpretation of this Agreement, or about the rights and obligations or the propriety of any act contemplated by Escrow Agent hereunder, then Escrow Agent may, within its reasonably exercised discretion, file an action of interpleader in the appropriate court of competent jurisdiction and deposit all of the applicable Escrow Funds with such court.

7. Termination of Agreement. This Agreement shall continue through the date on which all obligations of Seller under the PPA have been fully satisfied or all of the Escrow Funds shall have been paid to Company pursuant to the terms of this Agreement.

8. Taxes. Taxes on distributions of the Escrow Funds shall be paid by Seller.

9. Notices. All notices and other communications (including all certificates delivered pursuant to Section 4) under this Agreement by Company or Seller to Escrow Agent shall be delivered contemporaneously to the other parties in the same manner as provided to Escrow Agent. All notices and other communications under this Agreement shall be given in writing and shall be personally delivered, sent by telecopier or facsimile transmission or sent to the applicable parties at their respective addresses indicated in this Section 9 by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service, as follows:

If to Seller, to:
MN Solar I LLC
_____
_____
_____
Attention: _____
Phone: _____
Fax: _____

If to Company:
Manager, Renewable Purchases
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1000
Denver, CO 80202
Phone: (303) 571-7714
Fax: (303) 571-7002

If to Escrow Agent, to:

_____
_____
_____
_____
Attention: _____
Phone: _____
Fax: _____

or to such other person or address as any party shall have specified by notice in writing to the other parties. If personally delivered, such communication shall be deemed delivered upon actual receipt; if sent by telecopier or facsimile transmission, such communication shall be deemed delivered the day of the transmission, or if the transmission is not made on a business day, the first business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this Section 9, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this Section 9, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal.

10. Miscellaneous.

a. Captions. All titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of the Agreement.

b. No Third-Party Beneficiary. No provision of this Agreement is intended to nor shall it in any way inure to the benefit of any customer, property owner or other third party, so as to constitute any such person a third-party beneficiary under this Agreement, or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

c. Integration; Amendment. This Agreement constitutes the entire agreement among the parties relating to the transactions described herein and supersedes any and all prior oral or written understandings. No amendment, addition to or modification of any provision hereof shall be binding on the parties, and no party shall be deemed to have waived any provision or any remedy available to it unless such amendment, addition, modification or waiver is in writing and signed by a duly authorized officer or representative of the applicable party or parties.

d. Governing Law. The Agreement is made in the State in which the Facility is located and shall be interpreted and governed by the laws of such State or the laws of the United States, as applicable.

e. Good Faith and Fair Dealing; Reasonableness. The parties agree to act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless expressly provided otherwise in this Agreement, (i) whenever this Agreement requires the consent, approval or similar action by a party, such consent, approval or similar action shall not be unreasonably withheld or delayed, and (ii) whenever this Agreement gives a party a right to determine, require, specify or take similar action with respect to matters, such determination, requirement, specification or similar action shall be reasonable.

f. Severability. Should any provision of this Agreement be or become void, illegal or unenforceable, the validity or enforceability of the other provisions of this Agreement shall not be affected and shall continue in force. The parties will, however, use their reasonable best endeavors to agree on the replacement of the void, illegal or unenforceable provisions with legally acceptable clauses that correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

g. Cooperation. The parties agree to cooperate reasonably with each other in the implementation and performance of this Agreement. Such duty to cooperate shall not require any party to act in a manner inconsistent with its rights under this Agreement.

h. Execution in Counterparts and By Facsimile Transmission. This Agreement may be executed in two (2) or more counterparts and by different parties on separate counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original. This Agreement may be executed and delivered by facsimile, and the parties agree that such facsimile execution and delivery shall have the same force and effect as delivery of an original document with original signatures.

[This space intentionally left blank.]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first set forth above.

Dated: **MN Solar I LLC** (Seller)

By: _____
Name: _____
Its: _____

Dated: **Northern States Power Company** (Company)

By: _____
Name: _____
Its: _____

Dated: _____ (Escrow Agent)

By: _____
Name: _____
Its: _____

EXHIBIT A
(to Escrow Agreement)

ESCROW CLAIM CERTIFICATE

TO: _____

This Certificate is issued pursuant to that certain Escrow Agreement, dated as of _____, 20__, by and among Company, Seller and you, as Escrow Agent (the "Escrow Agreement"). Capitalized terms used but not otherwise defined in this Certificate shall have the meaning ascribed to them in the Escrow Agreement.

The undersigned representative of Company hereby certifies that Company is entitled to receive Escrow Funds in the amount of $_____ pursuant to the terms of the Escrow Agreement and the PPA, due to the following (generally):_____

_____.

Accordingly, subject to the terms of the Escrow Agreement, you are hereby instructed to distribute, on the first business day after your receipt of this Certificate, the sum of $_____ from the Escrow Funds to the undersigned by wire transfer to the following account:

Bank: _____
Account: _____
Routing Number: _____

Date: _____, 20_____

Northern States Power Company

By: _____
Name: _____
Title: _____

EXHIBIT H

OPERATING STANDARDS

1. AGC Electronic Communications between Company and Seller. Company will receive and send AGC Set-Point and related data over an analog or digital line. The data points covered under this PPA, as described below, may overlap data requirements for the Transmission Provider, Transmission Authority or Company's Solar Forecasting group.

2. Data Points to be sent from Seller to Company via AGC. The following data points will be transmitted via AGC from Seller to Company and represent Facility level data:

Description:	Units
AGC Set-Point (echo)	MW
Power demand	MW
Actual power	MW
Park Potential	MW
Actual reactive power	Mvars
Average voltage	kV
Number of units online and running	Integer
AGC status	Remote/Local

3. Response Times and Limitations of Facility in Regards to AGC. The following protocols outline the expectations around responding to the AGC Set-Point. Except in the case of the frequency of changes, these protocols will be generally bound by the manufacturers' specifications for the equipment that Seller has chosen for the Facility.

a. Required Response Time. The Facility will respond to the AGC Set-Point within the maximum Solar Unit manufacturers' specifications. The response time will vary based on the mix of available Solar Units and the current level of Solar Energy generated from the Facility. The required response time will be subject to change based upon any change in the Solar Unit manufacturers' specifications for ramp rate

b. Allowable Variances in Excess of AGC Set-Point. Once the Facility has reached the AGC Set-Point, there may be variances in excess of such Set-Point up to two percent (2%) on average as measured during a 10-minute period. This is due to changing solar conditions vs. the manufacturers' specifications for responding to those new conditions.

c. Frequency of Changes. Company can send a new AGC Set-Point to the Facility as frequently as the Solar Unit manufacturer's specifications allow, using the specification for the least frequent change to output. If however, the AGC Set-Point is below 10% of Park Potential, then Company will be restricted from changing the AGC Set-Point for 30 minutes to prevent the Solar Units from cycling on and off.

d. Range of AGC Set-Point. The range of set point values can be between 0% and 100% of Park Potential.

4. Backup Communications. In the event of an AGC failure, the Company and Seller shall communicate via telephone in order to correct the failure.

5. Data Collection. Not later than the Commercial Operation Date (or prior thereto, if reasonably requested by Company), Seller will deliver to Company a report showing (i) manufacturer, model and year of all panels, inverters and meteorological instrumentation and (ii) the latitude and longitude of the center of the solar panels for every inverter and every meteorological station. Seller will also transmit and provide to Company the real-time data set forth below, refreshed as frequently as allowed by the SCADA system, not to exceed sixty (60) second intervals.

A. Two (2) data points from each inverter:

1. Inverter generation (kW)
2. Inverter availability

B. Three (3) data points from the meteorological station(s):

1. Plane-of-array solar irradiance (W/m^2)
2. Temperature
3. Barometric pressure.

Seller shall provide a map and key for each inverter sufficient to allow Company to correlate the data received through Company's data historian system to each individual inverter.

* * * * *

EXHIBIT I

LENDER CONSENT PROVISIONS

In the event Seller collaterally assigns its rights hereunder to the Facility Lender as security, any related Lender Consent will contain provisions substantially as follows:

1. Seller and Company will neither modify nor terminate the PPA other than as provided therein, without the prior written consent of the Facility Lender.

2. The Facility Lender shall have the right, but not the obligation, to do any act required to be performed by Seller under the PPA, and any such act performed by the Facility Lender shall be as effective to prevent or cure a default as if done by Seller itself.

3. If Company becomes entitled to terminate the PPA due to an uncured Event of Default by Seller, Company shall not terminate the PPA unless it has first given notice of such uncured Event of Default to the Facility Lender and has given the Facility Lender the same cure period afforded to Seller under Section 12.1 of the PPA, plus an additional 30 Days beyond Seller's cure period to cure such Event of Default; *provided, however*, that if the Facility Lender requires possession of the Facility in order to cure the Event of Default, and if the Facility Lender diligently seeks possession, the Facility Lender's additional 30-Day cure period shall not begin until foreclosure is completed, a receiver is appointed or possession is otherwise obtained by or on behalf of the Facility Lender.

4. Neither the Facility Lender nor any other participant in the Facility Debt shall be obligated to perform or be liable for any obligation of Seller under the PPA until and unless any of them assumes possession of the Facility through the exercise of the Facility Lender's rights and remedies.

5. Any party taking possession of the Facility through the exercise of the Facility Lender's rights and remedies shall remain subject to the terms of the PPA and shall assume all of Seller's obligations under the PPA, both prospective and accrued, including the obligation to cure any then-existing defaults capable of cure by performance or the payment of money damages. In the event that the Facility Lender or its successor assumes the PPA in accordance with this paragraph 5, Company shall continue the PPA with the Facility Lender or its successor, as the case may be, substituted wholly in the place of Seller.

6. Within ninety (90) Days of any termination of the PPA in connection with any bankruptcy or insolvency Event of Default of Seller, the Facility Lender (or its successor) and Company shall enter into a new power purchase agreement on the same terms and conditions as the PPA and for the period that would have been remaining under the PPA but for such termination.

* * * * *

EXHIBIT J

COMMITTED SOLAR ENERGY and SOLAR ENERGY PAYMENT RATE

(by Commercial Operation Year)

Commercial Operation Year	Committed Solar Energy (MWh)	Rate $/MWh
[TRADE SECRET BEGINS		
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
TRADE SECRET ENDS]		

Commercial Operation Year	Committed Solar Energy (MWh)	Rate $/MWh
[TRADE SECRET BEGINS		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		
Balance of Term		
TRADE SECRET ENDS]		

EXHIBIT K

EXPECTED MONTHLY GENERATION PROFILE

Month	Percent of Annual Generation
[TRADE SECRET BEGINS	
January	
February	
March	
April	
May	
June	
July	
August	
September	
October	
November	
December	
TRADE SECRET ENDS]	

EXHIBIT L

METHODOLOGY FOR ADJUSTING THE TWELVE-MONTH COMMITTED SOLAR ENERGY VALUE FOR DIFFERENCES IN ACTUAL SOLAR IRRADIATION AND EXPECTED SOLAR IRRADIATION

Committed Solar Energy may be adjusted if the irradiation received at the Site is below the Expected Solar Irradiation. The adjustment to the 12-month average calculation of Committed Solar Energy is appropriate only when actual solar irradiation falls below the Expected Solar Irradiation for the relevant period as agreed to by the Parties.

As an illustrative example, Table 1 below provides the historical generation and solar irradiation between the months of January and December 2017, the adjustments to the Committed Solar Energy related to this irradiation and the resulting 12-month Committed Solar Energy percentage for a hypothetical solar generating facility. The steps taken in the calculations, and referenced sections in the PPA, are provided below.

Step 1 – Actual Solar Irradiation to Expected Solar Irradiation

The Expected Solar Irradiation is determined on a monthly basis by calculating the total monthly values of global horizontal irradiance using the NREL Solar Power Prospector v2.0 TGY data set for the solar generating facility **site [TRADE SECRET BEGINS TRADE SECRET ENDS]** referenced under the definition of "Expected Solar Irradiation" in the PPA. The Expected Solar Irradiation relevant to the facility is the global horizontal irradiance of **[TRADE SECRET BEGINS TRADE SECRET ENDS]** (PPA, Exhibit A, definition of "Expected Solar Irradiation"; Table 1 - Column B).

The actual monthly solar irradiation is determined by the average total reading of all functional global horizontal pyranometers at the Site for the month. (Table 1 - Column C). By dividing the actual solar irradiation by the Expected Solar Irradiation, a ratio is calculated for each month (Table 1 - Column D).

In Table 1, Seller has provided Company with the NREL Solar Prospector TGY expected monthly global horizontal irradiance data (Column B), data including the pyranometer reading pertaining to the Facility, and all pertinent data regarding the solar irradiation adjusted Committed Solar Energy calculation.

Step 2 – Adjustments to Committed Solar Energy

The Committed Solar Energy on a monthly basis is determined by multiplying the expected monthly generation profile (Exhibit K of PPA and column E in Table 1) by the annual Committed Solar Energy (Exhibit J of PPA and Column F in Table 1) for the relevant year of operation. The resulting monthly Committed Solar Energy is adjusted down (pursuant to Section 12.1(I) of the PPA) by multiplying the Committed Solar Energy by any monthly actual to Expected Solar Irradiation ratio that is below the expected amount (Table 1 - Column G).

The actual generation delivered is equal to the MWh that were produced and delivered per the PPA (Table 1 - Column H).

The Compensable Curtailment & Seller Excuse Hours is equal to the MWh that were curtailed (Table 1 – Column I).

The total constructive generation is equal to the sum of the actual generation and the Compensable Curtailment & Seller Excuse Hours (Table 1 – Column J).

Step 3 – Committed Solar Energy Percentage

In the final step, the summation of the 12 months of total constructive generation is divided by the summation of the 12 months adjusted Committed Solar Energy to determine the Committed Solar Energy percentage (Table 1 - Column K).

SOLAR ENERGY PURCHASE AGREEMENT

BETWEEN

NORTHERN STATES POWER COMPANY

("COMPANY")

AND

NORTH STAR SOLAR PV LLC

("SELLER")

- [date] -

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SOLAR ENERGY PURCHASE AGREEMENT BETWEEN
NORTHERN STATES POWER COMPANY
AND
NORTH STAR SOLAR PV LLC

This Solar Energy Purchase Agreement (this "PPA") is made this [____] day of [_____, 2014,] (the "Effective Date") by and between (i) Northern States Power Company, a Minnesota Corporation with a principal place of business at 1800 Larimer Street, Suite 1000, Denver, CO 80202 ("Company"), and (ii) North Star Solar PV LLC, a Delaware limited liability company with a principal place of business at 3 Radnor Corporate Center, Suite 300, 100 Matsonford Road, Radnor, PA 19087 ("Seller"). Company and Seller are hereinafter referred to individually as a "Party" and collectively as the "Parties."

WHEREAS Seller desires to develop, design, construct, interconnect, own, operate and maintain a 100 MW AC (at the Point of Delivery) solar power generation station adjacent to the Company's Chisago substation near the city of North Branch in Chisago County, Minnesota (the "Facility" as defined herein), and to sell and deliver to Company certain Solar Energy and other products and services delivered from the Facility to the Point of Delivery at the prices and on the terms and conditions set forth in this PPA.

WHEREAS Company desires to accept and receive such Solar Energy and other products and services from the Facility pursuant to the terms of this PPA;

NOW THEREFORE, in consideration of the mutual covenants herein contained, the sufficiency and adequacy of which are hereby acknowledged, the Parties agree to the following:

Article 1 - Rules of Interpretation

1.1 Interpretation.

(A) Capitalized terms listed in this PPA shall have the meanings set forth in EXHIBIT A - DEFINITIONS or as otherwise defined in this PPA, whether in the singular or the plural or in the present or past tense. Words not otherwise defined in this PPA shall (i) have meanings as commonly used in the English language, (ii) be given their generally accepted meaning consistent with Good Utility Practice, and (iii) be given their well known and generally accepted technical or trade meanings.

(B) The following rules of interpretation shall apply: (1) The masculine shall include the feminine and neuter; (2) references to "Articles," "Sections," or "Exhibits" shall be to articles, sections, or exhibits of this PPA except as the context may otherwise require; (3) all Exhibits are incorporated into this PPA; *provided, however, that* in the event of a conflict with the terms of this PPA, the PPA shall control; and
(4) use of the words "include" or "including" or similar words shall be interpreted as "include without limitation" or "including, without limitation."

(C) This PPA was negotiated and prepared by both Parties with the advice and participation of counsel. The Parties have agreed to the wording of this PPA and none of the provisions hereof shall be construed against one Party on the ground that such Party is the author of this PPA or any part hereof.

1.2 Interpretation with Other Agreements.

(A) This PPA does not provide Seller authorization to interconnect the Facility or inject power into the electric delivery system. Seller shall contract for interconnection services in accordance with the applicable Transmission Tariff. Seller acknowledges that any Interconnection Agreement Seller enters into is a separate contract and that (i) this PPA is not binding on the Transmission Authority, (ii) this PPA does not create any rights between Seller and the Transmission Authority, and (iii) the Interconnection Agreement does not modify the Parties' rights and obligations under this PPA. Seller agrees that any applicable Transmission Authority shall be deemed to be a separate and unaffiliated contracting party regardless whether such Transmission Authority is Company or an Affiliate of Company.

(B) This PPA does not provide for the supply of House Power. Seller shall contract with the Local Provider for the supply of House Power. Seller acknowledges that obtaining House Power is a separate contract and that (i) this PPA is not binding on the Local Provider, (ii) this PPA does not create any rights between Seller and the Local Provider, and (iii) the House Power contract does not modify the Parties' rights and obligations under this PPA. Seller agrees that the Local Provider shall be deemed to be a separate and unaffiliated contracting party regardless whether the Local Provider is Company or an Affiliate of Company. Subject to Seller's right to self-generate and consume energy concurrently generated by the Facility or as otherwise allowed by Applicable Law, Seller shall obtain House Power exclusively from the Local Provider.

1.3 Good Faith and Fair Dealing. The Parties shall act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this PPA. Unless expressly provided otherwise in this PPA, (a) when this PPA requires the consent, approval, or similar action by a Party, such consent or approval shall not be unreasonably withheld, conditioned or delayed, and (b) wherever this PPA gives a Party a right to determine, require, specify or take similar action with respect to a matter, such determination, requirement, specification or similar action shall be Commercially Reasonable.

1.4 Waiver. The failure of either Party to enforce or insist upon compliance with or strict performance of any of the terms or conditions of this PPA, or to take advantage of any of its rights hereunder, shall not constitute a waiver or relinquishment of any such terms, conditions, or rights, but the same shall be and remain at all times in full force and effect.

Article 2 - Term and Termination

This PPA shall become effective as of the Effective Date, and shall remain in full force and effect until the Scheduled Termination Date, subject to early termination or extension as provided in this PPA or otherwise agreed to by the Parties. Applicable provisions of this PPA shall continue in effect after termination to the extent necessary to (i) provide for final billings, payments and adjustments, (ii) enforce or complete the duties, obligations or responsibilities of the Parties, and (iii) address any remedies or indemnifications, arising prior to termination.

Article 3 - Facility Description

3.1 Description. Seller shall construct, interconnect, own, operate, and maintain the Facility, as further described in EXHIBIT C - FACILITY DESCRIPTION. A scaled map that identifies the Site, the location of the Facility, Interconnection Point, Interconnection Facilities, the Point of Delivery and other important facilities, is included in EXHIBIT C - FACILITY DESCRIPTION.

3.2 General Design of the Facility.

(A) Seller shall design, construct, operate and maintain the Facility according to Good Utility Practice(s) and the Interconnection Agreement.

(B) The Facility shall include all equipment necessary to successfully interconnect with the Transmission Authority's System for the delivery of the Facility's output to the Point of Delivery.

(C) The Facility shall include all equipment and telecommunications capabilities necessary to communicate with Company's SCADA System.

(D) The Facility shall include all equipment specified in EXHIBIT C - FACILITY DESCRIPTION or otherwise necessary to fulfill Seller's obligations under this PPA.

Article 4 - Implementation

4.1 Project Development.

(A) **[TRADE SECRET BEGINS**

TRADE SECRET ENDS], Seller shall complete a comprehensive independent environmental investigation of the Site and shall disclose to Company any Environmental Contamination identified in that investigation and confirm that such Environmental Contamination has been remediated or is capable of being remediated and that the Site remains appropriate for its intended use by Seller. Seller shall promptly inform Company if due to any Environmental Contamination Seller is constrained in a way that will limit, reduce, interfere with or preclude Seller's ability to perform its obligations under this PPA, along with a statement of whether and to what extent this circumstance may

limit or preclude Seller's ability to perform under this PPA. Seller shall provide Company with written recommendations to overcome any such issue(s) that would allow Seller to fully perform under this PPA. Upon request, Seller shall provide Company a copy of the investigation report and any backup data. Throughout the Term, Seller shall ensure that any Environmental Contamination identified at the Facility or Site is promptly remediated. Seller shall promptly disclose to Company the presence of any such Environmental Contamination or the existence of any enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination.

(B) Seller shall at its own expense enter the Construction Contract and all other major contracts necessary to the successful development, construction, operation of and delivery from the Facility with qualified and experienced contractors. Upon written request by Company, Seller shall provide Company with a memorandum of agreement executed by the Seller and the contractor party to the Construction Contract and all other major contracts, which memorandum shall set forth the basic terms of such contract, including without limitation the names of the parties thereto, the date of such contract, a summary of any products or services to be provided and information reasonably sufficient for Company to determine that such Construction Contract or major contract provides obligations necessary to meet the Construction Milestones or in lieu thereof, at Seller's option, a copy of the Construction Contract or other major contract (provided that Seller shall be permitted to redact pricing and other sensitive information).

(C) Prior to the Commercial Operation Date, Seller shall (i) submit monthly progress reports to Company in a form agreed upon by the Parties advising Company of the current status of each Construction Milestone, any significant developments or delays along with an action plan for making up delays, and Seller's best estimate of the Commercial Operation Date; (ii) provide copies of reports submitted to the Facility Lender relating to status, progress and development of the project, and
(iii) invite Company to participate in monthly meetings to discuss the progress reports, answer questions, and assess the schedule. Seller shall make all relevant contractors available to Company in order to keep Company fully informed on the status of the development.

(D) With accompaniment of one or more representatives of Seller, upon Commercially Reasonable prior notice, appropriate representatives of Company shall have the right to monitor the construction, start-up, testing, and operation of the Facility at the Facility for compliance with this PPA, *provided, however,* that such representatives of Company shall comply with all of Seller's applicable safety and health rules and requirements and shall conduct themselves in a manner that will not interfere with the construction, start-up, testing and operation of the Facility. Company's monitoring of the Facility shall not be construed as inspections or endorsing the design thereof nor as any express or implied warranties including performance, safety, durability, or reliability of the Facility.

(E) Seller shall obtain and pay for all Permits necessary for the

construction, ownership, operation and maintenance of the Facility and the generation and delivery of any output from the Facility to Company. Seller shall keep Company informed as to the status of its permitting efforts and shall provide Company the opportunity to review and comment on major applications for, draft and final Permits. Seller shall promptly inform Company of any Permits it is unable to obtain, that are delayed, limited, suspended, terminated or otherwise constrained in a way that will limit, reduce, interfere with or preclude Seller's ability to perform its obligations under this PPA, along with a statement of whether and to what extent this circumstance may limit or preclude Seller's ability to perform under this PPA. Seller shall provide Company with written recommendations to overcome any such issue(s) with any Permits to allow Seller to fully perform under this PPA. Company shall have the right to inspect and obtain copies of all Permits held by Seller.

(F) Seller shall notify Company (i) sufficiently in advance of any known upcoming significant inspections by any Governmental Authority relating to the Facility to allow Company the opportunity to attend, and (ii) promptly after any unscheduled or impromptu inspection, with a description of the nature and outcome of such inspection.

4.2 Commercial Operation. Subject to extension as authorized in this PPA, the Facility shall achieve Commercial Operation no later than the Commercial Operation Milestone; *provided, however, that* Seller shall not be obligated to establish a Commercial Operation Date that is earlier than the Commercial Operation Milestone and Company shall not be obligated to accept a Commercial Operation Date that is earlier than ninety (90) Days prior to the Commercial Operation Milestone. In its efforts to achieve the Commercial Operation Milestone, Seller agrees to use Commercially Reasonable Efforts to achieve the Construction Milestones set forth in EXHIBIT B - CONSTRUCTION MILESTONES.

4.3 COD Conditions. Seller shall provide Company a Notice of the date Seller believes the Facility has achieved Commercial Operation along with all supporting documentation of the satisfaction or occurrence of all COD Conditions. Company shall have up to ten (10) Business Days to review such evidence and raise any Commercially Reasonable objection to Seller's satisfaction of any of the COD Conditions, *provided, however*, *that* such Notice shall be deemed accepted by Company if Company fails to object within such time period. Seller may provide Notice of completion of the COD Conditions on an individual and incremental basis pending resolution of any objections, *provided, however, that* Company shall in all cases have up to ten (10) Business Days to review and object to each Notice. The COD Conditions are:

(A) an officer of Seller, authorized to bind Seller and who is familiar with the Facility, has provided written confirmation that (1) all necessary and material Permits have been obtained and are in full force and effect, (2) Seller is in compliance with this PPA in all material respects, (3) the Facility is available to commence normal operations in accordance with Seller's operating agreements, Construction Contract, and applicable manufacturers' warranties; (4) the Facility has been registered with the Transmission Authority, (5) Seller is obligated under and in

material compliance with the Interconnection Agreement, (6) the Facility is fully interconnected to the Transmission Authority's System, has been fully tested, has achieved initial synchronization, and has been successfully operated at a generation level acceptable to the Transmission Authority, without experiencing any abnormal or unsafe operating conditions on any interconnected system, (7) Seller has completed any testing of the Facility and Interconnection Facilities required by the Interconnection Agreement; and
(8) Seller has made all other arrangements necessary to deliver the output of the Facility to the Point of Delivery;

(B) an independent registered professional engineer's certification has been obtained by Seller and provided to Company stating that the Facility has been completed in all material respects, except for punch list items that do not have a Material Adverse Effect on the ability of the Facility to operate for its intended purpose;

(C) Seller has demonstrated (1) the reliability of the Facility's communications systems and communication interface with Company's EMCC and the Facility is capable of receiving and reacting to signals from Company's SCADA System, and (2) all AGC equipment is installed and operational; and

(D) at least ninety-five percent (95%) of the Solar Units and associated equipment sufficient to allow such Solar Units to generate and deliver Solar Energy to the Point of Delivery have been completed.

4.4 Test Energy.

(A) Seller shall provide Company and Transmission Authority with the information necessary to have the Facility registered with the Transmission Authority for inclusion in any generation modeling maintained by the Transmission Authority, sufficiently in advance to allow the Facility to be registered in such model at least four months prior to generating any Test Energy. Upon receipt of such information, Company will cooperate reasonably to assist in the registration of the Facility to allow generation of Test Energy.

(B) Prior to the COD, Seller shall coordinate the production and delivery of Test Energy with Company, with not less than five (5) Days Notice, or such other Commercially Reasonable prior Notice as Company may reasonably request. The Parties shall cooperate to facilitate Seller's testing of the Facility necessary to satisfy the COD Conditions. Company shall only be required to accept delivery of Test Energy required to satisfy the COD Conditions. Company shall pay the Test Energy Rate for all Test Energy delivered prior to COD.

Article 5 - Delivery

5.1 Electric Delivery Arrangements. Seller shall be responsible for making, maintaining and paying the costs associated with the interconnection of the Facility to the Transmission Authority's System. Seller shall comply with the

Transmission Authority's requirements for the interconnection and shall comply with all requirements set forth in the applicable Transmission Tariff. The Interconnection Request shall request Energy Resource Interconnection Service or its equivalent as authorized under the applicable Transmission Tariff. Seller shall cooperate reasonably in any request by Company to assist in Company's efforts to have the Facility approved as a Network Resource or equivalent classification pursuant to the applicable Transmission Tariff. Company shall arrange and be responsible for scheduling and transmission services at the Point of Delivery, and shall schedule or arrange for scheduling services with the Transmission Authority to deliver Solar Energy from the Point of Delivery to Company load. To the extent applicable during the Term, Company shall be the market participant as defined by the Transmission Authority for the Facility.

(A) Seller authorizes Company to contact and obtain information concerning the Facility and Interconnection Facilities directly from any applicable Transmission Authority and, upon request, Seller shall confirm such authorization in writing to such Transmission Authority or any applicable transmission owners in such form as requested by Company or the Transmission Authority.

(B) Seller shall be responsible for all interconnection, electric losses, transmission and ancillary service arrangements and costs required to deliver, on a firm basis, the output from the Facility to the Point of Delivery.

(C) Company shall be responsible for all electric losses, transmission and ancillary service arrangements and costs required to transmit and deliver the output from the Facility beyond the Point of Delivery. If at any time during the Term, the entity owning the transmission facilities at the Point of Delivery changes or the facilities at the Point of Delivery cease to be subject to the Transmission Tariff, then the Parties shall cooperate in good faith to amend this PPA in a manner to facilitate the delivery of output from the Point of Delivery to Company's customers at the least possible cost to Company.

5.2 Electric Metering Devices.

(A) All Electric Metering Devices used to measure energy shall be owned, installed, and maintained in accordance with the Interconnection Agreement at no cost to Company under this PPA.

1. For purposes of this PPA, meter readings will be adjusted to reflect losses from the Electric Metering Devices to the Point of Delivery based initially on the amount specified by the manufacturer for expected losses, *provided, however, that* the Operating Committee may revise this loss adjustment based on actual experience.

2. Seller shall arrange any necessary authorization to provide Company access to all Electric Metering Devices for all purposes necessary to perform under this PPA and shall provide Company the opportunity to be present at any time when such Electric Metering Devices are to be inspected and tested or

adjusted.

(B) Either Party may elect to install and maintain, at its own expense, backup metering devices ("Back-Up Metering"), *provided, however, that* the specifications, installation and testing of any such Back-Up Metering shall be consistent with the requirements for the Electric Metering Devices. Upon written request, the installing Party shall conduct retests requested by the other Party. The actual cost of any retest shall be borne by the Party requesting the test, unless, upon such retest, Back-Up Metering is inaccurate by more than one percent, in which case the cost of the retest shall be borne by the installing Party. If requested in writing, the installing Party shall provide copies of any inspection or testing reports to the requesting Party.

(C) If an Electric Metering Device or Back-Up Metering, fails to register, or if the measurement is inaccurate by more than one percent, an adjustment shall be made correcting all measurements as follows:

1. If the Electric Metering Device is found to be defective or inaccurate, the Parties shall use Back-up Metering, if installed, to determine the amount of such inaccuracy, *provided, however, that* Back-Up Metering has been tested and maintained and adjusted for losses on the same basis as the Electric Metering Device. If Back-Up Metering is not installed, or Back-Up Metering is also found to be inaccurate by more than one percent, the Parties shall use the best available information for the period of inaccuracy, adjusted as agreed by the Parties for losses to the Point of Delivery.

2. If the Parties cannot agree on the actual period during which the inaccurate measurements were made, the period shall be the shorter of (i) the last one-half of the period from the last previous test of the Electric Metering Device to the test that found the Electric Metering Device to be defective or inaccurate, or (ii) one hundred eighty (180) Days immediately preceding the test that found the Electric Metering Device to be defective or inaccurate.

3. To the extent that the adjustment period covers a period of deliveries for which payment has already been made by Company, Company shall use the corrected measurements as determined in accordance with this Article 5 to re- compute the amount due for the period of the inaccuracy and, in accordance with Article 9, may adjust the next regular bill to reflect such re-computed amount, provided however, that payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives Notice of the amount due.

Article 6 - Conditions Precedent

6.1 Company CPs.

(A) No later than October 31, 2014, the Company shall file a draft of this PPA with the State Regulatory Agencies, pursuant to relevant regulatory requirements, seeking State Regulatory Approval. Seller shall cooperate with Company's efforts to seek State Regulatory Approval.

(B) Either Party shall have the right to terminate this PPA, without any further financial or other obligation to the other as a result of such termination, by Notice to the other Party not more than ten (10) Days after the earlier of (i) fourteen (14) Days after receipt of a written order from either or both the State Regulatory Agencies that singly or in the aggregate do not constitute State Regulatory Approval, or imposing conditions on State Regulatory Approval unsatisfactory to either Party, or (ii) six (6) months following the filing hereof with the State Regulatory Agencies without receipt of State Regulatory Approval.

(C) Notwithstanding the foregoing, in the event that any State Regulatory Agency finds that 100% of the costs incurred by Company under this PPA is recoverable from ratepayers within that State (without application of jurisdictional allocators or other reductions to reflect multi-state operations), then the inability or failure to obtain approval from the other State Regulatory Agency shall not give rise to Company's right to terminate this PPA under this Section 6.1 and Company shall waive any rights it may otherwise have to terminate the PPA for failure to obtain State Regulatory Approval.

(D) If Company fails to terminate this PPA in the time allowed by this Section, Company shall be deemed to have waived its right to terminate this PPA under this Section 6.1 and this PPA shall remain in full force and effect thereafter.

6.2 Seller CPs. Seller shall have the right to terminate this PPA, without any financial or other obligation to the Company as a result of such termination, by Notice to the Company within fourteen (14) Days following the failure of Seller to satisfy any of the following conditions precedent ("Seller CPs") by the date indicated below.

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

If Seller fails to terminate this PPA in the time allowed by Sections 6.1 or 6.2, the Seller CPs shall be deemed to have been waived and this PPA shall remain in full force and effect thereafter. Upon a termination of this Agreement by Seller as a result of the failure of one or more of the Seller CPs set forth in this Section 6.2, the Company shall return to Seller the Pre-COD Security Fund in full.

Article 7 - Sale and Purchase

7.1 General Obligation.

(A) Beginning on the Commercial Operation Date, Seller shall generate from the Facility, deliver to the Point of Delivery, and sell to Company, and Company shall receive and purchase at the Point of Delivery, the Solar Energy and other products and services required by this PPA. Seller shall not curtail or interrupt deliveries from the Facility as required by this PPA for economic reasons of any type whatsoever.

(B) Title and risk of loss of the products and services transacted by this PPA shall transfer from Seller to Company at the Point of Delivery.

7.2 Committed Solar Energy. Seller covenants to deliver the Committed Solar Energy to the Point of Delivery.

7.3 AGC.

(A) Beginning on the Commercial Operation Date, Company shall dispatch Facility through the EMCC AGC system.

(B) Company may notify Seller, by telephonic communication or through use of the AGC Set Point, to curtail the delivery of Solar Energy to Company from the Facility and to the Point of Delivery, for any reason and in its sole discretion and Seller shall promptly comply with such notification.

(C) The AGC Set-Point is calculated by the EMCC AGC system and communicated electronically through the SCADA System. Seller shall ensure that, throughout the Term, the SCADA signal is capable of functioning on all AGC Set Points within the margin of error specified in the solar facility's control system manufacturer's energy set point margin of error.

(D) Seller shall ensure that Facility AGC Remote/Local status is in "Remote" set-point control during normal operations.

7.4 Compensation for Other Products and Services.

(A) The Parties acknowledge that existing and future Applicable Laws create value in the ownership, use or allocation of RECs. To the full extent allowed by such Applicable Law, Company shall own or be entitled to claim all RECs to the extent such credits may exist or be created during the Term associated with Test Energy, Solar Energy, and any Excess Solar Energy delivered to Company.

1. Seller hereby automatically and irrevocably assigns to Company all Transmission Authority accreditable capacity (Zonal Resource Credits, or ZRCs) based on MISO Module E criteria.

2. Seller hereby automatically and irrevocably assigns to Company all rights, title and authority for Company to register the Eligible Energy Resource and own, hold and manage such RECs in Company's own name and to Company's account, including any rights associated with any renewable energy information or tracking system that exists or may be established (including but not limited to participants in any applicable REC Registration Program and the United States government) with regard to monitoring, registering, tracking, certifying, or trading such credits. Seller hereby authorizes Company to act as its agent for the purposes of registering the Eligible Energy Resource, tracking and certifying RECs and Company has full authority to hold, sell or trade such RECs to its own account of said renewable energy information or tracking systems. Upon the request of Company, at no cost to Company, (i) Seller shall deliver or cause to be delivered to Company such attestations/certifications of RECs, and (ii) Seller shall cooperate with Company's registration and certification of RECs.

3. Company shall make all applications and/or filings required by Applicable Law from time to time for REC accreditation and for the provision of such RECs to Company.

4. Seller shall retain any RECs associated with any Excess Solar Energy not delivered to Company.

(B) Seller shall make available to Company all Generation Benefits and Ancillary Services associated with the Facility at no additional charge under this PPA. Any compensation Seller receives under the Interconnection Agreement or otherwise for Generation Benefits or Ancillary Services associated with the Facility and its output shall be provided to Company at no additional cost to Company under this PPA. Seller shall credit Company, as a reduction to Seller's monthly invoice or other mutually- agreed mechanism, for any compensation that Seller receives for Generation Benefits or Ancillary Services.

1. Seller shall use Commercially Reasonable Efforts to maximize the availability of Generation Benefits and Ancillary Services available from the Facility, *provided, however, that* Seller shall not be required to make any extraordinary capital expenditures or incur any significant increased operating expenses in connection with such efforts.

2. In the event a Governmental Authority or Transmission Authority implements new or revised requirements for generators to create, modify, change, or supply Ancillary Services, requiring Seller to install additional equipment after the Commercial Operation Date to meet such requirements, then Seller shall be allowed to reduce the amount owed to Company for Ancillary Services by an amount sufficient to recover the cost of such additional equipment, *provided, however, that* the amount of credit shall in no event be less than zero. Any excess of such cost over the amount of the credit in any year shall instead be carried forward as a reduction of the amount of the credit in subsequent years.

Article 8 - Payment Calculations

8.1 Solar Energy Payment Rate.

(A) Prior to the Commercial Operation Date, Company shall pay Seller for Test Energy delivered to the Point of Delivery pursuant to Section 4.4 at the Test Energy Rate. Seller shall be entitled to no Compensable Curtailment Energy payment prior to the COD in connection with Test Energy.

(B) Commencing on the Commercial Operation Date, Company shall pay Seller the Solar Energy Payment Rate for Solar Energy and RECs delivered to the Point of Delivery. The Solar Energy Payment Rate for a specific Commercial Operation Year shall be effective on the first Day of the calendar month following the calendar month in which the applicable anniversary of COD occurs (for example, if COD occurs on December 10, 2016, the Solar Energy Payment Rate for the second

Commercial Operation Year as described in EXHIBIT J shall be effective as of January 1, 2018).

(C) In the event that the Solar Energy in any Commercial Operation Year (including any Compensable Curtailment Energy) exceeds 115% of the Committed Solar Energy ("Excess Solar Energy"), Company shall have the option to either (i) pay Seller the Solar Energy Payment Rate for all such Excess Solar Energy and RECs associated therewith, or (ii) elect not to accept any Excess Solar Energy.

1. Seller shall notify Company upon Seller's delivery of Solar Energy hereunder that exceeds 110% of the Committed Solar Energy for a Commercial Operation Year. Company shall elect within ten (10) Business Days of Seller's Notice to either accept or decline the Excess Solar Energy after the date of Company's election and through the balance of such Commercial Operation Year.

2. If Company elects not to accept Excess Solar Energy, Seller shall have the right to sell such Excess Solar Energy (including associated RECs) to one or more third parties until the end of the applicable Commercial Operation Year, after which the Parties' obligations shall resume pursuant to this PPA, *provided, however, that* Seller shall be solely responsible for arranging transmission service and delivery arrangements to such third party at no cost to Company under this PPA.

8.2 Curtailment Energy Payment Rate.

(A) If following Commercial Operation (i) delivery of Solar Energy is curtailed by Company pursuant to Section 7.3, or an Economic Curtailment occurs and (ii) any such reduction is not a Non-Compensable Curtailment, then:

1. the Parties shall determine the quantity of Solar Energy that would have been produced by the Facility (i) during those periods of time when the Facility is on AGC and the AGC Set-Point is set at a level that will not allow the entire Facility Nameplate Capacity to be deliverable by determining the difference between Potential Energy and the delivered Solar Energy, and (ii) during those periods of time when the Facility is not on AGC or the AGC Set-Point is set at a level that will allow the Facility Nameplate Capacity to be deliverable by determining the amount that would have been available for delivery had its generation not been so curtailed ("Compensable Curtailment Energy").

2. Compensable Curtailment Energy shall be the number of MWh represented by the Potential Energy less the Solar Energy actually delivered and measured by the Electric Metering Devices (and excluding any Non-Compensable Curtailments) during the period of curtailment.

3. Company shall pay to Seller for such Compensable Curtailment Energy net of any Non-Compensable Curtailments all amounts that Seller would have received from Company under this PPA had such

Compensable Curtailment Energy actually been delivered.

(B) For purposes of determining Compensable Curtailment Energy, the amount of Potential Energy at any given time shall be calculated using the best-available data and methods to determine an accurate representation of the amount of Solar Energy.

1. To the extent available, Company agrees to use Seller's real time Park Potential communicated to Company through the SCADA System as the proxy for Potential Energy, except to the extent that Park Potential is demonstrated not to accurately reflect the Potential Energy (plus or minus 5% over a period of one month).

2. During those periods of time when the Park Potential is unavailable or does not accurately represent Potential Energy, the Parties shall use the best available data obtained through Commercially Reasonable methods to determine the Potential Energy.

3. Seller shall be entitled to sell any curtailed energy to third parties to whom Seller is able successfully to transact and deliver, *provided, however, that* the net amount realized for such sale shall offset amounts owed by Company for Compensable Curtailment Energy. Company shall reasonably cooperate with any such sales, and Seller accepts sole responsibility to obtain transmission rights to deliver such energy at no cost to Company. Seller accepts all risk of the unavailability of transmission rights during any curtailment.

(C) Notwithstanding anything in this Article 8 to the contrary, curtailments or reductions of delivery for any of the following reasons shall constitute "Non- Compensable Curtailments" and shall be excluded from Compensable Curtailment Energy, and no payment shall be due Seller under paragraph (A) above for curtailments of delivery of Solar Energy arising out of or resulting from

1. an Emergency;

2. any action taken which reduces or limits the allowable output of the Facility under the Interconnection Agreement or provisional or conditional interconnection agreement, including curtailments arising our of interconnection limits established by the Transmission Authority or market rules that make conditional or provisional interconnection agreements subordinate to unconditional interconnection agreements;

3. the restriction or reduction of transmission service to the Point of Delivery by the applicable transmission service provider to the extent such restriction or reduction would also have been imposed even if firm transmission service had been in place;

4. maintenance outages, whether planned or unplanned, of any part of the transmission system or any testing of the transmission system to the

extent such maintenance outages or testing of the transmission system require a restriction or reduction of the output of the Facility or to the Company's firm transmission service arrangements;

5. the lack of available transmission for generation from the Facility to the Point of Delivery;

6. Seller's failure to maintain in full force and effect any Permit to construct and/or operate the Facility; and

7. Seller's failure to maintain AGC capability or its failure or refusal to respond to an AGC instructions from the EMCC.

Article 9 - Billing and Payment

9.1 Billing.

(A) The billing period shall be the calendar month. Within ten (10) Days after the end of each month, Company will provide to Seller a statement containing the applicable billing parameters based on Company's reading of the Electric Metering Devices and Company's assessment of the amount due during the previous calendar month. No later than fifteen (15) Business Days after the end of each month, Seller shall submit an invoice to Company in a form and by a method mutually agreed to by the Parties showing the payment amount due Seller during the previous calendar month, specifying the Solar Energy and other products and services provided, all billing parameters, rates and factors, and any other data reasonably relevant to the calculation of payments due to Seller.

(B) Seller shall include an explanation of any items in dispute, as well as all supporting documentation upon which Seller relies. Billing disputes shall be resolved in accordance with Section 9.3.

(C) All billing data based on metered deliveries to Company shall be based on meter readings in accordance with Section 5.2.

9.2 Payment. Unless otherwise specified herein, undisputed payments shall be payable by check or electronic funds transfer, as designated by the owed Party, on or before the 15th Business Day following receipt of the invoice. Remittances received by mail will be considered to have been paid when due if the postmark indicates the payment was mailed on or before the 15th Business Day following receipt of the billing invoice.

(A) If a payment is late, a late payment charge shall be applied to the unpaid balance for the number of days payment was late and shall be added to the next billing statement. Late payment charges shall include interest calculated using the prime rate of interest as published on the date of the invoice in *The Wall Street Journal* (or, if unavailable, an equivalent publication on or about that date).

(B) Company at any time may offset against amounts owed to Seller, any liquidated amounts, accrued damages and other payments, and undisputed billing errors and adjustments, which are owed by Seller pursuant to this PPA.

(C) Seller and Company shall net their obligations to each other under this PPA, and payment of the net amount will discharge all mutual undisputed obligations between the Parties.

9.3 Billing Disputes. Either Party may dispute invoiced amounts, but shall pay at least the undisputed portion on or before the date due. To resolve any billing dispute, the Parties shall use the procedures set forth in Article 13. When the billing dispute is resolved, the Party owing shall pay the amount owed within five (5) Business Days of the date of such resolution, without late payment interest except to the extent that it shall have been established that the amount owed was not disputed in good faith, in which case late payment interest charges shall be calculated on the amount found not to have been disputed in good faith in accordance with the provisions of Section 9.2.

Article 10 - Operations and Maintenance

10.1 Operation and Administration.

(A) Seller shall staff, control, and operate the Facility consistent with Good Utility Practices and the Operating Procedures. During daylight hours and/or when the Facility is capable of operation, personnel shall be available at all times via telephone or other electronic means with (i) the capability of remotely operating and stopping the Facility within 10 minutes, and (ii) the ability to be present at the Site within thirty (30) minutes.

(B) Seller shall comply with the applicable requirements of NERC, ERO, Transmission Authority, FERC, or successor organizations, Company requirements, Governmental Authority, and Good Utility Practice in the operation of the Facility.

(C) Seller shall be responsible for providing accurate and timely updates on the current availability of the Facility to Company's EMCC. Seller shall provide to Company a day-ahead availability forecast in accordance with Exhibit H - Data Collection. Seller acknowledges that such forecasting is consistent with the reporting requirements required for compliance with NERC standards intended to maintain reliability. Seller, as the generator, is primarily responsible for complying with the NERC standards and to report the information to Transmission Authority, ERO or other reliability coordinator. Company agrees to provide the forecasted information to the reliability coordinator on Seller's behalf, *provided, however, that* Seller shall remain responsible to ensure the reliability and accuracy of forecasts and any changes to the real-time or forecast availability of the Facility.

10.2 Facility Maintenance.

(A) Seller shall maintain the Facility in accordance with Good Utility Practice and relevant equipment manufacturers' requirements. Seller shall coordinate its regular maintenance requirements for the Facility with Company. Maintenance Schedules shall be provided to Company in writing and sufficiently in advance for Commercially Reasonable review, and shall be subject to Company's Commercially Reasonable approval ("Maintenance Schedule").

(B) Except as otherwise agreed to by Company, Seller shall minimize the amount of scheduled maintenance during On-Peak Months to the full extent consistent with Good Utility Practices and to avoid danger to life and property. During each Business Day of an On-Peak Month, Seller shall use Commercially Reasonable Efforts to (i) maximize the amount of Solar Energy produced by the Facility, and (ii) minimize the extent and duration of Forced Outages.

(C) When Forced Outages occur, Seller shall notify Company's EMCC of the existence, nature, start time, and expected duration of the Forced Outage as soon as practical, but in no event later than two (2) hours after the Forced Outage occurs. Seller shall immediately inform Company's EMCC of changes in the expected duration of the Forced Outage unless relieved of this obligation by Company's EMCC for the duration of each Forced Outage.

10.3 Books and Records.

(A) Seller shall maintain an accurate and up-to-date operating log, in electronic format, at Seller's operations centers, with records of production for each clock hour; changes in operating status; Forced Outages; information required by Applicable Law, Governmental Authority, Transmission Authority, or the ERO in the prescribed format; and other information reasonably requested by Company.

(B) Seller and Company shall each keep complete and accurate records and all other data required by each of them for the purposes of proper administration of this PPA, including such records as may be required by Governmental Authorities, Transmission Authority, NERC or ERO as applicable. All records of Seller pertaining to the operation of a Facility shall be maintained on the premises of the Facility or such other location as is mutually agreed to by the Parties.

(C) Each Party shall keep all books and records necessary for metering, billing and payment and shall provide the other Party Commercially Reasonable access to those records.

(D) Company may audit and examine from time to time upon request and during normal business hours Seller's operating procedures, equipment manuals, and Operating Records. Seller shall maintain all such books and records at the Facility or some other mutually-agreeable location and shall cooperate with Company's audit rights under this Section 10.3.

10.4 Operating Committee and Operating Procedures.

(A) Company and Seller shall each appoint one representative and one alternate representative to act as the Operating Committee in matters relating to the Parties' performance obligations under this PPA and to develop operating arrangements for the generation, delivery and receipt of any output from the Facility. Operating Committee representatives shall be included in EXHIBIT D - NOTICES.

1. The Operating Committee may develop mutually agreeable written Operating Procedures consistent with the requirements of this PPA, to address matters of day-to-day communications; key personnel; operations-center interface; metering, telemetering, telecommunications, and data acquisition procedures; operations and maintenance scheduling and reporting; reports; operations log; testing procedures; and such other matters as may be mutually agreed upon by the Parties.

(B) The Operating Committee shall review the requirements for AGC from time to time after the date hereof and may agree on modifications thereto to the extent necessary or convenient for operation of the Facility in accordance with this PPA.

(C) The Operating Committee shall have authority to act in all technical and day-to-day operational matters relating to performance of this PPA and to attempt to resolve disputes or potential disputes, *provided, however, that* except to the extent explicitly provided for in this PPA, such representatives and the Operating Committee shall not have the authority to amend or modify any provision of this PPA.

10.5 Access to Facility. With accompaniment of one or more representatives of Seller, appropriate representatives of Company shall have access to the Facility with Commercially Reasonable prior notice, to read meters and perform inspections as may be appropriate to facilitate the performance of this PPA. While at the Facility, such representatives shall observe such Commercially Reasonable safety precautions as may be required by Seller and shall conduct themselves in a manner that will not interfere with the operation of the Facility.

10.6 Capacity Accreditation. Company has certain planning, operating and reporting requirements. Seller shall complete any and all required capacity testing and reporting pursuant to, and in accordance with, the procedures and guidelines applicable to Company-owned or purchased generation set forth in Module E of the MISO Open Access Transmission Tariff as amended from time to time.

10.7 Real Time Data.

(A) Seller shall communicate all data necessary for Company to integrate the Facility into Company's EMCC in real time through the Facility's SCADA System in accordance with the AGC Protocols. Seller shall maintain the Facility's SCADA System so that it is capable of interfacing with and reacting to Company's AGC Set-Point and responding to signals from the Company's EMCC in accordance with the AGC Protocols.

1. Seller shall use Commercially Reasonable Efforts to adjust the real time Park Potential when Company communicates to Seller a measured difference of plus or minus two percent between the metered Solar Energy, during a time where there was no AGC Set-Point, and Park Potential.

2. In the event that Company reasonably concludes that (i) Seller is not (i) providing the data required by this Section 10.6, (ii) interfacing with and reacting to Company's AGC Set-Point as required by this PPA, and/or (iii) providing Park Potential data within the required margin of error, then upon Notice from Company, Seller shall, at Seller's expense, take those actions necessary to fully comply with this paragraph. Upon Seller's request, Company shall cooperate with Seller in taking any such actions.

(B) For the Term of this PPA, Seller shall maintain two (2) meteorological station(s) at the Facility. Upon Company's reasonable request following the Commercial Operation Date, and up to sixty (60) days prior thereto, if so requested by Company on reasonable notice, Seller shall provide Company, at Seller's expense, real time unit performance for all Solar Units and meteorological data for all meteorological station(s) at the Facility in accordance with EXHIBIT H – OPERATING STANDARDS, AGC PROTOCOLS, DATA COLLECTION for the Term of this PPA. Seller shall undertake to maintain Seller-owned data collection systems that are compatible with Company's PI. Seller shall ensure that real time communications capabilities are available and maintained for the transmission to Company's PI. Seller shall ensure that all meteorological equipment at a minimum meets the specifications set forth in EXHIBIT H – OPERATING STANDARDS, AGC PROTOCOLS, DATA COLLECTION. Company shall be entitled to disclose data gathered through the Company's PI to third parties. Company shall have the right to disclose data gathered through the Company's PI system publicly *provided, however, that* such data is (i) masked to obscure the origin of the data and (ii) aggregated so that the data cannot be correlated and used by competitors of Seller and the supplier of the Solar Units.

Article 11 - Security for Performance

11.1 Security Fund.

(A) No later than thirty (30) Days following the Parties' receipt of the initial written order of the MPUC approving this PPA on terms and conditions satisfactory to Company in its sole discretion, Seller shall establish, fund, and maintain a Security Fund that is available to pay any amount due to Company pursuant to this PPA, and to provide Company security that Seller will satisfy its obligations under this PPA.

1. The Security Fund shall equal (i) the Pre-COD Security Fund up to the COD, and (ii) the Post-COD Security Fund on and after the COD and throughout the Term.

2. Seller shall replenish the Security Fund within fifteen

(15) Business Days after Company makes a draw on the Security Fund as authorized by this PPA, up to the required amount, *provided, however, that* Seller shall not be required to replenish the Security Fund to a level in excess of the remaining amount of the applicable Damage Cap. Notwithstanding the foregoing, Seller shall replenish all amounts drawn from the Security Fund in respect of damages described in Section 12.3(C).

(B) Company may draw from the Security Fund such amounts as are necessary to recover amounts owing to Company pursuant to this PPA, including any damages due to Company and any amounts for which Company is entitled to indemnification under this PPA. Company may, in its sole discretion, draw all or any part of such amounts due to it from any form of security to the extent available pursuant to this Section 11.1 and in any sequence Company may select. Company's failure or delay to draw any amount from the Security Fund in any instance shall not prejudice Company's rights to subsequently recover such amount from the Security Fund or in any other manner.

(C) The Security Fund shall be maintained at Seller's expense, shall be originated by or deposited in a financial institution or company ("Issuer") satisfying the requirements of this Section 11.1, and shall be in the form of any combination of the following instruments:

1. The Security Fund may be in the form of an irrevocable standby letter of credit in the form and substance of EXHIBIT G-1 - LETTER OF CREDIT, and any material changes to such EXHIBIT shall be subject to review and approval by Company at its sole discretion (the "Letter of Credit").

a. The Issuer for the Letter of Credit shall have and maintain an unsecured bond rating (unenhanced by third-party support) equivalent to A- or better as determined by all rating agencies that have provided such a rating, and if ratings from either Standard & Poor's and Moody's are not available, equivalent ratings from alternate rating sources reasonably acceptable to Company. If such rating is equivalent to A-, the Issuer must not be on credit watch or have a negative outlook by any rating agency.

b. The Letter of Credit must be for a minimum term of three hundred and sixty (360) Days. Seller shall give Company at least thirty (30) Days advance Notice prior to any expiration or earlier termination of the Letter of Credit. Seller shall cause the renewal or extension of the Letter of Credit or other authorized security for additional consecutive terms of three hundred and sixty (360) Days or more (or, if shorter, the remainder of the Term) more than thirty (30) Days prior to each expiration date of the security. If the Letter of Credit or other security is not renewed or extended at least thirty (30) Days prior to its expiration date or otherwise is terminated early, Company shall have the right to draw immediately upon the security and to place the amounts so drawn, at Seller's cost and with Seller's funds, in an interest bearing escrow account in accordance with sub-paragraph (2) below, until and unless Seller provides a substitute form of such

security meeting the requirements of this Section 11.1.

2. The Security Fund may be in the form of United States currency, in which Company holds a first and exclusive perfected security interest, deposited with an Issuer who is a state or federally-chartered commercial bank with operations in the State in which the Facility is located (or such other escrow agent acceptable to Company in its sole discretion) in an account under which Company is designated as beneficiary with sole authority to draft from the account or otherwise access the security (the "Escrow Account"). The Escrow Account shall be established pursuant to an Escrow Agreement substantially in the form attached as EXHIBIT G-3 - ESCROW AGREEMENT. Funds held in the Escrow Account may be deposited in a money- market fund, short-term treasury obligations, investment-grade commercial paper and other liquid investment-grade investments with maturities of three months or less, with all investment income thereon to be taxable to, and to accrue for the benefit of, Seller. After the Commercial Operation Date, periodic sweeps by Seller for recovery of interest earned by the escrowed funds shall be allowed, and, at any time the balance in the escrow account exceeds the required amount of security, the escrow agent may remit any excess to Seller.

3. Following COD, the Security Fund may consist of a guaranty substantially in the form of EXHIBIT G-2 - GUARANTY, from an Issuer with a minimum of net worth of at least two hundred million dollars ($200,000,000) and a senior unsecured credit rating (unenhanced by third-party support) equivalent to BBB+ or better as determined by all rating agencies that have provided such a rating, and if ratings from both Standard & Poor's and Moody's (or if either one or both are not available, equivalent ratings from alternate rating sources reasonably acceptable to Company). If such senior unsecured credit rating of the Issuer is exactly equivalent to BBB+, the Issuer must not be on credit watch or have a negative outlook by a rating agency. If the credit rating of the Issuer is downgraded or there has been a change that has a Material Adverse Effect in the creditworthiness of the Issuer, then Seller shall be required to convert the guarantee provided by such Issuer to a Security Fund instrument meeting the criteria set forth in either sub-paragraph (1) or sub-paragraph (2) of this Section 11.1(C) no later than 10 Days after receiving information from or about the Issuer that the Issuer no longer satisfies the requirements of this paragraph.

(D) Seller may change the form of the Security Fund at any time and from time to time upon Commercially Reasonable prior Notice to Company, *provided, however, that* the Security Fund must at all times satisfy the requirements of this Section 11.1.

(E) Company may reevaluate from time to time the value of any Security posted by Seller to determine, in a Commercially Reasonable manner, whether (i) it continues to satisfy the requirements in this PPA or (ii) there has been a change that has a Material Adverse Effect in the creditworthiness of the Issuer or

guarantor, such that it does not or with the passage of time, it will no longer satisfy the requirements of this PPA. If Company determines, in a Commercially Reasonable manner, that there has been an event that has caused, or will cause, with the passage of time, Seller's Security to no longer satisfy the requirements of this PPA, then Company shall provide prompt Notice to Seller of such event and after receipt of such Notice, Seller shall be required to provide alternative Security that satisfies the terms of this PPA.

(F) The Security Fund shall survive termination of this PPA to be available to pay any amounts owed to Company arising prior to or upon termination. Promptly following (i) the end of the Term and the completion of all of Seller's obligations under this PPA, or (ii) termination of this PPA for any reason prior to the end of the Term. Company shall determine the amount, if any, owed by Seller for any obligations or damages arising out of this PPA. Company may draw such amount and shall release the balance of the Security Fund (including any accumulated interest, if applicable) to Seller.

(G) Seller shall reimburse Company for the incremental direct expenses (including the fees and expenses of counsel) incurred by Company in connection with the preparation, negotiation, execution and/or release (including making a draw of funds) of any security instruments, and other related documents, used by Seller to establish and maintain the Security Fund pursuant to Seller's obligations under this Section 11.1.

Article 12 - Default and Remedies

12.1 Events of Default. Any of the following events shall constitute an Event of Default of the specified Party if such event has not been cured within the cure period specified for such event:

(A) Either Party's failure to make any payment to the other Party as required by this PPA, including invoices pursuant to Article 9, Liquidated Delay Damages, Actual Damages, any required indemnification, or any other required payment, and such amount remains unpaid for a period of ten (10) Business Days after the date the defaulting Party receives Notice from the non-defaulting Party that the amount is overdue.

(B) Either Party's application for, or consent (by admission of material allegations of a petition or otherwise) to, the appointment of a receiver, trustee or liquidator for a Party or for all or substantially all of its assets, or its authorization of such application or consent, or the commencement of any proceedings seeking such appointment against it without such authorization, consent or application, which proceedings continue undismissed or unstayed for a period of sixty (60) Days from its inception.

(C) Either Party's authorization or filing of a voluntary petition in bankruptcy or application for or consent (by admission of material allegations of a petition or otherwise) to the application of any bankruptcy, reorganization,

readjustment of debt, insolvency, dissolution, liquidation or other similar law of any jurisdiction or the institution of such proceedings against a Party without such authorization, application or consent, which proceedings remain undismissed or unstayed for sixty (60) Days from its inception or which result in adjudication of bankruptcy or insolvency within such time.

(D) Either Party's unauthorized assignment of this PPA or Change of Control, immediately upon its occurrence and without further notice from the non-defaulting Party.

(E) Any material representation or warranty made by a Party in this PPA that is proven to have been false in any material respect when made.

(F) Any material representation or warranty made by a Party in this PPA that was true at the time made but ceases to remain true during the Term if such cessation would reasonably be expected to result in a Material Adverse Effect on the non-defaulting Party and such representation or warranty remains uncured for a period of ten (10) Business Days after the date the defaulting Party receives Notice from the non-defaulting Party or if such cure cannot reasonably be effected within ten (10) Business Days either Party commences to cure such default within ten (10) Business Days and completes such cure within sixty (60) Business Days.

(G) Seller's failure to establish and maintain the Security Fund and in the amounts required that remains uncured for five (5) Business Days after Company provides Notice of Seller's failure.

(H) Seller's failure to achieve Commercial Operation within ninety (90) Days after the Commercial Operation Milestone, *provided, however, that* if during such period Seller provides a written opinion from a mutually-agreeable independent engineer that the COD can reasonably be achieved within an additional ninety (90) Day period, then Seller shall be allowed a total period not to exceed one hundred and eighty (180) Days after the Commercial Operation Milestone to achieve Commercial Operation, *provided further that* Liquidated Delay Damages shall have been paid throughout the entire period of delay and that no additional cure period for such default shall be required.

(I) Seller's failure to deliver at least eighty-five percent (85%) of the Committed Solar Energy during any Commercial Operation Year, beginning with the second (2^{nd}) Commercial Operation Year (a "Committed Solar Energy Measurement Period").

1. To the extent such failure to deliver Committed Solar Energy is attributable to (i) Force Majeure; (ii) actual measured solar irradiation falling below the Expected Solar Irradiation for the Committed Solar Energy Measurement Period as calculated using the methodology set forth in EXHIBIT L – METHODOLOGY FOR ADJUSTING THE TWELVE-MONTH COMMITTED SOLAR ENERGY VALUE FOR DIFFERENCES IN ACTUAL SOLAR IRRADIATION AND EXPECTED SOLAR IRRADIATION; (iii) curtailment by Company under Section 7.3, or (iv) the Company's

failure to perform under this Agreement, to the extent such failure is the direct cause of Seller's failure to deliver Committed Solar Energy, the contribution of such occurrences shall be imputed into the calculation of Committed Solar Energy for the purposes of, and only for the purposes of, establishing a default of Seller under this paragraph (a "Shortfall"). Seller shall be permitted to add and/or replace Solar Units on the Site if and to the extent reasonably required to cure Seller's default pursuant to this paragraph.

2. The failure to deliver Committed Solar Energy shall be remedied if within thirty (30) Days following the end of the applicable Committed Solar Energy Measurement Period, Seller cures the reason(s) for such default (or, if such cure cannot reasonably be effected within thirty (30) Days, Seller commences to cure such default within thirty (30) days and then diligently pursues such cure to completion as soon as practicable thereafter), and (ii) as a result of such efforts, during the twelve-month period subsequent to the applicable Committed Solar Energy Measurement Period, the production of Solar Energy by the Facility (adjusted as provided in paragraph (1)) equals or exceeds ninety-five percent (95%) of the Committed Solar Energy.

3. Seller shall keep Company apprised at least monthly of Seller's cure efforts under this Section 12.1(I), if any.

(J) A termination or cessation of service under the Interconnection Agreement or any other agreement necessary for Seller to interconnect the Facility to the Transmission Authority's System; *provided, however*, that if the termination of, or cessation of service under, any such agreement is not due to the fault of Seller, Seller shall have sixty (60) Days from such termination or cessation to cure such default or such longer cure period as provided in any such agreement.

(K) The failure by either Party to perform or observe any other material obligation to the other Party under this PPA, that is not excused by Force Majeure and such failure shall remain unremedied for thirty (30) Days after Notice thereof shall have been given by the non-defaulting Party.

12.2 Remedies. Upon the occurrence of any Event of Default of this PPA, the non-defaulting Party may pursue all rights and remedies available to it at law and in accordance with the terms of this PPA. Except as explicitly provided to the contrary in this PPA, each right or remedy of the Parties provided for in this PPA shall be cumulative of and shall be in addition to every other right or remedy provided for in this PPA, and the exercise of one or more or the rights or remedies provided for herein shall not preclude the simultaneous or later exercise by such Party of any other rights or remedies provided for herein.

(A) Termination and Damages. For any uncured Event of Default, the non-defaulting Party may, at its option do any, some, or all of the following:

1. Offset from any payments due from the non-defaulting Party any amount otherwise due, including any unpaid Liquidated Delay Damages

or Actual Damages;

2. Seek Actual Damages in such amounts and on such basis for the default as authorized by this PPA;

3. In the case of an Event of Default by Seller, draw on the Security Fund for any unpaid Liquidated Delay Damages and/or Actual Damages, or any other required and unpaid amount;

4. In the case of an Event of Default by Seller, exercise of Company's Step-In Rights.

5. Terminate this PPA immediately upon Notice, without penalty or further obligation to the defaulting Party. Upon the termination of this PPA under this Section 12.2, the non-defaulting Party shall be entitled to receive from the defaulting Party, subject to the Damage Caps, all of the Liquidated Delay Damages and Actual Damages in connection with the Event of Default resulting in such termination.

(B) Liquidated Delay Damages. Prior to the COD, Seller shall be liable to pay Company Liquidated Delay Damages as a liquidated damage and not a penalty for any delay in meeting the Commercial Operation Milestone on the terms and conditions as follows:

1. Provided Seller actually pays Liquidated Delay Damages as and when owed, the payment of such Liquidated Delay Damages shall be Company's sole and exclusive remedy for Seller's failure to achieve, or Seller's delay in achieving the Commercial Operation Milestone. Liquidated Delay Damages shall be payable in lieu of Actual Damages accrued for the period during which Liquidated Delay Damages are assessed. The Parties specifically recognize that Company's damages associated with any delays in achieving the Commercial Operation Milestone will be significant but that it will be difficult to quantify those damages.

2. All Liquidated Delay Damages shall begin to accrue on the Day after the Commercial Operation Milestone as may be extended pursuant to this PPA until the Day after such Commercial Operation Date is achieved.

(C) Actual Damages. For all Events of Default arising after the COD, the non-defaulting Party shall be entitled to receive from the defaulting Party all direct damages proximately caused by such Event of Default ("Actual Damages") incurred by the non-defaulting Party; *provided, however, that* if an Event of Default has occurred and has continued uncured for a period of three hundred sixty-five (365) Days, the non-defaulting Party shall be required to either waive its right to collect further damages on account of such Event of Default or elect to terminate this PPA. If Seller is the defaulting Party, the Parties agree that Actual Damages recoverable by Company hereunder on account of an Event of Default of Seller may include Replacement Power Costs. If Company is the defaulting Party, the

Parties agree that Actual Damages may include any direct damages available under this PPA.

(D) Specific Performance. In addition to the other remedies specified in this Article 12, in the event that any Event of Default of Seller is not cured within the applicable cure period set forth herein, Company may elect to treat this PPA as being in full force and effect and Company shall have the right to specific performance. By way of example, if the breach by Seller arises from a failure by third party operating the Facility pursuant to an operating agreement entered into with Seller, and Seller fails or refuses to enforce its rights under the operating agreement that would result in the cure, or partial cure, of the Event of Default, Company's right to specific performance shall include the right to obtain an order compelling Seller to enforce its rights under the operating agreement.

12.3 Limitation on Damages.

(A) Except as otherwise provided in this Section 12.3, (i) Seller's aggregate financial liability to Company for Liquidated Delay Damages shall not exceed Pre-COD Damage Cap, and (ii) Seller's aggregate financial liability to Company for Actual Damages shall not exceed the Post-COD Damage Cap (collectively the "Damage Cap(s)").

(B) If at any time during the Term, Company incurs damages in excess of a Damage Cap that Seller does not agree to pay when billed by Company, Company shall have the right to terminate this PPA upon Notice.

(C) The Damage Caps shall not apply to Actual Damages arising out of any of the following events:

1. damage to Company-owned facilities caused by Seller's acts or omissions;

2. Seller's intentional misrepresentation or misconduct in connection with this PPA or the operation of the Facility;

3. the sale or diversion by Seller to a third party of any capacity or energy committed to Company under this PPA;

4. Seller's failure (i) to maintain insurance coverages in the types and amounts required by this PPA or (ii) to apply any insurance proceeds to restoration of damaged equipment of the Facility following a casualty except to the extent allowed by this PPA;

5. any claim for indemnification under this PPA;

6. any Environmental Contamination caused by Seller in connection with this PPA; or

7. damages incurred by Company in connection with any bankruptcy or insolvency proceeding involving Seller, including Company's loss of the benefit of its bargain due to rejection or other termination of this PPA in such proceeding.

(D) The Parties confirm that the express remedies and measures of damages provided in this PPA satisfy the essential purposes hereof. If no remedy or measure of damages is expressly herein provided, the obligor's liability shall be limited to Actual Damages only. Neither Party shall be liable to the other Party for consequential, incidental, punitive, exemplary, special, equitable or indirect damages, lost profits or other business interruption damages by statute, in tort or contract (except to the extent expressly provided herein); *provided, however, that* if either Party is held liable to a third party for such damages and the Party held liable for such damages is entitled to indemnification from the other Party hereto, the indemnifying Party shall be liable for, and obligated to reimburse the indemnified Party for, such damages. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, that otherwise obtaining an adequate remedy is inconvenient, and that the liquidated damages constitute a reasonable approximation of the harm or loss.

12.4 Step-In Rights.

(A) Upon the occurrence of an Event of Default occurring after the Commercial Operation Date, and after the expiration of any cure period of Seller or Facility Lender, Company shall have the right, but not the obligation, to exercise its Step-In Rights for the period of time until Seller has cured its Event of Default, Facility Lender has cured such Event of Default or this PPA has been terminated. Exercising Step-In Rights shall not preclude or limit Company's right to exercise any remedy it has against Seller under this PPA.

(B) Seller irrevocably appoints Company as Seller's attorney-in-fact for the exclusive purpose of executing such documents and taking such other actions necessary to implement Company's Step-In Rights. Seller shall not grant any person, other than the Facility Lender, a right to possess, assume control of, or operate the Facility in derogation of Company's Step-In Rights.

(C) Company acknowledges that the Facility Lender may foreclose and take possession of and operate the Facility and Company may be required to relinquish its Step-In Rights in such circumstance. Prior to commencing construction of the Facility, Seller shall obtain the written agreement of the Facility Lender recognizing Company's Step-In Rights as being limited only by foreclosure of the Facility as a result of Seller's material default of its contractual obligations with the Facility Lender.

(D) Company shall implement its Step-In Rights in conformance with Good Utility Practice and shall perform Seller's obligations in a manner consistent with Seller's duties under this PPA. Seller shall reimburse Company for its

reasonable expenses and costs (including the fees and expenses of counsel) incurred by Company in connection with exercising its Step-In Rights. Company shall give Seller and the Facility Lender ten (10) Days Notice in advance of exercising Company's Step-In Rights. Upon receipt of such Notice:

1. Seller shall make available at the Facility all documents, contracts, books, manuals, reports, and records required to construct, operate, and maintain the Facility in accordance with Good Utility Practice.

2. Seller shall give Company, its employees, contractors, or designated third parties unrestricted access to the Site and the Facility.

3. Seller shall cooperate in the implementation of Company's Step-In Rights.

4. Company shall use the output generated and delivered from the Facility during such period in partial satisfaction of Seller's obligations hereunder.

(E) Company may draw upon the Security Fund to cover any expenses incurred by Company in exercising its rights under this Section.

(F) Seller shall retain legal title to and ownership of the Facility.

(G) Company shall provide Seller with at least fifteen (15) Days Notice of Company's intent to relinquish its Step-In Rights. Company shall relinquish its Step-In Rights on the earliest of (i) termination of this PPA; (ii) Seller has cured all outstanding defaults; (iii) Company's unilateral decision to relinquish possession of the Facility; or (iv) the Parties mutual decision.

(H) Company's Step-In Rights shall not constitute an assumption by Company of any liability attributable to Seller.

(I) Nothwithstanding the foregoing, and for the avoidance of doubt, Company's Step in Rights shall be subject and subordinate to the rights of Facility Lender set forth in this Agreement and the Lender Consent.

12.5 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use Commercially Reasonable Efforts to minimize any damages it may incur as a result of the other Party's performance or non-performance of the PPA.

Article 13 - Dispute Resolution

13.1 Dispute Resolution.

(A) In the event of any dispute arising under this PPA (a "Dispute"), within ten (10) Business Days following Notice by either Party, (i) each

Party shall appoint a representative, and (ii) the representatives shall meet, negotiate and attempt in good faith to resolve the Dispute quickly, informally and inexpensively. In the event the representatives cannot resolve the Dispute within thirty (30) Days after the first meeting, either Party may request that consideration and resolution of the Dispute be transferred to a designated representative of each Party's senior management. Within ten (10) Days following such a request, each Party shall submit a written summary of the Dispute describing the issues and claims to a senior officer of each Party designated to address the Dispute. Within ten (10) Business Days after receipt of each Party's Dispute summaries, the senior management representatives for both Parties shall negotiate in good faith to resolve the Dispute. If such senior management representatives are unable to resolve the Dispute thereafter, either Party may seek available legal remedies.

(B) If no Notice has been issued within twenty-four (24) months following the occurrence of events or circumstances giving rise to the Dispute (regardless of the knowledge or potential knowledge of either Party of such events and circumstances), the Dispute and all claims related thereto shall be deemed waived and the aggrieved Party shall thereafter be barred from proceeding thereon.

(C) **SELLER AND COMPANY EACH HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS PPA OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF SELLER AND COMPANY RELATED HERETO AND EXPRESSLY AGREE TO HAVE ANY DISPUTES ARISING UNDER OR IN CONNECTION WITH THIS PPA BE ADJUDICATED BY A JUDGE OF THE COURT HAVING JURISDICTION WITHOUT A JURY.**

Article 14 - Force Majeure

14.1 Applicability of Force Majeure. A Party shall be relieved of its obligations to perform this PPA and shall not be considered to be in default with respect to any obligation under this PPA if, and to the extent such Party is prevented from fulfilling such obligation by Force Majeure, *provided, however, that*: (i) such Party gives prompt Notice describing the circumstances and impact of the Force Majeure; (ii) the relief from its obligations sought by such Party is of no greater scope and of no longer duration than is required by the Force Majeure; (iii) such Party proceeds with due diligence to overcome the Force Majeure and resume performance of its obligations under this PPA; and (iv) such Party provides Notice prior to the conclusion of the Force Majeure.

14.2 Limitations on Effect of Force Majeure.

(A) Force Majeure shall only relieve a Party of such obligations as are actually precluded by the Force Majeure.

(B) In no event will the existence of Force Majeure extend this PPA beyond its stated Term.

(C) If Force Majeure affecting Seller continues for an uninterrupted period of ninety (90) Days from its inception (with respect to Force Majeure occurring prior to COD) or three hundred sixty-five (365) Days from its inception (with respect to Force Majeure occurring after COD), Company may, at any time following the end of such period, terminate this PPA upon Notice to Seller, without further obligation by either Party except as to costs and balances incurred prior to the effective date of such termination.

14.3 Delays Attributable to Company. Seller shall be excused from performing its obligations under this PPA where Seller can establish that such a failure was caused by (i) any delay or failure by Company to perform its obligations under this PPA, or (ii) any delay or failure by the Transmission Authority to perform its obligations under the Interconnection Agreement, in each case whether or not caused by Force Majeure.

Article 15 - Representations and Warranties

15.1 General Representations and Warranties. Each Party hereby represents and warrants to the other as follows, which representations and warranties will be deemed to be repeated, if applicable, by each Party throughout the Term:

(A) It is a valid separate legal entity, duly organized, validly existing and in good standing under Applicable Law. It is qualified to do business in the State in which the Facility is located and each other jurisdiction where the failure to so qualify would have a Material Adverse Effect on the business or financial condition of the other Party; it has all requisite power and authority to conduct its business, to own its properties, and to execute, deliver, and perform its obligations under this PPA.

(B) The Party's execution, delivery, and performance of all of its obligations under this PPA have been duly authorized by all necessary corporate action, and do not and will not:

1. require any consent or approval by any governing corporate or management body, other than that which has been obtained and is in full force and effect (evidence of which shall be delivered to the other Party upon its request);

2. violate any Applicable Law, or violate any provision in any formation documents, the violation of which could have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA;

3. result in a breach or constitute a default under the representing Party's formation documents or bylaws, or under any agreement relating

to its management or affairs or any indenture or loan or credit agreement, or any other agreement, lease, or instrument to which it is a party or by which it or its properties or assets may be bound or affected, the breach or default of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA; or

4. result in, or require the creation or imposition of any mortgage, deed of trust, pledge, lien, security interest, or other charge or encumbrance of any nature (other than as may be contemplated by this PPA) upon or with respect to any of the assets or properties of the representing Party now owned or hereafter acquired, the creation or imposition of which could reasonably be expected to have a Material Adverse Effect on the representing Party's ability to perform its obligations under this PPA.

(C) This PPA is a valid and binding obligation of the representing Party.

(D) The execution and performance of this PPA will not conflict with or constitute a breach or default under any contract or agreement of any kind to which the representing Party is a party or any judgment, order, or Applicable Law, applicable to it or its business.

(E) Within the meaning of the United States bankruptcy code, (i) this PPA constitutes a "master netting agreement", (ii) all transactions pursuant to this PPA constitute "forward contracts" or a "swap agreement", (iii) the representing Party is a "forward contract merchant" and "master netting agreement participant", and (iv) and all payments made or to be made pursuant to this PPA constitute "settlement payments."

(F) It is (i) an "eligible contract participant" as defined in Section 1a(12) of the Commodity Exchange Act, as amended, 7 U.S.C. § 1a(12), (ii) a "market participant" under applicable exchange and market rules; (iii) a producer, processor, or commercial user of, or a merchant handling, the commodity which is the subject of this PPA, or the products or by products thereof; and (iv) entering into this PPA solely for purposes related to its business as such.

(G) This PPA grants each Party the contractual right to "cause the liquidation, termination or acceleration" of the transactions within the meaning of Section 556, 560 and 561 of the bankruptcy code, as they may be amended superseded or replaced from time to time. Upon a bankruptcy, a non-defaulting Party shall be entitled to exercise its rights and remedies under this PPA in accordance with the safe harbor provisions of the bankruptcy code set forth in, inter alia, Sections 362(b)(6), 362(b)(17), 362(b)(27), 362(o), 546(e), 548(d)(2), 556, 560 and 561, as they may be amended superseded or replaced from time to time.

15.2 Seller's Specific Representation. To the best knowledge of Seller, and except for those Permits identified in EXHIBIT F - SELLER'S PERMITS, which Seller anticipates will be obtained by Seller in the ordinary course of business, all Permits, or other action required by any Governmental Authority to authorize

Seller's execution, delivery and performance of this PPA have been duly obtained and are in full force and effect.

15.3 Company's Specific Representation. To the best knowledge of Company, and except for the State Regulatory Approval(s) identified in Section 6.1, all approvals, authorizations, consents, or other action required by any Governmental Authority to authorize Company's execution, delivery and performance of this PPA, have been duly obtained and are in full force and effect.

Article 16 - Insurance

16.1 Evidence of Insurance. No later than commencement of construction and then on or before June 1 of each year, Seller shall provide Company with two copies of insurance certificates acceptable to Company evidencing that insurance coverages for the Facility are in compliance with the specifications for insurance coverage set forth in EXHIBIT E - INSURANCE to this PPA. Such certificates shall (a) name Company as an additional insured (except worker's compensation); (b) provide that Company shall receive thirty (30) Days prior Notice of non-renewal, cancellation of, or significant modification to any of the corresponding policies (except that such Notice shall be 10 Days for non-payment of premiums); (c) provide a waiver of any rights of subrogation against Company, its Affiliates and their officers, directors, agents, subcontractors, and employees; and (d) indicate that the Commercial General Liability policy has been endorsed as described above. All policies shall be written with insurers with an AM Best rating of at least A-VII or a Standard & Poor's rating of at least A. All policies shall be written on an occurrence basis, except as provided in Section 16.2. All policies shall contain an endorsement that Seller's policy shall be primary in all instances regardless of like coverages, if any, carried by Company. Seller's liability under this PPA is not limited to the amount of insurance coverage required herein.

16.2 Term and Modification of Insurance.

(A) All insurance required under this PPA shall cover occurrences during the Term and for a period of two years after the Term. In the event that any insurance as required herein is commercially available only on a "claims-made" basis, such insurance shall provide for a retroactive date not later than the date of this PPA and such insurance shall be maintained by Seller for a minimum of six years after the Term. For the avoidance of doubt, Seller's compliance with the insurance requirements under Article 16 shall be satisfied by Seller's provision of the appropriate insurance certificates.

(B) Company shall have the right, at times deemed appropriate to Company during the Term, to request Seller to modify the insurance minimum limits specified in EXHIBIT E - INSURANCE in order to maintain Commercially Reasonable coverage amounts. Seller shall make all Commercially Reasonable Efforts to comply with any such request.

(C) If any insurance required to be maintained by Seller hereunder

ceases to be reasonably available and commercially feasible in the commercial insurance market, Seller shall provide Notice to Company, accompanied by a certificate from an independent insurance advisor of recognized national standing, certifying that such insurance is not reasonably available and commercially feasible in the commercial insurance market for electric generating plants of similar type, geographic location and capacity. Upon receipt of such Notice, Seller shall attempt to obtain other insurance that would provide comparable protection against the risk to be insured.

16.3 Application of Proceeds. Seller shall apply any insurance proceeds to reconstruction of the Facility following a casualty.

Article 17 - Indemnity

17.1 Indemnification. Each Party (the "Indemnifying Party") agrees to indemnify, defend and hold harmless the other Party (the "Indemnified Party") from and against all third party claims, demands, losses, liabilities, penalties, and expenses (including attorneys' fees) for personal injury or death to persons and damage to the Indemnified Party's real property and tangible personal property or facilities or the property of any other person or entity to the extent arising out of, resulting from, or caused by the (i) an Event of Default or other breach under this PPA, (ii) violation of Applicable Laws, (iii) negligent or tortious acts, errors, or omissions, or (iv) intentional acts or willful misconduct, of the Indemnifying Party, its Affiliates, its directors, officers, employees, or agents.

(A) This indemnification obligation shall apply notwithstanding any negligent or intentional acts, errors or omissions of the Indemnified Party, but the Indemnifying Party's liability to indemnify the Indemnified Party shall be reduced in proportion to the percentage by which the Indemnified Party's negligent or intentional acts, errors or omissions caused the damages.

(B) Neither Party shall be indemnified for its damages resulting from its sole negligence, intentional acts or willful misconduct. These indemnity provisions shall not be construed to relieve any insurer of its obligation to pay claims consistent with the provisions of a valid insurance policy.

(C) Nothing in this Section 17.1 shall enlarge or relieve Seller or Company of any liability to the other for any breach of this PPA.

17.2 Notice of Claim. Promptly after receipt by a Party of any claim or notice of the commencement of any action, administrative, or legal proceeding, or investigation as to which the indemnity provided for in this Article 17 may apply, the Indemnified Party shall Notice thereof to the Indemnifying Party. The Indemnifying Party shall assume the defense thereof with counsel designated by such Party and satisfactory to the Indemnified Party, *provided, however, that* if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal

defenses available to it which are different from or additional to, or inconsistent with, those available to the Indemnifying Party, the Indemnified Party shall have the right to select and be represented by separate counsel, at the Indemnifying Party's expense, unless a liability insurer is willing to pay such costs.

17.3 Settlement of Claim. If the Indemnifying Party fails to assume the defense of a claim meriting indemnification, the Indemnified Party may at the expense of the Indemnifying Party contest, settle, or pay such claim, *provided, however, that* settlement or full payment of any such claim may be made only following consent of the Indemnifying Party or, absent such consent, written opinion of the Indemnified Party's counsel that such claim is meritorious or warrants settlement.

17.4 Amounts Owed. Except as otherwise provided in this Article 17, in the event that a Party is obligated to indemnify and hold the other Party and its successors and assigns harmless under this Article 17, the amount owing to the Indemnified Party will be the amount of the Indemnified Party's actual loss net of any insurance proceeds received by the Indemnified Party following a Commercially Reasonable effort by the Indemnified Party to obtain such insurance proceeds.

Article 18 - Lender Provisions

18.1 Accommodation of Facility Lender. Company shall make Commercially Reasonable Efforts to provide such consents to collateral assignment, certifications, representations, information or other documents, as may be reasonably requested by Seller in connection with the financing of the Facility consistent with the terms set forth in EXHIBIT I – LENDER CONSENT PROVISIONS (generally, a "Lender Consent"), *provided, however, that* in providing a Lender Consent, Company shall have no obligation to alter or modify the terms of this PPA or provide any consent or enter into any agreement, that has a Material Adverse Effect on any of Company's rights, benefits, risks, or obligations under this PPA. Seller shall reimburse, or shall cause the Facility Lender to reimburse, Company for the direct expenses (including the fees and expenses of counsel) incurred by Company in the preparation, negotiation, execution and/or delivery of the Lender Consent and any documents requested by Seller or the Facility Lender, and provided by Company, pursuant to this Section 18.1. Seller shall provide Company with a Notice identifying the Facility Lender and providing appropriate contact information for the Facility Lender.

18.2 Facility Lender Notice and Right to Cure. Seller shall provide Company with a Notice identifying the Facility Lender and providing appropriate contact information for the Facility Lender. Following receipt of such Notice, Company shall provide Notice of any breach or default of Seller to the Facility Lender, and Company will accept a cure performed by the Facility Lender, so long as the cure is accomplished within the applicable cure period set forth in this PPA.

18.3 Notice of Facility Lender Action. Within ten (10) Days following Seller's receipt of each Notice from the Facility Lender of default, or Facility Lender's intent to

exercise any remedies under the Financing Documents, Seller shall deliver a copy of such Notice to Company.

18.4 Officer Certificates. Each Party shall deliver or cause to be delivered to the other Party certificates of its officers, accountants, engineers or agents as to matters as may be reasonably requested, and shall make available personnel and records relating to the Facility to the extent that the requesting Party requires the same in order to fulfill any regulatory reporting requirements, or to assist the requesting Party in litigation, including administrative proceedings before utility regulatory commissions.

Article 19 - Assignment and Other Transfer Restrictions

19.1 Transfer Without Consent is Null and Void. Any Change of Control or sale, transfer, or assignment of any interest in the Facility or in this PPA made without fulfilling the requirements of this PPA shall be null and void and a breach of this PPA.

(A) Except as permitted in this Section 19.1, neither Party shall assign this PPA or any portion thereof, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed; *provided, however, that* (i) at least thirty (30) Days prior Notice of any proposed assignment requiring consent shall be given to the other Party; (ii) any assignee shall expressly assume the assignor's obligations under this PPA unless otherwise agreed by the other Party, (iii) no assignment shall relieve the assignor of its obligations under this PPA in the event the assignee fails to perform, unless the other Party waives in writing the assignor's continuing obligations under this PPA; (iv) no assignment shall impair any security given by Seller unless such security has been replaced in accordance with Section 11.1; and (v) before this PPA is assigned by Seller, the assignee must first obtain such approvals as may be required by all applicable Governmental Authorities.

1. Seller's consent shall not be required for Company to assign this PPA to an Affiliate of Company; *provided, however, that* Company shall remain liable for obligations incurred under this PPA unless released in accordance with the terms of this PPA. In the event that a permitted assignee of Company is an entity that provides retail electric service in the State in which the Facility is located and is subject to rate and quality service regulation under the jurisdiction of the State Regulatory Agency and has or attains an Investment Grade Seller shall release Company from its obligations under this PPA if Company requests to be so released by Notice to Seller.

2. Company's consent shall not be required for Seller to assign this PPA for collateral purposes, to the Facility Lender. Seller shall provide Company Notice of any such assignment no later than thirty (30) Days after the assignment.

(B) Any Change of Control of Seller, whether voluntary or by operation of law, shall require the prior written consent of Company, which shall not be unreasonably withheld.

19.2 ROFO PFT and Option. Seller hereby grants Company a right of first offer ("ROFO") on terms set forth in this PPA.

(A) At any time after the Commercial Operation Date, if Seller or any Affiliate of Seller seeks to offer to convey the Facility or a majority of the LLC interests in Seller to an unaffiliated third party, then Seller shall provide written notice of such sale or transfer to Company (the "ROFO Notice").

1. Seller shall allow Company sixty (60) Days after the ROFO Notice to negotiate in good faith with Seller the terms of the sale of the Facility of a majority of the LLC interests in Seller. If Company desires to enter into such negotiation, then Company shall notify Seller of such decision within fifteen (15) Days of receipt of Seller's notice.

2. Seller will provide, in a timely manner, information regarding the Facility that is reasonable or customary to allow Company to perform due diligence and to negotiate in good faith for the purchase of the Facility or the majority of the LLC interests in Seller. If Company exercises its ROFO rights, and Seller, in Seller's sole discretion, accepts an offer made in connection thereto, then the Parties shall have an additional thirty (30) Day period to sign definitive agreements. Seller shall cooperate in all respects necessary for Company to exercise its ROFO rights.

3. If Company does not exercise its ROFO rights, or if Company exercises such rights but Seller does not accept the offer made by Company in connection thereto, then Seller shall have the right to sell the Facility or a majority of LLC interests in Seller to any person within one hundred eighty (180) Days of the expiration date of Company's ROFO rights and such transaction shall not be subject to Section 19.2, *provided, however, that* such transaction shall be subject to Section 19.1.

(B) To the extent Seller proposes a Pending Facility Transaction that does not otherwise trigger Company's ROFO rights, Seller shall give Company at least ninety (90) Days prior Notice of such Pending Facility Transaction (a "PFT Notice") in order to provide Company with an opportunity to discuss and negotiate with Seller the possible sale of the Facility to Company. Any PFT Notice shall include a fair summary of Seller's plans with respect to the Facility in connection with the proposed Pending Facility Transaction, to the extent then known by Seller. Seller shall have no obligation to sell nor shall Company have any obligation to purchase the Facility, following any PFT Notice, *provided, however, that* issuance of a PFT Notice shall not relieve Seller of its obligations to provide a ROFO Notice if and when applicable pursuant to this Section 19.2.

(C) Seller hereby grants to Company an option to purchase the Facility Property (the "Option") exercisable at any of the following times: (1) within six (6)

months after the end of each of the sixth (6th), eleventh (11th) and sixteenth (16th) Commercial Operation Years; and (2) within six (6) months prior to the Scheduled Termination Date, on the terms and conditions set forth in this Section 19.2(C). Company may and shall exercise its Option by providing at least one hundred twenty (120) Days' Notice to Seller of its intent to purchase the Facility Property.

1. The purchase price shall be the higher of (i) fair market value or (ii) the Facility Debt, in each case measured as of the Notice date, provided that Seller shall be permitted to adjust the Facility Debt measurement to include any adjustments to the Notice date calculation as of the closing date to account for changes in the costs of the Facility Debt that existed as of the Notice date.

2. Within thirty (30) days of Company's Option exercise, the Parties shall jointly appoint a qualified, independent appraiser. If the Parties cannot agree, then each Party shall select an appraiser and the two appraisers shall appoint the appraiser. Seller shall provide all information regarding the Facility Property necessary for the appraiser's determination of fair market value. The appraiser shall complete its appraisal within sixty (60) days of receipt of all such necessary data, using the Seller's cost of capital in determining fair market value. The costs of the appraisal shall be included as part of the purchase price. During the period in which the appraiser is evaluating the Facility Property, Seller shall allow Company the Commercially Reasonable opportunity to investigate the proposed transaction and conduct due diligence.

3. Upon determination of fair market value, the Parties shall use Commercially Reasonable Efforts to negotiate and sign definitive agreements consummating the transaction within ninety (90) days. Upon payment of the purchase price, Seller shall execute and deliver to Company all instruments necessary to effect transfer of ownership of the Facility Property to Company, subject only to the liens of Facility Lender which Company elects to assume.

4. After Company's exercise of its Option and continuing through closing on any resulting sale, Seller shall maintain the physical Facility Property in Commercially Reasonable condition and to perform those contractual and other obligations under agreements comprising any portion of the Facility Property.

5. **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]

19.3 Subcontracting. Seller may subcontract its duties or obligations under this PPA without the prior written consent of Company, provided, however, that no such subcontract shall relieve Seller of any of its duties or obligations hereunder.

Article 20 - Miscellaneous

20.1 Notices. Notices required by this PPA shall be in writing and addressed

to the other Party, including the other Party's representative on the Operating Committee, at the addresses noted in EXHIBIT D - NOTICES as either Party updates them from time to time by Notice to the other Party. Notices shall either be hand delivered or mailed, postage prepaid. If mailed, Notices shall be simultaneously sent by facsimile or other electronic means. Any Notice shall be deemed to have been received by the close of the Business Day on which it was hand delivered or transmitted electronically (unless hand delivered or transmitted after the close of the Business Day, in which case it shall be deemed received at the close of the next Business Day). Real-time or routine communications concerning Facility operations shall be exempt from this Section 20.1.

20.2 Taxes and Change of Law.

(A) Seller shall be solely responsible for any and all present or future taxes and other impositions of Governmental Authorities relating to the construction, ownership or leasing, operation or maintenance of the Facility, or any components or appurtenances thereof, any sales or *ad valorem* taxes relating to the Facility, or any taxes on the products and services generated by Seller, sold and delivered to Company at the Point of Delivery. Seller's prices under Article 8 are inclusive of such taxes and impositions during the Term.

(B) Company shall be solely responsible for the payment of any taxes imposed by Governmental Authorities on the Solar Energy purchased under this PPA beyond the Point of Delivery.

(C) The Parties shall cooperate to minimize tax exposure, *provided, however, that* neither Party shall be obligated to incur any financial burden to reduce taxes for which the other Party is responsible hereunder. All electric energy delivered by Seller to Company hereunder shall be sales for resale, with Company reselling such electric energy. Company shall obtain and provide Seller with any certificates required by any Governmental Authority, or otherwise reasonably requested by Seller to evidence that the deliveries of electric energy hereunder are sales for resale.

20.3 Applicable Laws. Each Party shall at all times comply with all Applicable Laws, except for any non-compliance that, individually or in the aggregate, could not reasonably be expected to have a material effect on the business or financial condition of the Party or its ability to fulfill its commitments hereunder.

(A) As applicable, each Party shall give all required notices, shall procure and maintain all necessary governmental permits, licenses, and inspections necessary for performance of this PPA, and shall pay its respective charges and fees in connection therewith.

(B) Each Party shall promptly disclose to the other, any violation of any Applicable Laws arising out of or in connection with the Facility and this PPA.

(C) Upon permanent cessation of generation from the Facility, Seller shall decommission the Facility, remove the Facility and remediate the Site as, if and when required by Applicable Laws.

20.4 Fines and Penalties.

(A) Seller shall pay when due all fees, fines, penalties or costs incurred by Seller or its agents, employees or contractors for noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, except for such fines, penalties and costs that are being actively contested in good faith and with due diligence by Seller and for which adequate financial reserves have been set aside to pay such fines, penalties or costs in the event of an adverse determination.

(B) If fees, fines, penalties, or costs are claimed or assessed against Company by any Governmental Authority due to noncompliance by Seller, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, or, if the work of Seller or any of its contractors or subcontractors is delayed or stopped by order of any Governmental Authority due to Seller's noncompliance, its employees, or subcontractors with any provision of this PPA, or any contractual obligation, Permit or requirements of Applicable Law, Seller shall reimburse and hold Company harmless against any such costs incurred by Company, including claims for indemnity or contribution made by third parties against Company in accordance with Article 17.

20.5 Rate Changes.

(A) The terms and conditions and the rates for service specified in this PPA shall remain in effect for the term of the transaction described herein. Absent the Parties' written agreement, this PPA shall not be subject to change by application of either Party pursuant to Section 205 or 206 of the Federal Power Act.

(B) Absent the agreement of all Parties to the proposed change, the standard of review for changes to this PPA whether proposed by a Party, a non-party, or FERC acting *sua sponte* shall be the "public interest" standard of review set forth in United Gas Pipe Line v. Mobile Gas Service Corp., 350 U.S. 332 (1956) and Federal Power Commission v. Sierra Pacific Power Co., 350 U.S. 348 (1956) (the Mobile-Sierra doctrine), as interpreted in Morgan Stanley Capital Group, Inc. v. Public Util. Dist. No. 1, 128 S. Ct. 2733 (2008).

20.6 Disclaimer of Third Party Beneficiary Rights. In executing this PPA, Company does not and does not intend to extend its credit or financial support for the benefit of any third parties lending money to or having other transactions with Seller. Nothing in this PPA shall be construed to create any duty to, or standard of care with reference to, or any liability to, any person not a party to this PPA.

20.7 Relationship of the Parties.

(A) This PPA shall not be interpreted to create an association, joint venture, or partnership between the Parties nor to impose any partnership obligation or liability upon either Party. Except as specifically provided for in this PPA to the contrary, neither Party shall have any right, power, or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as an agent or representative of, the other Party.

(B) Seller shall be solely liable for the payment of all wages, taxes, and other costs related to the employment of persons to perform such services, including all federal, state, and local income, social security, payroll, and employment taxes and statutorily mandated workers' compensation coverage. None of the persons employed by Seller shall be considered employees of Company for any purpose; nor shall Seller represent to any person that he or she is or shall become a Company employee.

20.8 Equal Employment Opportunity Compliance Certification.

Seller acknowledges that as a government contractor Company is subject to Applicable Laws regarding equal employment opportunity and affirmative action. Such Applicable Laws may also be applicable to Seller as a subcontractor to Company. All such Applicable Laws shall be deemed to be incorporated herein as required by Applicable Law, including 41 C.F.R. §60-1.4 (a) (1-7).

20.9 Survival of Obligations. Cancellation, expiration, or earlier termination of this PPA shall not relieve the Parties of obligations, including warranties, remedies, or indemnities, that by their nature should survive such cancellation, expiration, or termination, which obligations shall survive for the period of the applicable statute(s) of limitation.

20.10 Severability. In the event any of the terms, covenants, or conditions of this PPA, its Exhibits, or the application of any such terms, covenants, or conditions, shall be held invalid, illegal, or unenforceable by any court or administrative body having jurisdiction, all other terms, covenants, and conditions of the PPA and their application not adversely affected thereby shall remain in force and effect**;** *provided, however, that* Company and Seller shall negotiate in good faith to attempt to implement an equitable adjustment in the provisions of this PPA with a view toward effecting the purposes of this PPA by replacing the provision that is held invalid, illegal, or unenforceable with a valid provision the economic effect of which comes as close as possible to that of the provision that has been found to be invalid, illegal or unenforceable.

20.11 Complete Agreement; Amendments. The terms and provisions contained in this PPA constitute the entire agreement between Company and Seller with respect to the Facility and shall supersede all previous communications, representations, or agreements, either verbal or written, between Company and Seller with respect to the sale of any output from the Facility. This PPA, including EXHIBITS, may be amended, changed, modified, or altered in accordance with the terms of this PPA, *provided, however, that* such amendment, change, modification, or

alteration shall be in writing.

20.12 Binding Effect. This PPA is binding upon and shall inure to the benefit of the Parties hereto and their respective successors, legal representatives, and assigns.

20.13 Headings. Captions and headings used in this PPA are for ease of reference only and do not constitute a part of this PPA.

20.14 Counterparts. This PPA may be executed in counterparts, and each executed counterpart shall have the same force and effect as an original instrument.

20.15 Governing Law. The interpretation and performance of this PPA and each of its provisions shall be governed and construed in accordance with the laws of the State in which the Facility is located, exclusive of conflict of laws principles. The Parties submit to the exclusive jurisdiction of the state courts of the State in which the Facility is located, and venue is hereby stipulated as the capital city of such State or such other city as mutually agreed to by the Parties.

20.16 Press Releases and Media Contact. Upon the request of either Party, the Parties shall develop a mutually agreed joint press release to be issued describing the location, size, type and timing of the Facility, the long-term nature of this PPA, and other relevant factual information about the relationship. In the event during the Term, either Party is contacted by the media concerning this PPA or the Facility, the contacted Party shall inform the other Party of the existence of the inquiry, any questions asked, and the substance of any information provided to the media.

20.17 Exhibits. Either Party may change the information in EXHIBIT D - NOTICES at any time by Notice without the approval of the other Party. All other EXHIBITS may be changed to the extent allowed by specific provisions of this PPA or with the mutual consent of both Parties.

20.18 Confidentiality.

(A) Although this PPA is not Confidential Information, the Parties acknowledge and agree that during the course of the performance of their respective obligations under this PPA, either Party may need to provide information to the other Party, which the disclosing party deems confidential, proprietary or a trade secret ("Confidential Information").

1. Confidential Information shall include all documentation and data, including special techniques, methods, computer programs and software, that the disclosing Party considers proprietary or trade secret and furnishes to the receiving Party and wants the receiving Party to as Confidential Information may be designated as Confidential Information by clear and distinct notation on such documentation or by equivalent method, and shall be treated as such by the receiving Party. Documentation and data not so designated need not be considered by the

receiving Party to be proprietary or trade secret; *provided, however, that* any and all data and documentation regarding Facility output, performance, outages and similar operational information shall be considered Confidential Information without the need for further designation if any disclosure thereof would be in a form or by a means that associates such data or documentation with the Facility or Seller or any of its Affiliates, or from which a reasonable person could make such an association. The disclosing Party hereby grants to the receiving Party authority to use Confidential Information for the purposes of this PPA, including keeping electronic copies of such Confidential Information. The receiving Party agrees to keep such Confidential Information confidential, except as set forth in this Section 20.18, to use it for work necessary to the performance of this PPA, and not to sell, transfer, sublicense, disclose or otherwise make available any such Confidential Information to others; *provided, however, that* Confidential Information may be disclosed by the receiving Party to the agents, employees, advisors, consultants, or potential or actual debt or equity investors of the receiving Party, subject to their acceptance of the obligations of confidentiality imposed hereby and for whose violations of this requirement of confidentiality the receiving Party shall be responsible.

2. Confidential Information shall not include any data or information:

a. Which can be documented was in the public domain as allowed by this Section 20.18, or through no fault or action of the receiving Party at the time it was disclosed by the disclosing Party to the receiving Party or at any time thereafter;

b. Which can be documented was independently developed by the receiving Party;

c. Which can be documented was known to the receiving Party from an ultimate source other than the disclosing Party without breach of this PPA by the receiving Party;

d. Which is disclosed by a Party, in connection with such Party's performance of its obligations under this PPA, to its consultants or contractors or other third parties who are in turn subject to a confidentiality agreement with the disclosing Party to treat the information at least with the care required by this PPA; or

e. Which is legally requested or required (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demand or similar process or, in the opinion of its counsel, by Applicable Laws) to be disclosed, *provided, however, that* the Party requested or required to make a disclosure shall promptly notify the non-disclosing Party, no later than five (5) Days of such request or requirement and prior to disclosure so that the non-disclosing Party may seek an appropriate protective order and/or waive compliance with the terms of this Section 20.18.

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IN WITNESS WHEREOF, the Parties have executed this PPA.

Seller:

North Star Solar PV LLC

By: _____

Company:

Northern States Power Company,
a Minnesota Corporation

Northern States Power Company

By:
_____
David Sparby, President and CEO
Northern States Power Company,
a Minnesota Corporation

EXHIBIT A

DEFINITIONS

The following terms shall have the meanings set forth herein:

"AC" means alternating electric current.

"Actual Damages" has the meaning set forth in Section 12.2(C).

"Affiliate" means any person or entity that directly or indirectly controls, is under the control of, or is under common control with, the named entity by the power to direct or cause the direction of the management of the policies of named entity, whether through ownership interest, by contract or otherwise.

"AGC" or "Automatic Generation Control" means the equipment and capability of an electric generation facility to automatically adjust the generation quantity within the applicable Balancing Authority with the purpose of interchange balancing and specifically, the Facility's capability of accepting AGC Set-Point electronically and automatically adjusting and regulating the Facility's energy production via the Facility's SCADA System.

"AGC Protocols" means the protocols attached hereto as Exhibit H-AGC Protocols, as modified in accordance with Section 10.6.

"AGC Remote/Local" means a handshake electronic signal sent from the Facility to the EMCC AGC system, and from the EMCC AGC system to the Facility, indicating the Facility is receiving AGC Set-Point locally (from the facility) or remotely (EMCC AGC system) and is following that AGC Set-Point.

"AGC Set-Point" means the Company-generated analog or digital signal sent by the SCADA System to the Facility, representing the maximum Solar Energy output for the Facility.

"Ancillary Services" means those ancillary services defined under the Transmission Tariff as well as those other services and products that may be included under such tariff from time to time, which are associated, directly or indirectly, with the capacity of the Facility or the transmission of energy from the Facility.

"Applicable Law" means all laws, statutes, treaties, codes, ordinances, regulations, certificates, orders, licenses and permits of any Governmental Authority that are applicable to a Party, the business of a Party or the Facility,

now in effect or hereafter enacted, amendments to or interpretations of any of the foregoing by a Governmental Authority having jurisdiction, and all applicable judicial, administrative, arbitration and regulatory decrees, judgments, injunctions, writs, orders, awards or like actions.

"Back-Up Metering" shall have the meaning set forth in Section 5.2(B).

"Balancing Authority" means the system of electrical generation, distribution and transmission facilities within which generation is regulated in order to maintain interchange schedules with other such systems.

"Business Day" means any Day that is not a Saturday, a Sunday, or a FERC recognized holiday.

"Capacity Resource" means the amount of net generating capacity associated with the Facility for which capacity credit may be obtained under applicable planning reserve procedures and requirements as designated by Company.

"Change of Control" means the occurrence of any one of the following events with respect to Seller or any direct or indirect owner of a majority of the ownership interests in Seller: (i) a transfer of a majority of the ownership interests in Seller or such owner; or (ii) any consolidation or merger of Seller or such owner in which Seller or such owner, as the case may be, is not the continuing or surviving entity, or (iii) a sale or conveyance of any direct or indirect ownership interest in Seller following which the owner of Seller is no longer the direct or indirect owner of at least 50% of the ownership interests of Seller, provided, however, that a Change of Control shall not be deemed to have occurred as a result of (i) transactions exclusively among Affiliates of Seller, (ii) any exercise by the Facility Lender of its rights and remedies under the Financing Documents, (iii) a change of the ultimate parent entity of Seller (defined under Section 7A of the Clayton Act, 15 U.S.C. 18a, aka the Hart-Scott-Rodino Antitrust Improvements Act of 1976), or (iv) any change of economic and voting rights triggered in Seller's organization documents arising from the financing of the Facility and that does not result in the transfer of ownership, economic or voting rights in any entity that had no such rights immediately prior to the change.

"COD Conditions" means all of the requirements that must be satisfied by Seller in order to established as a prerequisite to achieving Commercial Operation as set forth in Section 4.3.

"Commercial Operation" means the period beginning on the Commercial Operation Date and continuing through the Term of this PPA.

"Commercial Operation Date" or "COD" means 12:00 am on the date following the date upon which Seller satisfies the COD Conditions, or such other date as is mutually agreed upon by the Parties.

"Commercial Operation Milestone" means the Construction Milestone for the Commercial Operation Date specified in EXHIBIT B - CONSTRUCTION MILESTONES, which shall be subject to extension on a day-for-day basis for any delay in achieving Commercial Operation that is caused by an Excusable Delay.

"Commercial Operation Year" means any consecutive 12 month period during the Term, commencing with the Commercial Operation Date or any of its anniversaries.

"Commercially Reasonable" or "Commercially Reasonable Efforts" means, with respect to any action required to be made, attempted or taken by a Party under this PPA, the level of effort in light of the facts known to such Party at the time a decision is made that: (a) can reasonably be expected to accomplish the desired action at a reasonable cost; (b) is consistent with Good Utility Practices; and (c) takes into consideration the amount of advance notice required to take such action, the duration and type of action and the competitive environment in which such action occurs.

"Committed Solar Energy" for any period means the megawatt-hours of Solar Energy committed to be delivered to the Company by Seller from the Facility in such period, set forth in EXHIBIT J – COMMITTED SOLAR ENERGY AND SOLAR ENERGY PAYMENT RATE BY COMMERCIAL OPERATION YEAR. Committed Solar Energy shall be measured during each Committed Solar Energy Measurement Period.

"Committed Solar Energy Measurement Period" shall have the meaning set forth in Section 12.1(I).

"Company" shall have the meaning set forth in the first paragraph of this PPA.

"Compensable Curtailment Energy" shall have the meaning set forth in Section 8.2(A).

"Confidential Information" shall have the meaning set forth in Section 20.18(A).

"Construction Contract" means the contract or contracts providing for the engineering, procurement, construction, acquisition, manufacture, delivery and

installation of the generating and step-up transformation equipment that is to be part of the Facility and the engineering, procurement and construction of the Facility.

"Construction Milestones" means the dates set forth in EXHIBIT B - CONSTRUCTION MILESTONES.

"Damage Caps" shall have the meaning set forth in Section 12.3.

"Day" means a calendar day.

"DC" means direct electric current.

"Dispute" shall have the meaning set forth in Article 13.

"Economic Curtailment" shall mean curtailments of delivery of Solar Energy that arise from Company's scheduling and other market participation activities as may be required of Seller by the Market Operator, if any including any such curtailment arising from any energy offer made by, or on behalf of, Company with respect to the Facility. If Seller asserts that any curtailment was an Economic Curtailment and Company disputes that such curtailment arose from such scheduling or market participation activities of Company, Company shall furnish to Seller, subject to Section 20.18, copies of such records of Company relating to Company's scheduling and market participation activities as Seller reasonably requests for purposes of resolving the dispute.

"Effective Date" shall have the meaning set forth in the introductory paragraph.

"Electric Metering Devices" means revenue quality meters, metering equipment and data processing equipment used to measure, record or transmit data relating to the output from the Facility, including the metering current transformers and the metering voltage transformers.

"Eligible Energy Resource" means any resource that qualifies as a renewable energy resource eligible to be certified to receive, claim, own or use Renewable Energy Credits pursuant to the protocols and procedures developed and approved by the State Regulatory Agency in the REC Registration Program.

"Emergency" means any event or occurrence after the date of this PPA that results in the declaration of an Emergency Condition under and as defined in the Interconnection Agreement.

"Energy Markets Control Center" or "EMCC" means Company's merchant representatives responsible for dispatch of generating units, including the Facility.

"Environmental Contamination" means the introduction or presence of Hazardous Materials at such levels, quantities or location, or of such form or character, as to constitute a violation of Applicable Law, and present a material risk under Applicable Laws that the Site will not be available or usable for the purposes contemplated by this PPA.

"ERO" means the Electric Reliability Organization certified by FERC pursuant to Section 215 of the Federal Power Act or any successor organization; the Western Electricity Coordinating Council is the certified ERO as of the date of this PPA.

"Event of Default" shall have the meaning set forth in Article 12.

"Excess Solar Energy" shall have the meaning set forth in Section 8.1(C).

"Excusable Delay" means any delay that is caused by one or more of the following: (i) an event of Force Majeure, (ii) a delay caused by Company, (iii) a delay by a Governmental Authority in the issuance of a required Permit or other consent that is caused by the applicable Governmental Authority and beyond Seller's control, (iv) a delay in the backfeed of power to the Facility after July 1, 2016, or (v) a delay in the completion or construction and commissioning of the Facility's interconnection facilities that is beyond Seller's control.

"Expected Solar Irradiation" for any twelve (12) -month period means the annual average solar irradiation in the plane of array (POA) of the Facility. The Expected Solar Irradiation in the POA is **[TRADE SECRET BEGINS TRADE SECRET ENDS]** and incorporates potential horizon and near shading losses.

"Facility" means Seller's electric generating facilities, associated balance of plant, parts and equipment consistent with the warranties for the major components, and all equipment necessary to interconnect to the Transmission Authority's System, all as further described in EXHIBIT C-FACILITY DESCRIPTION, including all of the following: Seller's equipment, buildings, Units, generators, step-up transformers, output breakers, facilities necessary to connect to the Interconnection Point, protective and associated equipment, improvements, and other tangible assets, contract rights, easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for construction, operation, maintenance, generation and delivery of the capacity and energy subject to this PPA.

"Facility Debt" means the obligations of Seller or its Affiliates to any lender pursuant to the Financing Documents, including principal of, premium and interest on indebtedness, fees, expenses or penalties, amounts due upon acceleration, prepayment or restructuring, swap or interest rate hedging breakage costs and any claims or interest due with respect to any of the foregoing. For the avoidance of doubt, Facility Debt includes Tax Equity Financing.

"Facility Lender" means, collectively, any lenders providing any Facility Debt and any successors or assigns thereto and investors in a Tax Equity Financing.

"Facility Property" means all property rights necessary for the use of the Facility for its intended purpose, including (i) the Facility; (ii) the Site; (iii) Seller's Interconnection Facilities; (iv) the Facility collection facilities and substation; (v) Seller's rights and obligations under the Interconnection Agreement; (vi) Permits, and all material contracts; and (vi) all Facility fixtures, equipment and personal property.

"Federal Power Act" means the provisions of 16 U.S.C. 791(A) et seq. and amendments or supplements thereto.

"FERC" means the Federal Energy Regulatory Commission or any successor agency.

"Financing Documents" means the documents associated with any Tax Equity Financing and the loan and credit agreements, notes, bonds, indentures, security agreements, lease financing agreements, mortgages, deeds of trust, interest rate exchanges, swap agreements and other documents relating to the development, bridge, construction or permanent debt financing for the Facility, including any credit enhancement, credit support, working capital financing, or refinancing documents, and any and all amendments, modifications, or supplements to the foregoing that may be entered into from time to time at the discretion of Seller in connection with development, construction, ownership, leasing, operation or maintenance of the Facility.

"Force Majeure" means an event or circumstance that prevents a Party from performing its obligations under this PPA, which event or circumstance (i) was not anticipated as of the Date of this PPA, (ii) is not within the control of or the result of the fault or negligence of the Party claiming its occurrence, and (iii) which by exercise of due diligence and foresight could not reasonably have been avoided, *provided, however, that* such an event or circumstance shall not include: (a) inability, or excess cost, to procure any equipment necessary to perform the obligations of this PPA; (b) acts or omissions of a third party (not under contract to Seller), unless such acts or omissions are themselves excused by reason of Force Majeure; (c) mechanical or equipment breakdown or inability to operate,

attributable to circumstances occurring within design criteria and normal operating tolerances of similar equipment designed to be located in the local vicinity; (d) changes in market conditions; or (e) any labor strikes, slowdowns, work stoppages, or other labor disruptions.

"Forced Outage" means any condition at the Facility that requires the immediate and unplanned removal of the Facility, or at least ten percent thereof, from service, another outage state, or a reserve shutdown state, resulting from immediate mechanical/electrical/hydraulic control system trips and operator-initiated trips in response to abnormal Facility conditions or alarms.

"Generation Benefits" means existing or future environmental benefits or attributes, economic and other related carbon credits, carbon offsets, carbon allowances or benefits, renewable energy credits or green tags, carbon dioxide emissions credits, avoided or reduced carbon dioxide emissions, that are attributable to Energy generated by the Seller and sold to Company under this PPA, whether pursuant to or arising from any Governmental Authority or international agreement or treaty, *provided, however, that* this definition excludes any credits, offsets or other benefits arising out of or associated with any emission or pollutant other than carbon dioxide emissions.

"Good Utility Practices" means the practices, methods, standards and acts engaged in or approved by a significant portion of the applicable segment of the electric energy generation industry pertaining to facilities of the type, similar size and location to the Facility that, at a particular time, in the exercise of Commercially Reasonable judgment, in light of the facts that are known, or reasonably should have been known, at the time a decision was made, would have been expected to accomplish the desired result in a manner consistent with Applicable Law, Permits, codes, standards, equipment manufacturer's recommendations, reliability, safety, environmental protection, economy, and expedition. Good Utility Practices is not limited to the optimum practice, method, standard or act to the exclusion of all others, but rather to those practices, methods, standards and acts generally acceptable or approved by a significant portion of the applicable segment of the electric power generation industry in the relevant region, during the relevant period.

"Governmental Authority" means any federal, state, local or municipal governmental body; any governmental, quasi-governmental, regulatory or administrative agency, commission, body or other authority exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power; or any court or governmental tribunal.

"Guarantor" shall have the meaning set forth in Section 11.1.

"Hazardous Materials" means any substance, material, gas, or particulate matter that is regulated by any local Governmental Authority, any applicable State, or the United States of America, as an environmental pollutant or dangerous to public health, public welfare, or the natural environment including, without limitation, protection of non- human forms of life, land, water, groundwater, and air, including any material or substance that is (i) defined as "toxic," "polluting," "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "solid waste" or "restricted hazardous waste" under any provision of local, state, or federal law; (ii) petroleum, including any fraction, derivative or additive; (iii) asbestos; (iv) polychlorinated biphenyls; (v) radioactive material; (vi) designated as a "hazardous substance" pursuant to the Clean Water Act, 33 U.S.C. §1251 *et seq.* (33 U.S.C. 1251); (vii) defined as a "hazardous waste" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. §6901 *et seq.* (42 U.S.C. §6901); (viii) defined as a "hazardous substance" pursuant to the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 *et seq.* (42 U.S.C. §9601);(ix) defined as a "chemical substance" under the Toxic Substances Control Act, 15 U.S.C. §2601 *et seq.* (15 U.S.C. §2601); or (x) defined as a pesticide under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. §136 *et seq.* (7 U.S.C. §136).

"House Power" means retail power to the Facility, for purposes of unit start-up or shut-down, or for any other purpose.

"Indemnified Party" shall have the meaning set forth in Section 17.1.

"Indemnifying Party" shall have the meaning set forth in Section 17.1.

"Interconnection Agreement" means the separate agreement for interconnection of the Facility to the Transmission Authority's System, as such agreement may be amended from time to time. For purposes of this PPA, the Interconnection Agreement shall be interpreted to include any third party facility construction agreement or other Agreement required by the Transmission Authority to interconnect the Facility in accordance with the Transmission Tariff. For the avoidance of doubt, "Interconnection Agreement" excludes any temporary or provisional interconnection agreement or any agreement where the Transmission Provider may limit the operational output of the Facility.

"Interconnection Facilities" means those facilities designated in the Interconnection Agreement for the direct purpose of interconnecting the Facility at the Interconnection Point, along with any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of such facilities, whether owned by Seller, the Transmission Authority or another entity. This equipment is conceptually depicted in EXHIBIT C - FACILITY DESCRIPTION to this PPA.

"Interconnection Point" means the physical point within the operational authority of Transmission Authority as specified in the Interconnection Agreement as project **[TRADE SECRET BEGINS TRADE SECRET ENDS]**, at which electrical interconnection is made between the Facility and the Transmission Authority's System in accordance with the Transmission Authority OATT and the Interconnection Agreement.

"Investment Grade" means a long-term credit rating (corporate or long-term senior unsecured debt) of (a) Baa3 or higher by Moody's, and (b) BBB- or higher by S&P.

"Issuer" shall have the meaning set forth in Section 11.1.

"kW" means kilowatt.

"kWh" means kilowatt hour.

"Lender Consent" shall have the meaning set forth in Section 18.2.

"Liquidated Delay Damages" means two hundred dollars ($200) per MW of Facility AC Nameplate Capacity per Day.

"Local Provider" means the utility providing House Power to the Facility.

"Maintenance Schedule" has the meaning set forth in Section 10.2.

"Material Adverse Effect" means any effect (or effects taken together) that is materially adverse to the present or future business, operations, assets, liabilities, properties, results in operations or condition (financial or otherwise), prospects, or property of a Party, its business, or this PPA.

"MPUC" means the Minnesota Public Utility Commission (or any successor thereto in the State of Minnesota).

"MISO" means the Midwest Independent Transmission System Operator, Inc., a non-profit, nonstock corporation organized and existing under the laws of the State of Delaware, and any successor organization.

"MW" means megawatt or one thousand kW.

"MWh" means megawatt hours.

"Nameplate Capacity" means the 100 MW (AC) at the Point of Delivery.

"NDPUC" means the North Dakota Public Service Commission (or any successor thereto in the State of North Dakota).

"NERC" means the North American Electric Reliability Corporation or any successor organization.

"Network Resource" means the applicable amount of capacity for the Facility that has been designated as a "network resource" under the Transmission Tariff.

"Network Resource Interconnection Service" means the type of interconnection service which allows Seller to connect the Facility to the Interconnection Provider's System as a "Network Resource" as defined in the MISO Tariff.

"Non-Compensable Curtailment" shall have the meaning set forth in Section 8.2.

"Notice(s)" shall have the meaning set forth in Section 20.1.

"On-Peak Months" means the months of January, February, June, July, August, September and December.

"Operating Committee" means one representative each from Company and Seller pursuant to Section 10.4.

"Operating Procedures" means those procedures developed pursuant to Section 10.4, if any.

"Operating Records" means all agreements associated with the Facility, operating logs, blueprints for construction, operating manuals, all warranties on equipment, and all documents, whether in printed or electronic format, that Seller uses or maintains for the operation of the Facility.

"Option" shall have the meaning set forth in Section 19.2(C).

"Park Potential" means the number provided to the Company in real time through the Company's SCADA System in accordance with the AGC Protocols, which depicts Seller's real time calculation of the Potential Energy capable of being provided by the Facility to Company as measured at the Point of Delivery.

Park Potential shall be calculated as the aggregate energy available in real time for delivery at the Point of Delivery using the best-available data obtained through Commercially Reasonable methods; and shall be dependent upon any combination of measured POA Irradiance, temperature, wind speed (mph) wind direction, Solar Unit availability, and derate(s) and transmission line losses, and any other adjustment necessary to accurately reflect the Potential Energy at the Point of Delivery.

"Party" and "Parties" shall have the meanings set forth in the introductory paragraph.

"Permit(s)" means all applicable construction, land use, air quality, emissions control, environmental and other permits, licenses and approvals from any Governmental Authority required under Applicable Laws for construction, ownership, operation and maintenance of the Facility and the generation and delivery of any output from the Facility to Company.

"PI" means the "plant information" system as described and implemented in Section 10.6.

"Plane of Array Irradiance" or "POA Irradiance" means the measured irradiance in the plane of array of the system, in W/m2. This must be measured at each meteorological station by a broad band pyranometer mounted on the same plane and orientation of the modules installed at the Facility.

"Point of Delivery" means the physical point within the operational authority of Transmission Authority at which Seller makes available to Company and delivers to Company the capacity and energy being provided by Seller to Company under this PPA as specified in EXHIBIT C - FACILITY DESCRIPTION to this PPA.

"Potential Energy" means the quantity of the energy that Seller is capable of delivering at the Point of Delivery. In the event that Park Potential is not a reliable proxy for Potential Energy pursuant to Section 8.2(B), Potential Energy shall be calculated as the aggregate energy available for delivery at the Point of Delivery using the best- available data obtained through Commercially Reasonable methods; and shall be dependent upon measured Solar irradiation, power curves, Solar Unit availability, and derate(s) and transmission line losses, and any other adjustment necessary to accurately reflect the Facility's capability to produce and deliver energy to the Point of Delivery.

"Post-COD Damage Cap" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Post-COD Security Fund" means **[TRADE SECRET BEGINS**

TRADE SECRET ENDS].

"Pre-COD Damage Cap" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"Pre-COD Security Fund" means **[TRADE SECRET BEGINS TRADE SECRET ENDS]**.

"REC Registration Program" means any State, regional or federal program established to register Eligible Energy Resources and create and certify RECs arising from energy generated from such Resource, including any rights associated with any renewable energy information or tracking system that exists or may be established by Applicable Law with regard to monitoring, registering, tracking, certifying, or trading such credits.

"Renewable Energy Credits" or "RECs" means a contractual right to the full set of non-energy attributes, including any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly attributable to a specific amount of capacity and/or electric energy generated from an Eligible Energy Resource, including any benefits as may be created under any existing or future statutory or regulatory scheme (federal, state, or local) by virtue of or due to the Facility's actual energy production or the Facility's energy production capability because of the Facility's environmental or renewable characteristics or attributes, including any Renewable Energy Credits or similar rights arising out of or eligible for consideration in the REC Registration Program. For the avoidance of doubt, "RECs" excludes Tax Benefits.

"Replacement Power Costs" means the costs incurred by Company, after the Commercial Operation Milestone, that are necessary to replace the products and services that Seller was required to provide under this PPA, but failed to so provide, less the sum of any payments from Company to Seller, under this PPA, that were eliminated as a result of such failure; *provided, however, that* the net amount shall never be less than zero in any hour and if the calculation for any hour results in a number less than zero, the number for such hour shall be deemed to be zero. Replacement Power Costs shall be determined on an hourly basis and shall equal the sum of all hours where the following calculation achieves a positive number.

Replacement Power Costs = (A + B + C) – D, where

"A" is the product of (x) the number of MW of capacity derived by subtracting the number of MW of capacity that qualifies for capacity credit actually made available to Company from the amount of qualifying capacity associated with the

entire Facility, and the applicable market price for capacity made available to Company's system;

"B" is the sum of (i) the product of the number of MWh of energy purchased by Company to replace any of the Committed Solar Energy that was not delivered under this PPA and the applicable market price for energy delivered to Company's system at a point nearest to the Point of Delivery for the hour, and (ii) the product of the MWh of energy derived in clause (i) and the actual cost of registered RECs for that number of MWh; and

"C" is an amount equal to the actual cost of transmission, ancillary services, fuel and fuel transportation and related penalties that could not be avoided or mitigated and transaction charges to deliver reasonably available energy to Company in amounts equal to the number of MWh for which Replacement Power Costs are owed;

"D" is the product of the MWh of energy purchased by Company associated with the Committed Nameplate Capacity that was not delivered under this PPA and the Solar Energy Payment Rate.

"SCADA" means supervisory control and data acquisition.

"Scheduled Termination Date" means May 31, 2042.

"Security Fund" means the letter of credit, escrow fund, guaranty and/or other collateral that Seller is required to establish and maintain, pursuant to Section 11.1, as security for Seller's performance under this PPA.

"Seller CPs" shall have the meaning set forth in Section 6.2

"Shortfall" shall have the meaning set forth in Section 12.1(H).

"Site" means the parcel of real property on which the Facility will be constructed and located, including any easements, rights of way, surface use agreements and other interests or rights in real estate reasonably necessary for the construction, operation and maintenance of the Facility. The Site is more specifically described in EXHIBIT C- FACILITY DESCRIPTION to this PPA.

"Solar Energy" means the net electric energy generated from (or, with respect to any curtailed energy, capable of being generated from) an Eligible Energy Resource utilizing solar irradiance as its source of electric generation in compliance with Minn. Stat. Section 216B.1691, including any and all associated RECs and delivered to the Point of Delivery as measured by the Electric Metering Devices

installed pursuant to Section 5.2. Solar Energy shall be of a power quality of sixty (60) cycle, three-phase alternating current that is compliant with the Interconnection Agreement. Solar Energy shall be net of energy self-generated and concurrently consumed by the Facility, and net of losses prior to the Points of Delivery.

"Solar Energy Payment Rate" means the rate as shown in EXHIBIT J – COMMITTED SOLAR ENERGY AND SOLAR ENERGY PAYMENT RATE BY COMMERCIAL OPERATION YEAR.

"Solar Units" means the equipment necessary for the Facility to collect sunlight at the Site and convert it into electricity or thermal energy. Solar Units includes photovoltaic arrays, tracking devices and inverters.

"Start-up Testing" means the initial synchronization to the Transmission System. Including production of energy as measured on the Electric Metering Devices.

"State Regulatory Agency" means the MPUC or NDPSC or any successor agency.

"State Regulatory Approval" occurs after a final written order is received from both State Regulatory Agencies, and means final written orders from the State Regulatory Agencies that (i) are not subject to application for rehearing, reargument or reconsideration and (ii) singly or in the aggregate make affirmative determination that the Company's execution of this PPA is reasonable and in the public interest, and all costs incurred under this PPA are recoverable from Company's retail customers pursuant to Applicable Law, subject only to ongoing prudency review of Company's performance and administration of this PPA.

"Step-In Rights" means Company's right, but not the obligation, to assume control and operate the Facility as agent for Seller (whether voluntary or involuntary) in accordance with Seller's rights, obligations, and interest under this PPA.

"Tax Benefits" means any and all (i) tax credits based on ownership of, investment in or energy production from the Facility or any portion thereof, including the production credit and the investment credit described, respectively, in Sections 45 and 48 of the Internal Revenue Code of 1986, as amended, (ii) grants based on ownership of, investment in or energy production from the Facility or any portion thereof, including the grant described in Section 1603 of the American Recovery and Reinvestment Tax Act of 2009 and (iii) other tax benefits, including depreciation and other cost recovery deductions, arising in connection with ownership of, investment in, or operation of the Facility, or any portion thereof, in each case allocated, allowed,

allowable, assigned, awarded, certified or otherwise transferred or granted to Seller or Company by any Governmental Authority in any jurisdiction in connection with the Facility.

"Tax Equity Financing" means a transaction or series of transactions involving one or more investors seeking a return that is enhanced by tax credits and/or tax depreciation (each a "Tax Equity Investor") and generally (i) described in Revenue Procedures 2001-28 (sale-leaseback (with or without "leverage")), 2007-65 (flip partnership) or 2014-12 (flip partnership and master tenant partnership) as those revenue procedures are reasonably applied or analogized to a solar project transaction (as opposed to a wind farm or rehabilitated real estate) or (ii) contemplated by Section 50(d)(5) of the Code , as amended (a pass-through lease).

"Term" means the period of time during which this PPA shall remain in full force and effect as further defined in Article 2.

"Test Energy" means the Solar Energy that is produced by the Facility, delivered to Company at the Point of Delivery, and purchased by Company, pursuant to Section 4.4, in order to perform all testing of the Facility.

"Test Energy Rate" means a payment rate of 70% of the Solar Energy Payment Rate applicable as of the Commercial Operation Date.

"Transmission Authority" means collectively those entities owning and/or operating the interconnected transmission system applicable to Seller and the Facility pursuant to a Transmission Tariff, including (i) Northern States Power Company operating under and in accordance with its Joint Open Access Transmission Tariff, and (ii) all entity(s) responsible under the Interconnection Agreement for providing the transmission lines, any Interconnection Facilities and other equipment and facilities with which the Facility interconnects at the Interconnection Point and transmission system.

"Transmission Authority's System" means the contiguously interconnected electric transmission and sub-transmission facilities, over which the Transmission Authority has rights (by ownership or contract) to provide bulk transmission of capacity and energy from the Interconnection Point.

"Transmission Tariff" means the applicable Open Access Transmission of the Transmission Authority, as amended from time to time.

"UCP" shall have the meaning set forth in EXHIBIT G-1, FORM OF LETTER OF CREDIT.

"Ultimate Parent Entity" shall have the meaning set forth under Section 7A of the Clayton Act, 15 U.S.C. 18a, also known as the Hart-Scott-Rodino Antitrust Improvements Act of 1976.

EXHIBIT B
CONSTRUCTION MILESTONES

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT C

FACILITY DESCRIPTION AND SITE MAPS

The Facility shall be located on the Site and shall be identified as Seller's North Star Solar Generation Facility. Maps and one-line diagrams of the Facility and associated equipment are included as part of this Exhibit.

The Facility is located approximately 4.5 miles southeast of North Branch, MN, all within Chisago County, Minnesota and more particularly described as the following:

- Sections 1 & 2, Township 34 North, Range 21 West
- Sections 25 & 36, Township 35 North, Range 21 West
- Sections 30 & 31, Township 35 North, Range 20 West

The North Star Solar Generation Facility is a 100 MW-AC solar photovoltaic facility. The Facility is expected to utilize crystalline photovoltaic modules and single axis trackers to maximize overall generation. The photovoltaic modules will be manufactured by a recognized Tier 1 supplier and rated between 300 and 340 watts per module. The solar array will face due south and have a range of tilt equal to +/-45 degrees.

The Facility is expected to interconnect at the 115kV bus at the Chisago Substation. The Facility is expected to utilize up to 100 pad mounted inverters to convert the solar generation from Direct Current to Alternating Current and to also increase the generation voltage from 480 volts to the intermediate voltage of 34.5kV.

The Facility will utilize proven technology from Tier 1 suppliers that have a strong track record of performance and capability.

The Facility will include the following specific components:

- the panel space and 125VDC battery supplied voltage necessary to accommodate the metering, telemetering and communications equipment required by the PPA;

- communication circuits from the Facility to the EMCC for the purpose of telemetering, supervisory control/data acquisition, and voice communications as required by Company;

- equipment and software necessary to receive, accept and react to an AGC signal from the Company's SCADA System and to comply with the AGC Protocols as further specified on Exhibit H-AGC Protocols;

- meteorological measurement equipment (e.g. anemometers), individually linked to Seller's information system; and

- the capability of sending real time and OPC interface data to Company's plant information system;

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT D

NOTICES AND CONTACT INFORMATION

Company	Seller
Notices: Thomas A. Imbler Vice President, Commercial Operations Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-414 Email:Thomas.a.imbler@xcelenergy.com Renewable Purchased Power Manager Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-7740 **Operating Committee Representative:** Renewable Purchased Power Manager Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-7740 Fax: 303-571-7002 **Alternate:** Purchased Power Analyst Xcel Energy Services Inc. 1800 Larimer Street, Suite 1000 Denver, CO 80202 Phone: 303-571-6529 Fax: 303-571-7002	**Notices:** Eric Blank - Manager North Star Solar PV LLC 3 Radnor Corporate Center, Suite 300 100 Matsonford Road Radnor, PA 19087 Phone: 303-544-1900 Molly Arbes - Treasurer Community Energy, Inc. 3 Radnor Corporate Center, Suite 300 100 Matsonford Road Radnor, PA 19087 Phone: 1-866-946-3123 **Operating Committee Representative:** Molly Arbes - Treasurer Community Energy, Inc. 3 Radnor Corporate Center, Suite 300 100 Matsonford Road Radnor, PA 19087 Phone: 1-866-946-3123 **Alternate:** Jennifer Lyons Community Energy, Inc. 3 Radnor Corporate Center, Suite 300 100 Matsonford Road Radnor, PA 19087 Phone: 1-866-946-3123

Real-Time Contact Information	
Real-time Communications Contact Real-time Generation Dispatch desk (24 hour coverage) Phone: 303-571-6280* Fax: 303-571-7305 (Normal business hours) Phone: 303-571-7030 *Recorded phone Transmission Operation Contact Position Real Time Transmission Operations Phone: 303-571-649 FAX: 715-737-5425 E-mail: mark.schultz@xcelenergy.com	

EXHIBIT E
INSURANCE COVERAGE

Type of Insurance	Minimum Limits of Coverage
Commercial General Liability (CGL) and commercial umbrella	$11,000,000 combined single limit each occurrence and the aggregate, where applicable. If CGL insurance contains a general aggregate limit, it shall apply separately to the Facility.

CGL insurance shall be written on ISO occurrence form CG 00 01 01 96 (or a substitute form providing equivalent coverage) and shall cover liability arising from premises, operations, independent contractors, products/completed operations, contracts, property damage, personal injury and advertising injury, and liability assumed under an insured contract (including the tort liability of another assumed in a business contract), all with limits as specified above. CGL insurance shall include ISO endorsement CG 24 17 (or an equivalent endorsement) which modifies the definition of "Insured contract" to eliminate the exclusion of easement or license agreements in connection with construction or demolition operations on or within 50 feet of a railroad. There shall be no endorsement or modification of the CGL insurance limiting the scope of coverage for liability arising from explosion, collapse, or underground property damage.

Company shall be included as an insured under the CGL policy, using ISO additional insured endorsement CG 20 10 (or a substitute providing equivalent coverage), and under the commercial umbrella insurance. The commercial umbrella insurance shall provide coverage over the top of the CGL insurance, the Business Automobile Liability insurance, and the Employers Liability insurance.

The CGL and commercial umbrella insurance to be obtained by or on behalf of Seller shall be endorsed as follows:

> Such insurance as afforded by this policy for the benefit of Company shall be primary as respects any claims, losses, damages, expenses, or liabilities arising out of this PPA, and insured hereunder, and any insurance carried by Company shall be excess of and noncontributing with insurance afforded by this policy.

Business Automobile Liability	$2,000,000 combined single limit (each accident), including all Owned, Non-Owned, Hired and Leased Autos.

Business Automobile Liability insurance may be satisfied through a combination of primary and excess liability coverage and shall be written on ISO form CA 00 01, CA 00 05, CA 00 12, CA 00 20, or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage equivalent to that provided in the 1990 and later editions of CA 00 01.

Workers Compensation	Statutory Requirements. Seller may comply with these requirements through the use of a qualified self-insurance plan.

Type of Insurance	Minimum Limits of Coverage
Employers Liability	$2,000,000 each accident for bodily injury by accident, or $2,000,000 each employee for bodily injury by disease.

Employer's Liability insurance may be satisfied through a combination of primary and excess liability coverage.

Builder's Risk	Replacement value of the Facility.

Builder's Risk insurance, or an installation floater, shall include coverage for earthquake and flood, collapse, faulty workmanship, materials and design, testing of machinery or equipment, freezing or changes in temperature, debris removal, and partial occupancy.

Environmental Impairment Liability	$5,000,000 each occurrence.

All-Risk Property insurance covering physical loss or damage to the Facility	Full replacement value of the Facility. A deductible may be carried which deductible shall be the absolute responsibility of Seller.

All-Risk Property insurance shall include: (i) coverage for fire, flood, Solar and storm, tornado and earthquake with respect to facilities similar in construction, location and occupancy to the Facility, with sublimits of no less than $10,000,000 each for flood and earthquake; and (ii) Boiler and Machinery insurance covering all objects customarily subject to such insurance, including boilers and Units, in an amount equal to their full replacement value.

Business Interruption insurance	Amount required to cover Seller's continuing or increased expenses, resulting from full interruption, for a period of 12 calendar months.

Business Interruption insurance shall cover loss of revenues or the increased expense to resume operations attributable to the Facility by reason of total or partial suspension or delay of, or interruption in, the operation of the Facility as a result of an insured peril covered under Property insurance as set forth above, to the extent available on Commercially Reasonable terms as determined by Company, subject to a Commercially Reasonable deductible that shall be the responsibility of Seller. Notwithstanding any other provision of this PPA, Seller shall not be required to have Business Interruption insurance until the Commercial Operation Date.

EXHIBIT F

SELLER'S PERMITS

Federal Approvals

U.S. Army Corp of Engineers (USACE)

- Wetland Delineation Approvals
- Jurisdictional Determination
- Federal Clean Water Act Section 404 and Section 101 Permit(s)

U.S. Fish and Wildlife Service

- Review for Threatened and Endangered Species – informal coordination

Environmental Protection Agency (Region 5) (EPA) in coordination with the Minnesota Pollution Control Agency (MPCA)

- Spill Prevention Control and Countermeasure Plan (SPCC)

Lead Federal Agency

- Federal Section 106 National Historic Preservation Act Review – will occur if Project triggers a federal nexus such as USACE individual permit

U.S. Department of Agriculture

- Form AD-1006 Farmland Conversion Impact Rating – will occur if Project triggers a federal nexus such as USACE individual permit
- Conservation / Grassland / Wetland Easement and Reserve Program releases and consents if applicable
- Farm Services Agency Mortgage Subordination & Associated Environmental Review

Federal Energy Regulatory Commission

- Exempt Wholesale Generator Self Cert. (EWG)
- Market-Based Rate Authorization
- Waiver of OATT, OASIS, and Standards of Conduct requirements applicable to transmission providers with respect to Seller's ownership of generator interconnection facilities

Federal Aviation Administration

- Form 7460-1 Notice of Proposed Construction or Alteration (Determination of No Hazard)

State of Minnesota Approvals

Board of Water and Soil Resources

- Wetland Conservation Act Approval

Minnesota Department of Labor and Industry

- Building Plan Review and Permits

Minnesota Public Utilities Commission
- Site Permit for Power Plant
- Exemption from Certificate of Need for Power Plant

Minnesota State Historic Preservation Office (SHPO)
- Cultural and Historic Resources Review and Review of State and National Register of Historic Sites and Archeological Survey

Minnesota Pollution Control Agency
- Section 104 Water Quality Certification
- National Pollutant Discharge Elimination System Permit (NPDES) – MPCA General Stormwater Permit for Construction Activity – one per facility
- Very Small Quantity Generator (VSQG) License – Hazardous Waste Collection Program
- Aboveground Storage Tank (AST) Notification Form

Minnesota Department of Health
- Environmental Bore Hole (EBH)
- Water Supply Well Notification
- Plumbing Plan Review

Minnesota Department of Natural Resources
- License to Cross Public Land and Water if applicable

Minnesota Department of Transportation (MnDOT)
- Utility Permits on Trunk Highway Right-of-Way if applicable
- Overweight Permit for State Highways – for transport of transformers, inverters
- Access Driveway Permits for MnDOT Roads

Local Permits

Watershed Districts
- Stormwater, drainage, floodplain permits

County
- Right-of-way permits, road access permits, driveway permits for access roads and electrical collection system, Wetland Conservation Act Approval, parcel splits, platting

Townships
- Right-of-way permits, crossing permits, road access permits, and driveway permits for access roads and electrical collection system, parcel splits, platting

EXHIBIT G

FORM OF SECURITY DOCUMENTS

EXHIBIT G-1

FORM OF LETTER OF CREDIT

[LETTERHEAD OF ISSUING BANK]

Irrevocable Standby Letter of Credit No.: _____

Date of Issuance: _____

Beneficiary: _____

Initial Expiration Date: [Must be at least one year after date of issuance]

Applicant: _____

As the Issuing Bank ("Issuer"), we, [Name of Issuing Bank], hereby establish this irrevocable Standby Letter of Credit No._____(this "Letter of Credit") in favor of the above-named beneficiary ("Beneficiary") for the account of the above-named applicant ("Applicant") in the amount of USD $ (_____U.S. Dollars).

Beneficiary may draw all or any portion of this Letter of Credit at any time and from time to time, and Issuer will make funds immediately available to Beneficiary upon presentation of Beneficiary's draft(s) at sight in substantially the form attached hereto as Exhibit "A" ("Sight Draft"), drawn on Issuer and accompanied by this Letter of Credit. All Sight Drafts must be signed on behalf of Beneficiary and the signator must indicate his or her title or other official capacity. No other documents will be required to be presented. Issuer will effect payment under this Letter of Credit within three (3) business days after presentment of any Sight Draft. Payment shall be made in U.S. Dollars with Issuer's own funds in immediately available funds.

Issuer will honor any Sight Draft presented in substantial compliance with the terms of this Letter of Credit at the Issuer's letterhead office, the office located at _____ _____or any other full service office of the Issuer on or before the above-stated expiration date, as such expiration date may be extended hereunder. Partial and multiple draws and presentations are permitted on any number of occasions. Following any partial draw, Issuer will endorse this Letter of Credit and return the original to Beneficiary.

Issuer acknowledges that this Letter of Credit is issued pursuant to the provisions of that certain [Title of Agreement] between Beneficiary and Applicant dated as of _____, 20__ as the same may have been or may be amended from time to time, the "_____"). Notwithstanding any reference in this Letter of Credit to the _____or any other documents, instruments or agreements, or references in the _____ or any other documents, instruments or agreements to this Letter of Credit, this

Letter of Credit contains the entire agreement between Beneficiary and Issuer relating to the obligations of Issuer hereunder.

This Letter of Credit will be automatically extended each year without amendment for a period of one (1) year from the expiration date hereof, as extended, unless at least thirty (30) days prior to the expiration date, Issuer notifies Beneficiary by registered mail that it elects not to extend this Letter of Credit for such additional period. Notice of non-extension will be given by Issuer to Beneficiary at Beneficiary's address set forth herein or at such other address as Beneficiary may designate to Issuer in writing at Issuer's letterhead address.

This Letter of Credit is freely transferable by Beneficiary in whole or in part, and the number of transfers is unlimited. Issuer agrees that it will effect any transfers immediately upon presentation to Issuer of this Letter of Credit and a completed written transfer request substantially in the form attached hereto as Exhibit "B." Such transfer will be effected at no cost to Beneficiary. Any transfer fees assessed by Issuer will be payable solely by Applicant, and the payment of any transfer fees will not be a condition to the validity or effectiveness of the transfer of this Letter of Credit.

Issuer waives any rights it may have, at law or otherwise, to subrogate to any claims Beneficiary may have against Applicant or Applicant may have against Beneficiary.

This Letter of Credit is subject to the uniform customs and practice for documentary credits (2007 Revision), International Chamber of Commerce publication No. 600 (The "UCP"), except to the extent that the terms hereof are inconsistent with the provisions of the UCP, including but not limited to Articles 14(b) and 36 of the UCP, in which case the terms of this Letter of Credit shall govern. With respect to Article 14(b) of the UCP, Issuer shall have a reasonable amount of time, not to exceed three (3) banking days following the date of Issuer's receipt of documents from Beneficiary (to the extent required herein), to examine the documents and determine whether to take up or refuse the documents and to inform Beneficiary accordingly.

In the event of an act of God, riot, civil commotion, insurrection, war or any other cause beyond Issuer's control that interrupts Issuer's business and causes the place for presentation of this Letter of Credit to be closed for business on the last day for presentation, the expiry date of this Letter of Credit will be automatically extended without amendment to a date thirty (30) calendar days after the place for presentation reopens for business.

ISSUER:

By: _____
Authorized Signature

Name: _____
Its: _____

EXHIBIT "A"

TO LETTER OF CREDIT SIGHT DRAFT

Draft Number _____
$_____

At sight, pay to the order of [Name of Beneficiary to be inserted], the amount of USD $_____(_____and 00/100ths U.S. Dollars).

Value received and charged to the account of: [Name of Issuer and address]. Drawn under [Name of Issuer to be inserted] Standby Letter of Credit No._____.

Dated:_____, 20__

[Name of Beneficiary to be inserted]

By: _____

Name: _____
Its Authorized Representative and
[Title or Other official Capacity to be inserted]

Account: [Applicant to be inserted]

EXHIBIT "B"

TO LETTER OF CREDIT FORM OF TRANSFER REQUEST

Irrevocable Standby Letter of
Credit No. _____

Current Beneficiary:

_____
_____
_____
_____

Applicant:

_____
_____
_____
_____

The undersigned, as the current "Beneficiary" of the above-referenced Letter of Credit, hereby requests that you reissue the Letter of Credit in favor of the transferee named below [insert transferee name and address below]:

_____
_____
_____
_____

From and after the date this transfer request is delivered to Issuer, the transferee shall be the "Beneficiary" under the Letter of Credit for all purposes and shall be entitled to exercise and enjoy all of the rights, privileges and benefits thereof.

Dated: _____

[Name of Beneficiary]

By: _____
Name: _____
Title: _____

[Notary Acknowledgement]

To be signed by a person purporting to be an authorized representative of Beneficiary and indicating his or her title or other official capacity, and acknowledged by a notary public.

EXHIBIT G-2
FORM OF GUARANTY

This Guaranty is executed and delivered as of this____day of _____ _____, 20__, Guarantor", in favor of _____("Company"), in connection with the performance by _____, a limited liability company] ("Seller") of a Power Purchase Agreement dated _____, 20__ between Seller and Company (the "PPA").

- RECITALS -

A. Seller is planning to construct, own, and operate a Solar power electric generation facility having Nameplate Capacity of approximately_____MW to be located in_____County,_____(the "Facility").

B. Seller and Company have entered into the PPA for the purchase and sale of capacity and electrical energy from the Facility on the terms and conditions set forth therein.

Seller is controlled by Guarantor. Guarantor expects to derive substantial benefits from the performance of the PPA by Seller and Company. To induce Company to enter into the PPA and consummate the purchase and sale of electrical energy contemplated by the PPA, Guarantor has agreed to guarantee the obligations of Seller as provided in this Guaranty.

NOW, THEREFORE, in consideration of the foregoing, Guarantor agrees as follows:

- AGREEMENT -

1. Guaranty. Subject to the provisions of this Guaranty, Guarantor hereby absolutely, irrevocably, unconditionally, and fully guarantees to Company the due, prompt, and complete observance, performance, and discharge of each and every payment obligation of Seller under the PPA, whether incurred before or after the date of delivery of this Guaranty (the "Obligations"). This is a guaranty of payment, not of collection, and as such, Company shall not be required to institute, pursue, or exhaust any remedies against Seller before instituting suit, obtaining judgment, and executing thereon against Guarantor under this Guaranty.

2. Maximum Liability. Notwithstanding anything herein to the contrary, Guarantor's maximum liability under this Guaranty shall be limited to ($US _____), plus costs of collection with respect to any valid claim(s) made by Company hereunder that are incurred in the enforcement or protection of the rights of Company.

3. Rights of Company. Guarantor hereby grants to Company, in Company's discretion and without the need to notify or obtain any consent from

Guarantor, and without termination, impairment, or any other effect upon Guarantor's duties hereunder, the power and authority from time to time:

(a) to renew, compromise, extend, accelerate, or otherwise change, substitute, supersede, or terminate the terms of performance of any of the Obligations, in each case in accordance with the PPA;

(b) to grant any indulgences, forbearances, and waivers, on one or more occasions, for any length of time, with respect to Seller's performance of any of the Obligations; and

(c) to accept collateral, further guaranties, and/or other security for the Obligations, and, if so accepted, then to impair, exhaust, exchange, enforce, waive, or release any such security.

4. Performance. If any of the Obligations are not performed according to the tenor thereof, and any applicable notice and cure period provided by the PPA has expired ("Default"), Guarantor shall immediately upon receipt of written demand by Company (a) perform or cause Seller to perform the Obligation in Default, and (b) pay, reimburse, and indemnify Company against any liabilities, damages, and related costs (including attorneys' fees) incurred by Company as a result thereof, all in such manner and at such times as Company may reasonably direct.

5. Satisfaction. Satisfaction by Guarantor of any duty hereunder incident to a particular Default or the occurrence of any other Default shall not discharge Guarantor except with respect to the Default satisfied, it being the intent of Guarantor that this Guaranty be continuing until such time as all of the Obligations have irrevocably been discharged in full, at which time this Guaranty shall automatically terminate. If at any time the performance of any Obligation by Seller or Guarantor is rescinded or voided under the federal Bankruptcy Code or otherwise, then Guarantor's duties hereunder shall continue and be deemed to have been automatically reinstated, restored, and continued with respect to that Obligation, as though the performance of that Obligation had never occurred, regardless or whether this Guaranty otherwise had terminated or would have been terminated following or as a result of that performance.

6. Notice of Acceptance. Guarantor waives and acknowledges notice of acceptance of this Guaranty by Company.

7. Waivers by Guarantor. Guarantor hereby waives and agrees not to assert or take advantage of:

(a) all set-offs, counterclaims, and, subject to Section 4 above, all presentments, demands for performance, notices of non-performance, protests, and notices of every kind that may be required by Applicable Laws;

(b) any right to require Company to proceed against Seller or any other person, or to require Company first to exhaust any remedies against Seller or any other person, before proceeding against Guarantor hereunder;

(c) any defense based upon an election of remedies by Company;

(d) any duty Company to protect or not impair any security for the benefit of any laws limiting the liability of a surety;

(e) any duty of Company to disclose to Guarantor any facts concerning Seller, the PPA or the Project, or any other circumstances, that would or allegedly would increase the risk to Guarantor under this Guaranty, whether now known or hereafter learned by Company, it being understood that Guarantor is capable of and assumes the responsibility for being and remaining informed as to all such facts and circumstances; and

(f) until all Obligations in Default have been fully paid and/or performed, any rights of subrogation, contribution, reimbursement, indemnification, or other rights of payment or recovery for any payment or performance by it hereunder. For the avoidance of doubt, if any amount is paid to Guarantor in violation of this provision, such amount shall be held by Guarantor for the benefit of, and promptly paid to, Company.

8. Cumulative Remedies. The rights and remedies of Company hereunder shall be cumulative and not alternative to any other rights, powers, and remedies that Company may have at law, in equity, or under the PPA. The obligations of Guarantor hereunder are independent of those of Seller and shall survive unaffected by the bankruptcy of Seller. Company need not join Seller in any action against Guarantor to preserve its rights set forth herein.

9. Representations and Warranties. Guarantor represents and warrants to Company as follows:

(a) Guarantor is a corporation, duly organized, validly existing, and in good standing under the laws of the state of its incorporation. Seller is a direct or indirect wholly-owned subsidiary of Guarantor. Guarantor has all necessary corporate power and authority to execute and deliver this Guaranty and to perform its obligations hereunder.

(b) The execution, delivery and performance of this Guaranty has been duly and validly authorized by all corporate proceedings of Guarantor and is not in violation of any law, judgment of court or government agency . This Guaranty has been duly and validly executed and delivered by Guarantor and constitutes a legal, valid and binding obligation of Guarantor, enforceable against Guarantor in accordance with its terms.

10. Collection Costs. Guarantor hereby agrees to pay to Company, upon demand, and in addition to the maximum liability set forth in Section 3 hereof, all reasonable attorneys' fees and other expenses which Company may expend or incur in enforcing the Obligations against Seller and/or enforcing this Guaranty against Guarantor, whether or not suit is filed, including, without limitation, all attorneys' fees, and other expenses incurred by Company in connection with any insolvency, bankruptcy, reorganization, arrangement, or other similar proceedings involving Seller that in any way affect the exercise by Company of its rights and remedies hereunder.

11. Severability. Should any one or more provisions of this Guaranty be determined to be illegal or unenforceable, all other provisions nevertheless shall be effective.

12. Waiver or Amendment. No provision of this Guaranty or right of Company hereunder can be waived, nor can Guarantor be released from Guarantor's duties hereunder, except by a writing duly executed by Company. This Guaranty may not be modified, amended, revised, revoked, terminated, changed, or varied in any way whatsoever except by the express terms of a writing duly executed by Company.

13. Successors and Assigns. This Guaranty shall inure to the benefit of and bind the successors and assigns of Company and Guarantor.

14. Governing Law. This Guaranty shall be governed by and construed in accordance with the law of the State of_____without regard to the principles of conflicts of law thereof.

15. Notices. All notices, requests, claims, demands, and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in the manner contemplated by the PPA, addressed as follows:

(a) if to Company as provided in the PPA

(b) if to Guarantor: _____
_____
_____
Attn:
Phone: (__) _____ Fax: (___) _____

with a copy to: _____
_____
_____
Attn:
Phone: (___) _____ Fax: (___) _____

or to such other address (es) as the person to whom notice is given may have

previously furnished to the others in writing in the manner set forth above.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed and delivered to Company as of the day and year first above written.

[Name of Guarantor]

By: _____
Name:
Title:

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this_____day of _____, 20__, by_____, as _____ of _____.

Witness my hand and official seal.

My commission expires: _____.

_____
Notary Public

(S E A L)

(*space above reserved for recording information*)

EXHIBIT G-3
FORM OF ESCROW AGREEMENT

This Escrow Agreement ("Agreement") is entered into and effective this ___ day of _____,____by and among_____("Seller"), _____ _____("Company") and_____("Escrow Agent").

RECITALS

WHEREAS, Seller and Company are parties to a Solar Energy Purchase Agreement dated_____(the "PPA"), pursuant to which Seller agrees to build and operate an electric generating facility in (the "Facility") and to sell energy from the Facility to Company. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the PPA; and

WHEREAS, Section 11.1 of the PPA requires Seller to provide security in favor of Company in amounts set forth in the PPA up to a total of $ _____ (the "Escrow Total"); and

WHEREAS, Seller has elected to establish and deliver funds (the "Escrow Funds") into an escrow account with Escrow Agent to meet its PPA security obligations, and Seller, Company and Escrow Agent agree to enter into this Agreement to define the terms of that account.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and other consideration set forth in this Agreement and the PPA, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

AGREEMENT

1. Appointment of Escrow Agent. On the terms, and subject to the conditions, set forth in this Agreement, Seller and Company hereby appoint Escrow Agent as their agent and custodian to hold, invest and distribute the Escrow Funds and all interest and investment earnings thereon (the "Escrow Interest") in accordance with this Agreement. To the extent any Escrow Interest accrues during the term of this Agreement, such Escrow Interest shall be added to but shall not be included as part of the principal amount of the Escrow Funds except as set forth in Section 5.

2. Delivery of Funds to Escrow Agent.

   a. Seller shall deposit with Escrow Agent an amount equal to $_____on or before___on or before the date required by the PPA.

b. Escrow Agent shall retain and disburse the Escrow Funds pursuant to the terms of this Agreement. The execution and full performance of this Agreement by Seller and Escrow Agent, and retention and disbursement by Escrow Agent of the Escrow Funds pursuant to the terms hereof, fully satisfies Seller's initial obligations under Section 11.1 of the PPA to establish and maintain a security fund. Escrow Agent shall hold the Escrow Funds under the terms of this Agreement and distribute the Escrow Funds only in accordance with Section 4.

c. The Escrow Funds shall, for all purposes, be considered property of Seller unless and until distributed to Company in accordance with this Agreement. To protect Company prior to such distribution, Seller hereby grants to Company a first priority security interest in all of Seller's right, title and interest in and to the Escrow Funds held under this Agreement for the purpose of securing Seller's obligations under the PPA. However, any release of any portion of the Escrow Funds to Company in accordance with this Agreement shall act as an automatic termination of Company's security interest in the Escrow Funds so released. Seller authorizes Company to file such financing statements and other documents as Company reasonably deems necessary or advisable to protect Company's rights in the Escrow Funds. Each party will sign such documents (including upon the request of Company a control agreement), provide such information, send such notices and take such other actions as any other party reasonably requests to consummate more effectively the intent and purpose of the parties under this Section 2(b).

3. Investment. Escrow Agent shall hold and invest the Escrow Funds only in accordance with the terms of this Agreement. At the written direction of Seller, Escrow Agent shall invest and reinvest the Escrow Funds in cash or one or more of the following short-term securities: a money-market fund, short-term treasury obligations, investment-grade commercial paper and other liquid investment- grade investments with maturities of three (3) months or less. All investments of the Escrow Funds shall be held by, or registered in the name of, Escrow Agent or its nominee. All Escrow Interest and investment income earned on the Escrow Funds shall accrue for the benefit of, and be taxable to, Seller.

4. Distributions of Escrow Funds by Escrow Agent. Escrow Agent shall hold the Escrow Funds until instructed or otherwise required to deliver the same or any portion thereof in accordance with Section 4.

5. Distributions.

   a. Escrow Interest. Once Escrow Funds being held by Escrow Agent reach the Escrow Total, Seller may be paid Escrow Interest earned on the Escrow Funds at times and amounts in Seller's discretion as long as the amount of the Escrow Funds does not, as a result, become less than the Escrow Total.

   b. Release at End of Term; Substitution of Security. After the full and final satisfaction of all of Seller's obligations under the PPA, any Escrow Funds remaining with Escrow Agent after all deductions for any damages or other allowed charges made by Company, and all accrued Escrow Interest, shall be released to Seller. If Seller provides a letter of credit or other security under the PPA in form and substance as required by the PPA and in the full amount of the Escrow Total to secure Seller's obligations to Company prior to the expiration or termination of the PPA, the Escrow Funds and any Escrow Interest shall be released to Seller upon the delivery to Company of such effective letter of credit or security mechanism as permitted by the PPA.

   c. Escrow Claims by Company. During the term of the PPA, Company may draw all or any portion of the Escrow Funds to the extent necessary to recover amounts owing to Company pursuant to the PPA that are not the subject of a good faith dispute, including any damages due to Company and any amounts for which Company is entitled to indemnification under the PPA. Each claim against the Escrow Funds under this Agreement shall be made by Company by delivering to Escrow Agent a certificate, in substantially the form of Exhibit A attached hereto, specifying the nature of the claim (a "Claim Certificate"). A copy of each Claim Certificate shall also be delivered to Seller contemporaneously with provision to Escrow Agent. Escrow Agent shall pay to Company the amount of Escrow Funds set forth in the Claim Certificate, in accordance with the Claim Certificate, on the first business day after it receives the Claim Certificate.

   d. Regulations of the Comptroller of the Currency. Company and Seller acknowledge that regulations of the Comptroller of the Currency grant Company and Seller the right to receive brokerage confirmations of any security transactions as they occur. Company and Seller specifically waive such notifications to the extent permitted by law, and Seller will receive monthly cash transaction statements that will detail all investment transactions.

6. Rights and Obligations of Escrow Agent.

   a. Duties.

      i. Escrow Agent hereby accepts its obligations under this Agreement and represents that it has the legal power and authority to enter into this Agreement and to perform its obligations hereunder. Escrow Agent agrees that all Escrow Funds held by Escrow Agent under this Agreement shall be segregated from all other property held by Escrow Agent and shall be identified as being held in connection with this Agreement. Segregation may be accomplished by appropriate identification on the books and records of Escrow Agent. Escrow Agent's documents and records with respect to the transactions contemplated by this Agreement shall be available for examination by authorized representatives of Company and Seller. Escrow Agent will deliver to Company and Seller written statements not less than quarterly summarizing any activity with respect to the Escrow Funds (including the amount of interest and earnings thereon) and detailing the balance of the Escrow Funds.

      ii. This Agreement may be terminated only by a writing executed by all of Company, Seller and Escrow Agent.

      iii. In the event that this Agreement is scheduled to expire or terminate during the term of the PPA, and Seller has not provided security pursuant to the PPA required to replace this Agreement, Company may draw the entire balance of Escrow Funds, up to the Escrow Total, within five (5) business days of the scheduled expiration or termination date, and without regard to any objection asserted by Seller, provided Company holds the Escrow Funds it draws in escrow until the earlier of (i) the date Seller provides adequate replacement security in compliance with the PPA, or (ii) the date Company is entitled to draw and retain all or any portion of the Security Fund under the PPA.

      iv. Escrow Agent and Seller will provide immediate notice to Company in the event that (i) the amount of Escrow Funds at any time falls below $____prior to the time the Second Deposit is due or (ii) the amount of Escrow Funds at any time falls below the Escrow Total after the Second Deposit is due.

   b. No Other Duties. Escrow Agent shall not have any duties or responsibilities under this Agreement except as expressly set forth herein.

c. Escrow Fee. Escrow Agent shall be entitled to receive solely from Seller (a) compensation for its regular services as escrow agent under this Agreement and (b) reimbursement for all reasonable and necessary out- of-pocket expenses incurred by Escrow Agent in fulfilling its obligations under this Agreement, including, without limitation, reasonable fees and disbursements of legal counsel. Such compensation and reimbursement obligations shall be paid from time to time as incurred. In no circumstance will Company have any obligation to pay any amount to Escrow Agent arising out of or under this Agreement.

d. Resignation of Escrow Agent. Escrow Agent may at any time resign by giving thirty (30) days advance written notice of such resignation to Company and Seller. Upon such resignation, Escrow Agent shall not be discharged from its obligations under this Agreement until (a) a successor escrow agent, as mutually agreed on by Seller and Company, shall have been appointed, (b) the successor escrow agent shall have executed and delivered an Escrow Agreement in substantially the form of this Agreement and (c) all Escrow Funds then held by Escrow Agent under this Agreement shall have been delivered to such successor escrow agent.

e. Liability of Escrow Agent. Escrow Agent shall not be liable for any action taken in accordance with the terms of this Agreement, including, without limitation, any distribution of the Escrow Funds in accordance with Section 4, as long as the action was taken in good faith. Escrow Agent shall not be liable for any other act or failure to act under or in connection with this Agreement, except for its own negligence or intentional tortious misconduct. Seller and Company agree to indemnify, defend and hold Escrow Agent harmless from and against all claims, causes of action, costs, judgments, losses and damages arising out of or related to this Agreement, except for any such claims, causes of action, costs, judgments, losses or damages arising from or related to any breach of this Agreement by Escrow Agent or negligent or intentional tortious actions or omissions of Escrow Agent.

f. Reliance on Documentary Evidence. Escrow Agent shall be entitled to rely on any written notice, certificate, affidavit, letter, document or other communication that is reasonably believed by Escrow Agent to be genuine and to have been signed or sent by the proper party or parties, and on statements contained therein, without further inquiry or investigation. Notwithstanding anything to the contrary in this Agreement, Escrow Agent may act on any written instructions given jointly by Company and Seller.

g. Interpleader. If Company and Seller shall disagree about the

interpretation of this Agreement, or about the rights and obligations or the propriety of any act contemplated by Escrow Agent hereunder, then Escrow Agent may, within its reasonably exercised discretion, file an action of interpleader in the appropriate court of competent jurisdiction and deposit all of the applicable Escrow Funds with such court.

7. Termination of Agreement. This Agreement shall continue through the date on which all obligations of Seller under the PPA have been fully satisfied or all of the Escrow Funds shall have been paid to Company pursuant to the terms of this Agreement.

8. Taxes. Taxes on distributions of the Escrow Funds shall be paid by Seller.

9. Notices. All notices and other communications (including all certificates delivered pursuant to Section 4) under this Agreement by Company or Seller to Escrow Agent shall be delivered contemporaneously to the other parties in the same manner as provided to Escrow Agent. All notices and other communications under this Agreement shall be given in writing and shall be personally delivered, sent by telecopier or facsimile transmission or sent to the applicable parties at their respective addresses indicated in this Section 9 by registered or certified U.S. mail, return receipt requested and postage prepaid, or by private overnight mail courier service, as follows:

If to Seller, to:

_____
_____
_____
_____
Attention: _____ Phone: _____ Fax: _____

If to Company:

Manager, Renewable Purchases
Xcel Energy Services Inc.
1800 Larimer Street, Suite 1000
Denver, CO 80202
Phone: (303) 571-7714
Fax: (303) 571-7002

If to Escrow Agent, to:

_____
_____
_____
Attention: _____ Phone: _____ Fax: _____

or to such other person or address as any party shall have specified by notice in writing to the other parties. If personally delivered, such communication shall be deemed delivered upon actual receipt; if sent by telecopier or facsimile transmission, such communication shall be deemed delivered the day of the transmission, or if the transmission is not made on a business day, the first business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier pursuant to this Section 8, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail pursuant to this Section 8, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal.

10. Miscellaneous.

a. Captions. All titles, subject headings, section titles and similar items are provided for the purpose of reference and convenience and are not intended to be inclusive, definitive or to affect the meaning of the contents or scope of the Agreement.

b. No Third-Party Beneficiary. No provision of this Agreement is intended to nor shall it in any way inure to the benefit of any customer, property owner or other third party, so as to constitute any such person a third-party beneficiary under this Agreement, or of any one or more of the terms hereof, or otherwise give rise to any cause of action in any person not a party hereto.

c. Integration; Amendment. This Agreement constitutes the entire agreement among the parties relating to the transactions described herein and supersedes any and all prior oral or written understandings. No amendment, addition to or modification of any provision hereof shall be binding on the parties, and no party shall be deemed to have waived any provision or any remedy available to it unless such amendment, addition, modification or waiver is in writing and signed by a duly authorized officer or representative of the applicable party or parties.

d. Governing Law. The Agreement is made in the State in which the Facility is located and shall be interpreted and governed by the laws of such State or the laws of the United States, as applicable.

e. Good Faith and Fair Dealing; Reasonableness. The parties agree to act reasonably and in accordance with the principles of good faith and fair dealing in the performance of this Agreement. Unless expressly provided otherwise in this Agreement, (i) whenever this Agreement requires the consent, approval or similar action by a party, such

consent, approval or similar action shall not be unreasonably withheld or delayed, and (ii) whenever this Agreement gives a party a right to determine, require, specify or take similar action with respect to matters, such determination, requirement, specification or similar action shall be reasonable.

f. Severability. Should any provision of this Agreement be or become void, illegal or unenforceable, the validity or enforceability of the other provisions of this Agreement shall not be affected and shall continue in force. The parties will, however, use their reasonable best endeavors to agree on the replacement of the void, illegal or unenforceable provisions with legally acceptable clauses that correspond as closely as possible to the sense and purpose of the affected provision and this Agreement as a whole.

g. Cooperation. The parties agree to cooperate reasonably with each other in the implementation and performance of this Agreement. Such duty to cooperate shall not require any party to act in a manner inconsistent with its rights under this Agreement.

h. Execution in Counterparts and By Facsimile Transmission. This Agreement may be executed in two (2) or more counterparts and by different parties on separate counterparts, all of which shall be considered one and the same agreement and each of which shall be deemed an original.

This Agreement may be executed and delivered by facsimile, and the parties agree that such facsimile execution and delivery shall have the same force and effect as delivery of an original document with original signatures.

[*This space intentionally left blank*.]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed as of the date first set forth above.

Dated: _____**(Seller)**

By: _____

Name: _____

Its: _____

Dated: _____**(Company)**

By: _____

Name: _____

Its: _____

Dated: _____**(Escrow Agent)**

By: _____

Name: _____

Its: _____

EXHIBIT A TO ESCROW AGREEMENT

ESCROW CLAIM CERTIFICATE

TO: _____

This Certificate is issued pursuant to that certain Escrow Agreement, dated as of _____, 2014, by and among Company, Seller and you, as Escrow Agent (the "Escrow Agreement"). Capitalized terms used but not otherwise defined in this Certificate shall have the meaning ascribed to them in the Escrow Agreement.

The undersigned representative of Company hereby certifies that Company is entitled to receive Escrow Funds in the amount of $_____pursuant to the terms of the Escrow Agreement and the PPA, due to the following (generally):_____
_____
_____.
Accordingly, subject to the terms of the Escrow Agreement, you are hereby instructed to distribute, on the first business day after your receipt of this Certificate, the sum of $_____from the Escrow Funds to the undersigned by wire transfer to the following account:

Bank: _____
Account: _____
Routing Number: _____

Date:_____, 20_____

(Company)

By: _____

Name: _____

Title: _____

EXHIBIT H

AGC PROTOCOLS

These AGC protocols for the Facility will cover:

1. AGC Electronic Communications between Company and Seller
2. Data Points to be sent from Seller to Company via AGC
3. Response times and limitations of Facility in regards to AGC
4. Process for communications between Company and Seller in cases when AGC system is not functioning

1. AGC Electronic Communications between Company and Seller

Company will receive and send AGC Set-Point and related data over an analog or digital line. The data points covered under this PPA, as described below, may overlap data requirements for the Transmission Provider, Transmission Authority or Company's Solar Forecasting group.

2. Data Points to be sent from Seller to Company via AGC

The following data points will be transmitted via AGC from Seller to Company and represent Facility level data:

Description	Units
AGC Set-Point (echo)	MW
Power demand	MW
Actual power	MW
Park Potential	MW
Actual reactive power	Mvars
Average Voltage	kV
Number of Units online and running	Integer
AGC Status	Remote/Local

3. Response times and limitations of Facility in regards to AGC

The following protocols outline the expectations around responding to the AGC Set-Point. Except in the case of the Frequency of Changes, these protocols will be generally bound by the manufactures' specifications for the equipment that Seller has chosen for the Facility.

a. Required Response Time

The facility will respond to the AGC Set-Point within the maximum Solar Unit manufactures' specifications. The response time will vary based on the mix of available Units and the current level of output of the facility. The required response time will be subject to change based upon any change in the Solar Unit manufacturers' specifications for ramp rate.

b. Allowable Variances in Excess of AGC Set-Point

Once the facility has reached the AGC Set-Point, there may be variances in excess of such set-point up to 5% on average as measured in fifteen minute intervals each calendar month. This is due to changing solar conditions vs. the manufactures' specifications for responding to those new conditions.

c. Frequency of Changes

Company can send a new AGC Set-Point to the Facility as frequently as the Solar Unit manufacturer specifications allows with the specification for the least frequent change to output allows.

d. Range of AGC Set-Point

The range of set point values can be between 0% and 100% of Park Potential.

4. Backup Communications

In the event of an AGC failure, the Company and Seller shall communicate via telephone in order to correct the failure

.

EXHIBIT H
(to PPA)

DATA COLLECTION

Concurrently with the Commercial Operation Date or when reasonably requested prior to the Commercial Operation Date, Seller will deliver to Company a report showing (i) manufacturer, model and year of all panels, inverters and meteorological instrumentation and (ii) the latitude and longitude of the center of the solar panels for every inverter and every meteorological station. Seller will also transmit and provide to Company the real-time data set forth below, refreshed as frequently as allowed by the SCADA System, not to exceed sixty (60) second intervals:

A. Two (2) data points from each inverter:

1. Inverter generation (kW)
2. Inverter availability

B. Four (4) data points from each meteorological station:

1. Plane of Array Irradiance (W/m2)
2. Ambient Temperature
3. Wind speed (mph)
4. Wind direction (degrees relative to true north)

Seller shall provide a map and key for each inverter sufficient to allow Company to correlate the data received through Company's data historian system to each individual inverter.

EXHIBIT I

LENDER CONSENT PROVISIONS

In the event Seller collaterally assigns its rights hereunder to the Facility Lender as security, any related Lender Consent will contain provisions substantially as follows:

1. Seller and Company will neither modify nor terminate the PPA other than as provided therein, without the prior written consent of the Facility Lender.

2. The Facility Lender shall have the right, but not the obligation, to do any act required to be performed by Seller under the PPA, and any such act performed by the Facility Lender shall be as effective to prevent or cure a default as if done by Seller itself.

3. If Company becomes entitled to terminate the PPA due to an uncured Event of Default by Seller, Company shall not terminate the PPA unless it has first given notice of such uncured Event of Default to the Facility Lender and has given the Facility Lender the same cure period afforded to Seller under Section 12.1 of the PPA, plus an additional thirty (30) Days beyond Seller's cure period to cure any monetary Event of Default and an additional sixty (60) Days beyond Seller's cure period to cure any non-monetary Event of Default; *provided, however*, that if the Facility Lender requires possession of the Facility in order to cure the Event of Default, and if the Facility Lender diligently seeks possession, the Facility Lender's additional thirty (30) Day or sixty (60) Day cure period, as applicable, shall not begin until foreclosure is completed, a receiver is appointed or possession is otherwise obtained by or on behalf of the Facility Lender.

4. Neither the Facility Lender nor any other participant in the Facility Debt shall be obligated to perform or be liable for any obligation of Seller under the PPA until and unless any of them assumes possession of the Facility through the exercise of the Facility Lender's rights and remedies.

5. Any party taking possession of the Facility through the exercise of the Facility Lender's rights and remedies shall remain subject to the terms of the PPA and shall assume all of Seller's obligations under the PPA, both prospective and accrued, including the obligation to cure any then existing defaults capable of cure by performance or the payment of money damages. In the event that the Facility Lender or its successor assumes the PPA in accordance with this paragraph 6, Company shall continue the PPA with the Facility Lender or its successor, as the case may be, substituted wholly in the place of Seller.

6. Within ninety (90) Days of any termination of the PPA in connection with any bankruptcy or insolvency Event of Default of Seller, the Facility Lender (or its successor) and Company shall enter into a new power purchase agreement on the same terms and conditions as the PPA and for the period that would have

been remaining under the PPA but for such termination.

7. The Company shall deliver to Facility Lender, concurrently with the delivery thereof to the Seller, a copy of each notice of breach or default of Seller given by the Company pursuant to the PPA.

8. Subject to the provisions of Article 19, the Company agrees that, if the Facility Lender notifies the Company that an event of default under the agreement(s) between Seller and Facility Lender regarding the Facility Debt (the "Financing Agreements") has occurred and is continuing and that the Facility Lender has exercised its rights (i) to have itself or its designee substituted for the Seller under the PPA, (ii) to acquire or have its designee or assignee acquire the Seller or (iii) to sell, assign, transfer or otherwise dispose of the PPA to a third party, then the Facility Lender, the Facility Lender's designee or such third party (each, a "Substitute Owner") shall be substituted for the Seller under the PPA and, in such event, the Company shall continue to perform its obligations under the PPA in favor of the Substitute Owner, subject to the terms and conditions thereof; provided, however, that the Substitute Owner shall be required to cure any then-existing defaults capable of cure by performance or the payment of money damages.

EXHIBIT J

COMMITTED SOLAR ENERGY AND SOLAR ENERGY PAYMENT RATE
(100 MW)
(by Commercial Operation Year)

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT K
(to PPA)

EXPECTED MONTHLY GENERATION PROFILE

[TRADE SECRET BEGINS

TRADE SECRET ENDS]

EXHIBIT L

Methodology for adjusting the twelve-month Committed Solar Energy value for differences in actual solar irradiation and Expected Solar Irradiation

Committed Solar Energy may be adjusted if the irradiation received at the Site is below the Expected Solar Irradiation. The adjustment to the 12 month average calculation of Committed Solar Energy is appropriate only when actual solar irradiation falls below the Expected Solar Irradiation for the relevant period as agreed to by the Parties. For the avoidance of doubt, all irradiation measurements referred to in this Exhibit L shall be measured in accordance with the definition of "Plane of Array Irradiance."

As an illustrative example, Table 1 below provides the historical generation and solar irradiation between the months of January 2017 and December 2017, the adjustments to the Committed Generation related to this irradiation and the resulting 12 month Committed Solar Energy percentage for a hypothetical solar generating facility. The steps taken in the calculations and referenced Sections in the Agreement, are provided below.

Step 1 – Actual Solar Irradiation to Expected Solar Irradiation

The Expected Solar Irradiation is determined on a monthly basis by calculating the mean monthly values of the TMY data set referenced under the definition of the Expected Solar Irradiation in the Agreement. The Expected Solar Irradiation in the POA is **[TRADE SECRET BEGINS TRADE SECRET ENDS]** and incorporates potential horizon and near shading losses.

The actual monthly solar irradiation is determined by taking the average of the three pyranometer readings at North Branch, MN for the month. (Table 1 - Column C)
By dividing the actual solar irradiation by the Expected Solar Irradiation, a ratio is calculated for each month. (Table 1 - Column D)

Seller shall provide Company with the TMY data including the average of three pyranometer readings pertaining to the Facility, and all pertinent data regarding the Solar Irradiation adjusted Committed Solar Energy calculation whenever an adjustment is made by Seller.

Step 2 - Adjustments to Committed Solar Generation

The Committed Solar Energy on a monthly basis is determined by taking the Expected Monthly Generation Profile (Exhibit K of this PPA and column E in Table 1) multiplied by the annual Committed Solar Energy (Exhibit J of this PPA and Column F in Table 1 of this Exhibit L) for the relevant year of operation. The resulting monthly Committed Solar Energy is adjusted down (pursuant to Section 12(l) of the Agreement) by multiplying the Committed Solar Energy by any monthly Actual to Expected Solar Irradiation ratio that is below the expected amount. (Table 1 - Column G)

The actual generation delivered is equal to the MWh that were produced and delivered per the Agreement. (Table 1 - Column H)

Step 3 - Committed Solar Energy %

In the final step, the summation of the 12 months of actual generation is divided by the summation of the 12 months adjusted Committed Solar Energy to determine the Committed Solar Energy percentage. (Table 1 - Column I)

TABLE 1 North Star Solar PV Illustrative Example

[TRADE SECRET BEGINS

TRADE SECRET ENDS]