

March 23, 2018

## VIA ELECTRONIC FILING AND OVERNIGHT DELIVERY

Utah Public Service Commission Heber M. Wells Building, 4<sup>th</sup> Floor 160 East 300 South Salt Lake City, UT 84114

Attention:	Gary Widerburg
	Commission Secretary

RE: Docket No. 18-035-08 – In the Matter of the Application of Rocky Mountain Power for Approval of the Renewable Energy Contract between PacifiCorp and the University of Utah and the Related Agreement with Amor IX, LLC

Rocky Mountain Power (the "Company") hereby submits for electronic filing an application to the Utah Public Service Commission ("Commission") requesting approval of the Renewable Energy Contract between the Company and the University of Utah, and the renewable resource purchase contract between the Company and Amor IX, LLC, each dated March 16th, 2018, in accordance with Utah Code Ann. §§ 54-17-801, 802, 803, 804, and 805 and Tariff Electric Service Schedule No. 32 ("Schedule 32"). As requested by the Commission, Rocky Mountain Power is also providing seven (7) printed copies of the filing via overnight delivery.

The Company respectfully requests that all formal correspondence and requests for additional information regarding this filing be addressed to the following:

By E-mail (preferred):	datarequest@pacificorp.com utahdockets@pacificorp.com Jana.saba@pacificorp.com Yvonne.Hogle@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232

Informal inquiries may be directed to Jana Saba at (801) 220-2823.

Sincerely,

Joelle R. Steward Vice President, Regulations

Enclosures

Yvonne R. Hogle (7550) Jacob A. McDermott (in-house) Rocky Mountain Power 1407 W North Temple, Suite 320 Salt Lake City, UT 84116 Telephone: (801) 220-4050 Facsimile: (801) 220-4615

Attorneys for Rocky Mountain Power

### **BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

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In the Matter of the Application of Rocky Mountain Power for Approval of the Renewable Energy Contract between PacifiCorp and the University of Utah and the Related Agreement with Amor IX, LLC

Docket No. 18-035-08

#### APPLICATION OF ROCKY MOUNTAIN POWER

Pursuant to Utah Code Ann. § 63g-4-201, and Utah Admin. Code R746-1-203, PacifiCorp, doing business in Utah as Rocky Mountain Power ("Company"), hereby submits this application ("Application") to the Utah Public Service Commission ("Commission") requesting approval of the Renewable Energy Contract ("Schedule 32 Contract")<sup>1</sup> between the Company and the University of Utah ("University"), and the renewable resource purchase contract between the Company and Amor IX, LLC ("RRC"),<sup>2</sup> each dated March 16<sup>th</sup>, 2018, in accordance with Utah Code Ann. §§ 54-17-801, 802, 803, 804, and 805 and Tariff Electric Service Schedule No. 32 ("Schedule 32").

<sup>&</sup>lt;sup>1</sup> See Exhibit accompanying the direct testimony of Mark Tourangeau Confidential Exhibit RMP\_\_\_(MPT-1).

<sup>&</sup>lt;sup>2</sup> See Exhibit accompanying the direct testimony of Mark Tourangeau Confidential Exhibit RMP\_\_\_(MPT-2).

In support of its Application Rocky Mountain Power states as follows:

1. Rocky Mountain Power is a division of PacifiCorp, an Oregon Corporation that provides electric service to retail customers through its Rocky Mountain Power division in the States of Utah, Wyoming, and Idaho, and through its Pacific Power division in the states of Oregon, California, and Washington. Rocky Mountain Power is a public utility in the state of Utah and is subject to the Commission's jurisdiction with respect to its prices and terms of electric service to retail customers in Utah. The Company serves approximately 870,000 customers in Utah Rocky Mountain Power's principal place of business in Utah is 1407 West North Temple, Suite 320, Salt Lake City, Utah 84116.

2. Communications regarding this Application should be addressed to:

Jana Saba Utah State Regulatory Affairs Manager Rocky Mountain Power 1407 West north Temple, 330 Salt Lake City Utah 84116 Telephone: 801-220-4705 Email: jana.saba@pacificorp.com

Yvonne R. Hogle Assistant General Counsel Rocky Mountain Power 1407 West North Temple, Suite 320 Salt Lake City Utah 84116 Telephone: 801-220-2233 Email: <u>Yvonne.hogle@pacificorp.com</u>

In addition, the Company requests that all data requests regarding this matter be

addressed to:

By email (preferred):	datarequest@pacificorp.com
By regular mail:	Data Request Response Center PacifiCorp 825 NE Multnomah, Suite 2000 Portland, OR 97232

Informal inquiries may be directed to Jana Saba by telephone at 801-220-2823.

3. Schedule 32 was approved by Commission in Docket 14-035-T02 on March 20, 2015. The Company developed Schedule 32 in order to implement Senate Bill 12, which was passed in its original form during the 2012 Utah legislative session and codified under Utah Code Ann. §§ 54-17-801, 802, 803, 804, and 805. The law allows a customer to receive electricity directly from a renewable energy facility if the customer pays all of the costs associated with that renewable energy.

4. Since Senate Bill 12 became law, and Schedule 32 was approved by the Commission, the Company has received several inquiries from customers and renewable energy developers expressing interest. However, this Application for approval of the Contract with the University is the first presented to the Commission for approval under Schedule 32.

5. The University is an existing customer of the Company, taking service under Schedule 9, and therefore qualifies for service under Schedule 32.

6. The Company also seeks Commission approval of the renewable resource contract between the Company and Amor IX, LLC ("RRC"), which governs the terms of sale and purchase of the energy produced by the geothermal generation facility. The renewable energy supply agreement between the University and Amor IX, LLC ("RESA")<sup>3</sup> establishes the University's relationship with the initial renewable resource under the Schedule 32 Contract. Amor IX, LLC is the developer of the geothermal generation facility, with an expected nameplate capacity rating of 20 MW, that is located in Churchill County, Nevada and from

<sup>&</sup>lt;sup>3</sup> See Exhibit accompanying the direct testimony of Mark Tourangeau Confidential Exhibit RMP\_\_(MPT-3) (while the RESA does not require the Commission's approval under Schedule 32, it is included with Mr. Tourangeau's testimony to provide the Commission a full understanding of the transaction due to its interrelationship with the other two agreements).

which the renewable energy will be generated. As a baseload renewable energy facility, this resource meets Schedule 32's requirements.

7. The Application is supported by Company witness Mark Tourangeau, Director, Commercial Services for Rocky Mountain Power. Mr. Tourangeau's testimony discusses: a) the Schedule 32 Contract structure, its relationship to the RRC and the RESA, which support the transaction with the initial renewable facility that will supply the University; b) the elements of the Contract that are designed to ensure other ratepayers bear none of the costs associated with the Contract or its underlying transactions; and c) how future renewable facilities will be identified and added under the contract.

#### CONCLUSION

WHEREFORE, based on the foregoing and by this application, the Company respectfully requests that the Commission:

- a) Hold a scheduling conference in this matter as soon as reasonably practicable;
- b) Approve the Company's application of approval of the Schedule 32 Contract and the RRC, as filed, on or before June 15, 2018;
- c) Grant such other relief it deems just and reasonable and in the public interest.

DATED this 23rd day of March, 2018.

Respectfully submitted,

ROCKY MOUNTAIN POWER

Yvonne Hogle Attorney for Rocky Mountain Power

Rocky Mountain Power Docket No. 18-035-08 Witness: Mark P. Tourangeau

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

# ROCKY MOUNTAIN POWER

# REDACTED

Direct Testimony of Mark P. Tourangeau

March 2018

- Q. Please state your name, business address, and current position with Rocky
   Mountain Power ("Company").
- A. My name is Mark Tourangeau. My business address is 1407 W. North Temple, Salt
  Lake City, Utah 84114. I am employed by the Company as the Director of Commercial
  Services.
- 6 Q. Please briefly describe your education and business experience.
- A. I received a B.A. in Economics from the University of New Hampshire in 1988, and
  an M.A. in Economics from the University of New Mexico in 1993. I also am a
  Chartered Financial Analyst charterholder. I have been employed by the Company
  since 2017. Prior to that, I was employed by NextEra Energy, Inc. as Vice President
  Business Management and Vice President Trading Risk Management; and before that
  I worked at Morgan Stanley Commodities and Duke Energy.
- 13 Q. Have you appeared as a witness in previous regulatory proceedings?
- A. Yes. I testified before the Utah Public Service Commission in Docket No. 17-035-52
  and Docket No. 17-035-72.
- 16 Q. What is the purpose of your testimony?
- A. The purpose of my testimony is to support the Company's application for approval of the renewable energy contract between the University of Utah ("University") and the Company ("Schedule 32 Contract"), which is attached to my testimony as Confidential Exhibit RMP\_\_(MPT-1); and the related renewable resource purchase contract between Amor IX, LLC ("Amor") and the Company ("RRC"), which is attached to my testimony as Confidential Exhibit RMP\_\_(MPT-2). Specifically, I discuss Electric Service Schedule 32, Service from Renewable Energy Facilities, of the Company's

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tariff ("Schedule 32"), which is one of the tools that allows the Company to meet its
customers' renewable energy goals, while protecting the Company's other customers
from the financial impacts.

27 My testimony also addresses how the Schedule 32 Contract with the University 28 meets the requirements of Schedule 32. Finally, I provide a description of the material 29 terms of the Schedule 32 Contract, the RRC and the renewable energy supply 30 agreement between the University and Amor IX, LLC ("RESA"), including, overall 31 structure, mechanisms included to protect other ratepayers, and the potential for supply 32 from additional renewable facilities to be added under the Schedule 32 Contract at a 33 later date. While the RESA does not require the Commission's approval under 34 Schedule 32, I have included it as Confidential Exhibit RMP\_\_\_(MPT-3) to provide 35 the Commission a full understanding of the transaction and its interrelationship with 36 the other two agreements.

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#### What is the purpose of Schedule 32?

A. The genesis of Schedule 32 and its enabling legislation was customer driven.
Customers representing both private industry and municipal entities are increasingly
interested in meeting part or all of their load with renewable resources. Schedule 32 is
one of the tariff mechanisms that allows the Company to work with these customers to
help them meet their renewable energy goals.

# 43 Q. Is this the first time the Company has sought approval for an agreement under 44 Schedule 32?

45 A. Yes.

#### Page 2 – Direct Testimony of Mark P. Tourangeau

#### 46 Q. Please describe Schedule 32.

47 Schedule 32 is a unique retail service option which allows a Customer to receive A. 48 electric service from the Company that includes electricity generated by a renewable 49 energy facility that is under a contractual arrangement with the Company and the 50 customer. Schedule 32 was developed to facilitate the requirements of Utah Code Title 51 54, Chapter 17, Part 8, "Renewable Energy Contracts." Accordingly, Schedule 32 is 52 one of the ways a qualified customer may contract with the Company to receive supply 53 from one or more renewable energy facilities. While it is a departure from traditional 54 retail electric service, it is a solution that allows customers interested in greater 55 renewable energy supply to achieve their goals, while protecting other customers from 56 the financial impacts of those decisions. Under Schedule 32 the facilities may be either 57 committed to supply the customer by contract, or be owned by the customer.<sup>1</sup>

#### 58 Q. What was the Company's intention when it filed for approval of Schedule 32?

A. When the Company filed for approval of Schedule 32 in 2014, it sought to implement
Utah Code Title 54, Chapter 17, Part 8 and establish the requirements for applicable
customers to receive electric service based on the costs of the renewable energy
facilities they chose to supply them, so long as all costs related to that choice would be
paid by the customers making it, rather than other customers. Additionally, the
Company's filing set clear, cost-based rates for the portions of its service not related to
the renewable energy supply, including: customer charges, the Company's

<sup>&</sup>lt;sup>1</sup> See Schedule 32, Sheet No. 32.1, "Provision"; and Sheet No. 32.4, "Definitions", "Renewable Energy Facility".

66	administrative fee, delivery facilities charges, daily power charges, and supplementary
67	energy provided by the Company. <sup>2</sup>

### 68 Q. Has Schedule 32 changed since it was first approved by the Commission?

A. Yes. Aside from housekeeping modifications, Schedule 32 was modified in 2017 in
response to legislative changes to the enabling statutes that expanded the types of
renewable energy facilities that qualify under the tariff. <sup>3</sup> Specifically, the qualifications
were expanded from only facilities located within the state of Utah, to include facilities
located outside the state that provide energy from baseload resources.

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#### SCHEDULE 32 REQUIREMENTS

#### 75 Q. What qualifications are required for customers under Schedule 32?

A. Schedule 32 is available to any customer who would otherwise qualify for Electric
 Service Schedules 6, 8 or 9 that desires to receive all or part of its electricity from a
 renewable energy facility (as defined by Schedule 32).<sup>4</sup>

#### 79 Q. Does the University meet these requirements?

A. Yes. The University currently takes the majority of its service under Electric Service
Schedule 9, and is seeking to receive electricity from a renewable energy facility for a
portion of this Schedule 9 load.

# Q. Please describe the renewable energy facility the University seeks to receive electricity from?

- 85 A. Under the RESA, dated February 21, 2018, Amor will construct, own, operate and
- 86 maintain the Soda Lake geothermal powered electric generation facility located in

<sup>&</sup>lt;sup>2</sup> See Utah Public Service Commission Docket No. 14-035-T02, Direct Testimony of David L. Taylor for Rocky Mountain Power, lines 38–46, July 23, 2014.

<sup>&</sup>lt;sup>3</sup> See Commission Docket No. 17-035-T11.

<sup>&</sup>lt;sup>4</sup> Schedule 32, Sheet No. 32.1, "Application" (referencing Utah Code Section 54-17-601(1)(b)).

87 Churchill County, Nevada, with an expected nameplate capacity rating of 20 MW, net 88 of station use, transformation and transmission losses to the point of delivery (the 89 "Facility").

# 90 Q. Does the Facility meet Schedule 32's definition of a renewable energy facility?

A. Yes. Once constructed, it will produce a baseload supply of power from its geothermal
resource, which meets Schedule 32's requirements for renewable energy facilities
located outside the state of Utah.<sup>5</sup> Moreover, through the Schedule 32 Contract it will
supply the University substantially more than Schedule 32's minimum threshold of 2
MW on an annual peak load basis.<sup>6</sup>

96 Q. Given that the Schedule 32 Contract allows for additional facilities to be added,
97 how does it ensure compliance with Schedule 32's requirement that renewable
98 resource contracts between the Company and the customer have the same
99 duration and pricing as the contract between the Company and the renewable
100 energy facility?

A. The Schedule 32 Contract establishes that the Term begins with the effective date and "shall continue for so long as any Renewable Resource Contract for Customer remains in place, or for so long as the Company has a financial obligation under a Renewable Resource Contract for Customer, whichever is longer..."<sup>7</sup> This ensures that the term of the Schedule 32 Contract will match the term of any applicable renewable resource contract under it. Additionally, the Company and the University will ensure that the term of the related renewable energy supply agreement with the Company matches the

<sup>&</sup>lt;sup>5</sup> Schedule 32, Sheet No. 32.1, "Applicability"; and Sheet No. 32.4, "Definitions".

<sup>&</sup>lt;sup>6</sup> Schedule 32, Sheet No. 32.1, "Conditions of Service", Section 1.

<sup>&</sup>lt;sup>7</sup> Confidential Exhibit RMP\_\_\_(MPT-1), Contract at Article II.

108 term in the renewable resources contract with the University. Examining how this is 109 structured for the initial renewable facility provides a good example of how the parties 110 will meet Schedule 32's requirement for subsequent facilities. The Schedule 32 111 Contract will not become effective until fully executed, and a final non-appealable Commission order is entered approving it.<sup>8</sup> The RRC and the RESA become effective 112 113 once they are fully executed, and the RRC is approved by the Commission via a final 114 non-appealable order in this docket, and the security for the development of the Facility is posted.<sup>9</sup> This mechanism ensures that, while the Schedule 32 Contract becomes 115 116 effective with the Commission's approval in this docket, the Company will not have 117 any obligations to the Facility unless and until project security is posted, at which point 118 the RRC and the RESA become contemporaneously effective.

119 Q. Do the University or the Facility meet the other requirements of Schedule 32?

Yes. For example, the Schedule 32 Contract provides that the University will receive 120 A. 121 credit for any excess energy at the Company's avoided costs as set forth in its Electric 122 Service Schedule 37.<sup>10</sup> This requirement helps protect the Company's other customers, 123 because avoided cost rates for qualified facilities under the Public Utility Regulatory 124 Policies Act of 1978, and the federal regulations promulgated under it, are established 125 based on the principle of customer indifference. In other words, avoided costs are set to ensure that customers will pay no more than they would otherwise pay for the same 126 127 amount of energy from Company resources.

<sup>&</sup>lt;sup>8</sup> Confidential Exhibit RMP\_(MPT-1), Contract, Article I "Definitions", "Effective Date".

<sup>&</sup>lt;sup>9</sup> Confidential Exhibit RMP\_(MPT-2), RRC, Section 2.1; and Confidential Exhibit RMP\_(MPT-3), RESA, Section 1.1, "Effective Date".

<sup>&</sup>lt;sup>10</sup> Confidential Exhibit RMP\_(MPT-1), Contract, Section 5.3

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## MATERIAL TERMS OF THE SCHEDULE 32 CONTRACT AND RELATED AGREEMENTS

### 130 Q. Can you describe the overall structure of the transaction?

131 Yes. The transaction is enabled by three separate contracts that are linked to each other A. 132 in order to match risks and obligations between the University and Amor (the owner of 133 the Facility), ensuring that the Company's customers are immune from those risks. 134 First, the University has executed a renewable energy supply agreement with Amor, 135 the RESA, which establishes Amor's obligation to sell its output to the Company via a 136 renewable resource contract, and the University's obligation to enter into a renewable 137 energy contract, the Schedule 32 Contract, with the Company to purchase that output. <sup>11</sup> Second, there is the Schedule 32 Contract between the University and the Company, 138 139 which establishes the terms by which the Company will sell electricity to the University.<sup>12</sup> Finally, there is the RRC between the Company and Amor that establishes 140 141 the Company's obligations to purchase and Amor's obligations to sell energy, renewable attributes and capacity from the Facility.<sup>13</sup> 142

### 143 Q. Please discuss the structure of the Schedule 32 Contract.

Because the Schedule 32 Contract allows the University to add incremental renewable energy to it from additional renewable energy facilities, it is designed to establish general mechanisms and pass-through provisions that will apply to all renewable resource contracts that are executed under it. For example, the Schedule 32 Contract's Section 3.3 establishes the University's obligation to notify the Company of its expected delivery schedules for any of its renewable resources, and what volumes will

<sup>&</sup>lt;sup>11</sup> Confidential Exhibit RMP\_\_\_(MPT-3).

<sup>&</sup>lt;sup>12</sup> Confidential Exhibit RMP\_\_\_(MPT-1).

<sup>&</sup>lt;sup>13</sup> Confidential Exhibit RMP\_\_\_(MPT-2).

be delivered to the University on a monthly basis. The University must provide this schedule at least three months before the initial deliveries begin, and must update the schedule at least every six months, although it is permitted to amend it more frequently if necessary. This provision will apply to any renewable resources established under the Schedule 32 Contract.

Section 3.4 of the Schedule 32 Contract establishes the Company's obligation 155 156 to provide supplementary energy supply to the extent the renewable resources under 157 the Schedule 32 Contract do not meet all of the University's energy demands. It also 158 allows the University to develop up to 10 MW of generation located on its campus with 159 an obligation to notify the Company of that development, while continuing to be 160 charged for services and supplementary energy under Schedule 32 for their total load 161 under as additional renewable generation capacity is added. As provided under Schedule 32, Section 5.1 of the Schedule 32 Contract states that the Company will 162 163 charge the University for supplementary supply based on the applicable General 164 Service Schedule. While the number of resources under the Schedule 32 Contract is 165 likely to alter the quantities of supplementary energy needed, it properly addresses how 166 the University will be charged for it regardless of the number or output of resources 167 under the contract.

Section 4.3 of the Schedule 32 Contract sets forth general guidelines for renewable resource contracts between the Company and renewable facilities selected by the University. It requires the Company to negotiate reasonable market terms and conditions that do not unreasonably impair the ability for the facility to obtain financing, and to not require the facility to bear risks that the University has assumed

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under the Schedule 32 Contract. Section 4.3 also requires the Company to ensure that
the University is made a third party beneficiary of any agreements with renewable
facilities under the Schedule 32 Contract. Further, it gives the University the right to
cure defaults by either party and recover the damages, costs or expenses from enacting
such cure, and requires both parties to provide written notice of any defaults that may
lead to termination of any renewable resource contract.

179 Section 4.4 absolves the Company from any liability to the University for partial 180 or total failures by a renewable facility to perform. This provision is one of several that 181 protect the Company's other customers from the risks of the University's decision to 182 procure additional renewable energy under Schedule 32. Similarly Section 4.6 states 183 that the University is responsible for all costs incurred under any renewable resource 184 contract under the Schedule 32 Contract.

Section 4.7 of the Schedule 32 Contract establishes that any renewable resource contract shall provide that all renewable and environmental attributes and all renewable energy certificates associated with the renewable supply shall be transferred to the University. Schedule 32 does not require that renewable attributes be transferred in this manner,<sup>14</sup> but the University is paying all costs associated with the renewable resource and this provision provides the University with economic value beyond energy, and allows it to make valid public claims about the renewable energy it procures.

192 Section 5.1 of the Schedule 32 Contract establishes the rates for power and 193 energy delivered to the University. The cost of any renewable facility under the 194 Schedule 32 Contract is designed to be a direct pass through of the charges paid by the

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<sup>&</sup>lt;sup>14</sup> See Schedule 32, Sheet No. 32.9, "Renewable Energy Contract", at I.C.4.

195 Company under each renewable resource contract. As noted above, charges for 196 supplementary supply, to the extent the University's full requirements are not met by 197 renewable supply under the Schedule 32 Contract, will be based on the applicable 198 General Service Schedule. The section then makes clear that the University is obligated 199 to pay the other rates set forth in Schedule 32 including Transmission Voltage level 200 Customer Charges, the Administrative Fee, Delivery Facilities Charges, and Daily Power Charges.<sup>15</sup> Additionally, Section 5.1 allows the University to be billed for any 201 202 equipment lease or subscription charges that are required to facilitate the Schedule 32 203 Contract, applicable demand side management charges or credits and any applicable 204 taxes.

# Q. You mentioned that the contracts are linked to match the risks and obligations between the University and Amor, what is the purpose of that linkage?

A. The primary reason for these links is to ensure that that the Company's other customers are held harmless should either the University or Amor default under any of their respective obligations. Protecting the Company against these default risks is an explicit requirement of Schedule 32.<sup>16</sup> Another reason for the links among the three agreements is to ensure that the University has the right to pursue legal remedies against Amor, and vice versa, if a problem or dispute arises in one of the agreements that either is not directly a party to.

# Q. What sections of the Schedule 32 Contract link to the other two agreements to protect the Company's other customers from default risks?

A. Section 4.3 of the Schedule 32 Contract entitles the University to cure any defaults by

<sup>16</sup> *Id.* at I.C.3.

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<sup>&</sup>lt;sup>15</sup> See Schedule 32, Sheet No. 32.5 & 32.6, "Monthly Bill".

217 either the Company or the University under the RRC, and the Company is obligated to 218 provide written notice to the University of any default that could lead to termination of 219 the RRC as soon as practicable and prior to the expiration of the applicable cure period. 220 Section 17.1 establishes that each renewable resources contract shall provide that the 221 Company's obligation to purchase under that contract ceases if such non-payment is 222 not cured within 30 days, and the Company may terminate the applicable renewable 223 resource contract in accordance with its notice and termination provisions. This 224 provision is required under Schedule 32. If any renewable resources contract is 225 terminated under Section 17.1, it is automatically removed from the Schedule 32 226 Contract.

# Q. What sections of the RESA link to the other two agreements to protect theCompany's other customers from default risks?

229 Section 4.2 of the RESA entitles the University to cure any defaults by either the A. 230 Company or the University under the RRC, and Amor is obligated to provide written 231 notice to the University of any default that could lead to termination of the RRC as 232 soon as practicable and prior to the expiration of the applicable cure period. Section 5.2 233 restates the default security provisions under the RRC, which I describe in more detail 234 below. Article VIII of the RESA establishes the events of default that could lead to 235 obligations to cure, termination and damages as between the University and Amor, 236 which includes failure of the University to pay the Company under the RRC, and 237 failures of Amor to post security, double selling or counting of any environmental 238 attributes, sale of power or energy to anyone other than the Company, foreclosure of

the facility, abandonment and Amor's failure to achieve the agreed upon delivery start

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240		date.
241	Q.	What sections of the RRC link to the other two agreements to protect the
242		Company's other customers from default risks?
243	A.	Section 8.2 of the RRC establishes the requisite amount of security that Amor must
244		post to cover any defaults by it under the agreement. The default security will be in the
245		form of a for the benefit of the
246		Company and the University. The Company is entitled to draw upon the security to
247		cover any University damages, as well as any damages to the Company relating to a
248		University Default. The University is entitled to draw upon the security to the extent of
249		any damages related to its cure of Amor defaults, or to the extent it enforces its rights
250		as a third party beneficiary of the RRC. Under Section 11.3 of the RRC, any defaults
251		by the University that are not cured within the applicable period allow the Company to
252		suspend its obligations to Amor under the RRC until such defaults are cured. Under
253		Section 11.4 of the RRC, which provides general default provisions, either party may
254		terminate the agreement for a default by the other party, with 60 days written notice.
255		During those 60 days the defaulting party, or the University may cure the default to
256		prevent termination, otherwise the RRC will terminate. The RRC will also terminate if
257		the University provides the Company notice under the Schedule 32 Contract to
258		terminate it early, pursuant to Article IX of the RESA between the University and
259		Amor.

# Q. Are there other risks of cost shifting to other customers that the Company has addressed in any of the three agreements?

Yes. Section 3.2.5 and 3.2.6 of the RRC protect the Company's other customers 262 263 from bearing additional costs associated with this Schedule 32 transaction by making 264 Amor responsible for the cost of interconnection service or transmission service 265 necessary to facilitate this transaction, including the cost of any network upgrades 266 necessary to secure those services. While the nature of these potential interconnection service or transmission service costs may vary depending on, among other factors, 267 268 whether a Schedule 32 generator is directly interconnected with PacifiCorp's system, 269 the Company's other customers must be held financially harmless from these costs 270 under Schedule 32. Depending on the circumstances, the allocation of network upgrade 271 costs may require the Company to seek approval from the Federal Energy Regulatory 272 Commission. In this transaction, however, the Contract simply terminates if network 273 upgrades are required.

# Q. You state that the University has the ability to add incremental renewable energy facilities under the contract. Can you describe how that will work?

A. Yes. Section 4.2 of the Schedule 32 Contract contemplates that the University may choose to contract with additional facilities to further increase the percentage of its electricity that is supplied by renewable resources. This section establishes the process for the procurement of additional renewable resources, and in subsection (b) makes clear that the University or the owner of the selected renewable resource are to bear any additional expense related to these additional procurements, which protects the Company's other customers from such costs. Rather than require the University to

Page 13 – Direct Testimony of Mark P. Tourangeau

283 renegotiate a new renewable energy contract with each new resource, the parties have 284 agreed to structure the Schedule 32 Contract as a master agreement that allows the 285 University to add additional renewable resource contracts with other renewable 286 facilities under it. If the University elects to add an additional facility then the parties 287 will only need to negotiate two additional contracts. The Schedule 32 Contract makes 288 clear that approval from the Commission is required prior to any new renewable 289 resource contracts becoming effective. It also makes clear that the energy produced by 290 these additional facilities, whether they are remote from or onsite at the University, will 291 be billed under Schedule 32.<sup>17</sup>

Q. Please describe the material terms that will apply under the RESA and the RRC
with the initial renewable energy facility that is before the Commission for
approval in this docket.

- A. As I previously stated, the Facility is a yet-to-be constructed geothermal facility that is expected to be rated at 20 MW nameplate capacity. Amor has committed, via the RRC
- 297 with the Company, to provide the University approximately of 298 electricity generated by the Facility in the RESA. The terms of both the RESA and the 299 RRC extend for from date renewable supply deliveries to the Company begin. 300 above, both agreements are structured to become effective As noted 301 contemporaneously. Under the RESA, Amor will also transfer all renewable and 302 environmental attributes associated with the electricity generated by the Facility and 303 supplied to the University within 90 days following payment for energy it has delivered 304 to the Company. As I discussed above, the transfer of these attributes is required by the

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<sup>&</sup>lt;sup>17</sup> See Confidential Exhibit RMP\_\_\_(MPT-1), Contract, Section 1.1, "Effective Date"; *also see* Contract, Section 4.2(a).

305		Schedule 32 Contract. In addition to renewable attributes, under the RRC, Amor
306		assigns the Company any capacity rights it may have in the Facility during the term.
307	Q.	What is the contract price the Company will pay for the energy under the RRC
308		that will flow through to the University as provided in Schedule 32 and the
309		Schedule 32 Contract?
310	A.	Amor and the University have agreed to dollars per MWh prices that begin at
311		in delivery-year one and then escalate annually until year of the RRC, after which
312		prices will remain flat at through the remainder of the term. The details
313		on the pricing for years of the RRC term can be found in the RRC's
314		Exhibit D.
315	Q.	Did the Company participate in the price negotiations?
316	A.	Yes, but only to ensure that the agreements captured the price terms accurately. The
317		prices in the RRC were those negotiated and agreed to between Amor and the
318		University at the conclusion of the request for proposal process administered by the
319		University. The Company does not view its role in Schedule 32 transactions as one
320		meant to influence commercial terms like price, at least to the extent those terms will
321		not impact its other customers, or impinge on the Company's ability to carry out its
322		contractual or regulatory obligations.
323	Q.	Does this conclude your direct testimony?
324	A.	Yes.

Rocky Mountain Power Exhibit RMP\_\_\_(MPT-1) Docket No. 18-035-08 Witness: Mark P. Tourangeau

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

# ROCKY MOUNTAIN POWER

### REDACTED

Exhibit Accompanying Direct Testimony of Mark P. Tourangeau

University and Company Schedule 32 Contract

March 2018

#### **RENEWABLE ENERGY CONTRACT (SCHEDULE 32)**

This RENEWABLE ENERGY CONTRACT (SCHEDULE 32) is executed and entered into this 21<sup>st</sup> day of February, 2018, between PacifiCorp, an Oregon corporation doing business in Utah as Rocky Mountain Power ("Company"), and the University of Utah, a body politic and corporate of the State of Utah ("Customer"), each sometimes referred to herein as "Party" or collectively as "Parties."

#### RECITALS

WHEREAS, Customer desires to utilize additional renewable energy at its main campus in Salt Lake City, Utah ("Campus") within Company's service territory;

WHEREAS, Company is a public electric utility that provides electric power and energy to retail electric customers throughout its certificated service territory, including Customer's Campus;

WHEREAS, at Customer's request, PacifiCorp is willing to enter into a Renewable Resource Contract (Schedule 32) with one or more Renewable Resource Providers for the purchase of renewable energy to be delivered to Customer in accordance with the provisions of Utah Code Ann. § 54-17-801-805, and Company's Utah Electric Service Schedule No. 32;

WHEREAS, Customer intends to enter into a Renewable Energy Supply Agreement with one or more Renewable Resource Providers regarding one or more Customer Renewable Resources; and

WHEREAS, the Parties desire to enter into this Agreement, as defined below, in accordance with the provisions of Utah Code §§ 54-17-801-805, and Schedule 32;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereinafter contained, the receipt and sufficiency of which are hereby acknowledged, Customer and Company hereby agree to the following terms and conditions:

#### ARTICLE I DEFINITIONS

Section 1.1 <u>Definitions</u>. Whenever used herein, the following terms shall have the respective meanings set forth below, unless a different meaning is plainly required by the context, and when the defined meaning is intended, the term is capitalized:

"Act" has the meaning set forth in Section 20.3.

"Affiliate" means, with respect to any entity, each entity that directly or indirectly controls, is controlled by, or is under common control with, such designated entity, with "control" meaning the possession, directly or indirectly, of the power to direct management and policies, whether through the ownership of voting securities or by contract or otherwise. "Agreement" means this Renewable Energy Contract (Schedule 32) and any renewals hereof and any appendix, exhibit or amendment hereto.

"Applicable General Service Schedule" means Company's Utah Electric Service Schedule No. 9, or a successor schedule, as approved by the Commission and in effect from time to time.

"Applicable Code" means the applicable provisions of Utah Code Ann. §§54-17-801-805.

"Billing Period" means the period of approximately 30 days intervening between regular successive meter reading dates. There shall be 12 billing periods per year.

"Business Day" means any day on which banks in Salt Lake City, Utah are not authorized or required by Requirements of Law to be closed, beginning at 6:00 a.m. and ending at 5:00 p.m. local time in Utah.

"Campus" has the meaning set forth in the Recitals.

"Commission" means the Utah Public Service Commission.

"Company" has the meaning set forth in the Preamble, referencing the Person who executes or will execute a Renewable Energy Contract with Customer.

"Company Damages" means costs, losses or damages actually and demonstrably incurred by Company as a result of a breach by a Renewable Resource Provider under a Renewable Resource Contract that is not borne or paid for by Customer. Company Damages shall not include damages incurred or suffered by Customer as a result of any such breach. The Parties agree that, except as expressly set forth in any Renewable Resource Appendix, no Company Damages will accrue as a result of a circumstance giving rise to Liquidated Damages under any RESA.

"Confidential Information" means, subject to Section 20.3, any and all non-public proprietary written information, data, analyses, documents, and materials furnished or made available by a Party or its Representatives to the other Party or its Representatives in connection with this Agreement, and any and all analyses, compilations, studies, documents, or other material prepared by the receiving Party or its Representatives to the extent containing such information, data, analyses, documents, and materials. Confidential Information shall not include any information that: (a) is already in the public domain or which becomes public knowledge absent any violation of the terms of this Agreement; (b) was already in the possession of a Party prior to disclosure by the other Party; (c) a Party obtains from another Person which such Party reasonably believes was not under an obligation of confidentiality; (d) is or becomes generally available to, or is independently known to or has been or is developed by, any Party or any of its Representatives other than materially as a result of any disclosure of proprietary information by the disclosing Party to the receiving Party; or (e) information independently developed by either Party, without reliance on the Confidential Information.

"Contract Year" with respect to any Customer Renewable Resource means a twelve (12) consecutive month period commencing on the Delivery Start Date for such Customer Renewable Resource or on any anniversary date thereof during the Term of this Agreement. The unqualified term "Year" shall refer to a Contract Year.

"Cost of Renewable Supply" has the meaning set forth in Section 4.6.

"Customer" has the meaning set forth in the Preamble, and is the Person who executes or will execute a Renewable Energy Contract with the Company.

"Customer Agreement" means a contract or agreement between Company and Customer that specifies the terms of service to a single metered delivery location. A Customer may have more than one Customer Agreement. For purposes of this Agreement, Customer Agreement means each Renewable Resource Appendix signed by the Parties and appended to Exhibit A, together with all of the terms and conditions of this Agreement.

"Customer Renewable Generation" means Power and Energy supplied by a Renewable Energy Facility located on and utilized behind the meter on Customer's Campus, connected via a Retail Point of Delivery, and consistent with the Applicable Code and Schedule 32. Customer Renewable Generation may be owned by the Customer and/or by a Person other than the Customer, and shall be procured or documented with a Renewable Resource Appendix, which will include other applicable terms and conditions. Renewable Power and Renewable Energy from Customer Renewable Generation will not be adjusted for losses.

"Customer Renewable Resource" means a Renewable Energy Facility selected by the Customer to provide electric power and energy for use at Customer's Campus consistent with the Applicable Code and Schedule 32. A Customer Renewable Resource may be owned by the Customer and/or by a Person other than the Customer and shall be procured or documented with a Renewable Resource Contract.

"Daily Power" means the kW of Power supplied from Company resources to Customer during any On-Peak Hours. Daily Power shall be determined for each day of the Billing Period. The kW of Daily Power each day shall be the kW for the 15-minute period of the Customer's greatest use of On-Pak Power that day, adjusted for power factor as specified, determined to the nearest kW. Subject to Section 5.2, for each such 15-minute period, Daily Power shall equal (a) Measured Power minus (b) Renewable Power, but not less than zero nor greater than the Renewable Contract Power. The Daily Power for the Billing Period shall be the sum of the Daily Power for each day of the Billing Period.

"Delivery Schedule" has the meaning set forth in Section 3.3. The currently anticipated Delivery Schedule for the Initial Customer Renewable Resource is reflected in Attachment 2 to Appendix 1 of Exhibit A.

"Delivery Schedule Supplement" means a notice delivered by Customer to Company pursuant to Section 3.3 to effect a change in the Delivery Schedule for one or more Customer Renewable Resources, in a form generally consistent with Exhibit B.

"Delivery Start Date" with respect to any Customer Renewable Resource means the date upon which Renewable Energy and Renewable Power is first delivered to Company for delivery to Customer under this Agreement.

"Effective Date" of this Agreement means the date on which (a) this Agreement has been fully executed and delivered by both Parties and (b) final and non-appealable Commission orders have

been entered approving without material modification all of the terms of this Agreement, the Initial Customer Renewable Resource and the Renewable Resource Contract for the Initial Customer Renewable Resource. "Effective Date" of any subsequent Renewable Resource Appendix means the date on which (y) such Renewable Resource Appendix has been fully executed and delivered by both Parties and (z) final and non-appealable Commission orders have been entered approving without material modification all of the terms of such Renewable Resource Appendix and the Renewable Resource Contract for such Customer Renewable Resource.

"Electric Service Regulations" means Company's currently effective and applicable electric service regulations, on file with and approved by the Commission, as they may be amended or superseded from time to time with the approval of the Commission. To the extent of any inconsistency between this Agreement and the Electric Service Regulations, the terms of this Agreement shall prevail.

"Electric Service Requirements" means Company's currently effective and applicable electric service requirements as specified at http://www.rockymountainpower.net/con/esr.html. The Electric Service Requirements may be reasonably amended from time to time by Company.

"Energy" means electric energy expressed in kilowatt hours.

"Excess Energy" has the meaning set forth in Section 5.3.

"Firm Power and Energy" means Power expressed in kilowatts and associated Energy expressed in kilowatt hours intended to have assured availability, as provided in Electric Service Regulation No. 4, entitled "Continuity of Service," to meet any agreed-upon portion of the load of Customer's Campus.

"Force Majeure" has the meaning set forth in Article XI.

"GRAMA" has the meaning set forth in Section 20.3.

"Initial Customer Renewable Resource" means Resource A as identified in Renewable Resource Appendix 1, appended to Exhibit A.

"kW" means kilowatt.

"kWh" means kilowatt hour.

"Measured Energy" means the electric energy in kWh as shown by or computed from the readings of the kilowatt-hour meter(s) located at each Retail Point of Delivery.

"Measured Power" means the kW as shown by or computed from the readings of the Power meter(s) located at each Retail Point of Delivery, for the 15-minute period of the Customer's greatest use during the Billing Period, On-Peak Hours or day, as applicable.

"Metered Electric Service" means all Measured Power and Measured Energy delivered by the Company to each of Customer's Retail Points of Delivery, as specified in this Customer Agreement. "MW" means megawatt.

"MWh" means megawatt hour.

"On-Peak Hours" means those hours defined as On-Peak in Schedule 32. At the time of execution of this Agreement, On-Peak Hours are 7 a.m. to 11 p.m., inclusive, Monday through Friday, except holidays from October through April, inclusive; and 1 p.m. to 9 p.m., inclusive, Monday through Friday, except holidays, from May through September, inclusive. On-Peak Hours are based on the prevailing Mountain Time, including the effects of Daylight Savings Time.

"Party" and "Parties" have the meanings set forth in the Preamble.

"Person" means any individual, corporation, company, voluntary association, partnership, incorporated organization, trust, limited liability company, or any other entity or organization, including any governmental authority.

"Power" means electric power expressed in kilowatts. For billing purposes, "Power" means the rate in kilowatts at which electric energy is generated, transferred or used. Power measurements are calculated based on the average (integrated) usage over a relevant consecutive 15-minute period of time, adjusted for power factor as specified, determined to the nearest kW.

"Power Factor" means the percentage determined by dividing Customer's average kilowatt hours (real power) by Customer's average kilovolt-ampere hours (apparent power) in any given month.

"Power Quality Standards" means Company's currently effective and applicable power quality standards contained in the Company's Engineering Handbook as specified at https://www.rockymountainpower.net/con/pqs.html. The Power Quality Standards may be amended from time to time by Company.

"Records" has the meaning set forth in Article XIII.

"Renewable and Environmental Attributes" means any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Renewable and Environmental Attributes include but are not limited to any and all: (a) avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; (b) emission reduction credits; and (c) avoided emissions of carbon dioxide (CO2), methane (CH4), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere. Renewable and Environmental Attributes do not include (i) PTCs, ITCs or any other Tax Credits, as defined in the applicable RRC, or other tax incentives existing now or in the future associated with the construction, ownership or operation of the Renewable Energy Facility, (ii) adverse wildlife or environmental impacts, or (iii) Portfolio Energy Credits, as defined in the applicable RRC.

"Renewable Contract Power" means the specified Power in kilowatts the Customer contracts with the Company to be supplied by all Customer Renewable Resources and delivered by the Company to Retail Points of Delivery. The Renewable Contract Power is established in this Agreement as the sum of the maximum Renewable Power in kW to be supplied by all Customer Renewable Resources to each Point of Delivery, as described in the Renewable Resource Appendices. The level of Renewable Contract Power shall not exceed the total output capacity of all Customer Renewable Resource(s).

"Renewable Energy" means metered electric energy in kWh generated by Customer Renewable Resources, adjusted for losses.

"Renewable Energy Certificate" or "REC" means (a) all Renewable and Environmental Attributes associated with all Renewable Supply, together with (b) REC Reporting Rights, as defined in the applicable Renewable Resource Contract, associated with such Renewable Supply and Renewable and Environmental Attributes, however commercially transferred or traded under any or other product names, such as "Renewable Energy Credits," "Green-e Certified," "Green Tags" or otherwise. One REC represents the Environmental Attributes made available by the generation of one MWh of energy from the Renewable Energy Facility, excluding any Portfolio Energy Credits, as defined in the applicable RRC, associated with station service.

"Renewable Energy Contract" means a Customer Contract consistent with the Applicable Code and Schedule 32 for the sale and delivery of electricity from one or more Renewable Energy Facilities to Customer requiring the use of the Company's transmission or distribution system to deliver the electricity from a Renewable Energy Facility to the delivery location(s) under the Customer Agreement(s). This Agreement is the Renewable Energy Contract between Company and Customer.

"Renewable Energy Facility means a generation facility that derives its energy from a renewable energy source defined in Utah Code Section 54-17-601(1)(b). A Renewable Energy Facility may be owned by the Customer receiving electricity from the Renewable Energy Facility and/or by a Person other than the Customer. A Renewable Energy Facility used to provide Renewable Supply hereunder shall mean and refer to a Customer Renewable Resource.

"Renewable Energy Supply Agreement" or "RESA" means an agreement between Customer and a Renewable Resource Provider regarding a Customer Renewable Resource.

"Renewable Power" means Metered Power in kilowatts generated by Customer Renewable Resources, adjusted for losses to the Retail Points of Delivery.

"Renewable Point(s) of Delivery" means the point(s) to which a Customer Renewable Resource is to be delivered to Company, as specified in a Renewable Resource Appendix.

"Renewable Resource Appendix" means an appendix executed by both Parties and appended to Exhibit A that specifies the terms and conditions applicable to a Customer Renewable Resource acquired or provided by Company at Customer's request, in a form similar to Appendix 1 to Exhibit A.

"Renewable Resource Contract" or "RRC" means a contract entered into by Company with a Renewable Resource Provider to procure or supply Renewable Supply under this Agreement. "Renewable Resource Provider" means the owner or operator of a Customer Renewable Resource that provides Renewable Supply for delivery to Customer hereunder.

"Renewable Supply" means all Renewable Power and Renewable Energy produced by all Customer Renewable Resources and sold to Company for delivery to Customer under this Agreement.

"Representatives" has the meaning set forth in Section 15.3(a).

"Retail Points of Delivery" means the points at which Metered Electric Service will be delivered by Company to Customer's Campus hereunder. The current Retail Points of Delivery are (1) the Medical Center Substation and (2) the Red Butte or Research Substation. The existing Retail Points of Delivery currently both have, and will continue to have, two or more meters treated as a single meter. Other Retail Points of Delivery may be added with the consent of both Parties.

"Schedule 32" means Company's Utah Electric Service Schedule No. Schedule 32, or a successor schedule, as approved by the Commission and in effect from time to time.

"Scheduled Maintenance Days" means any day(s) during which any Customer Renewable Resource is fully or partially unavailable to provide Renewable Supply to Company under the applicable RRC due to any Maintenance Outage or Planned Outage, as those terms are defined in the applicable RRC, so long as the Renewable Resource Provider complies with the advance notice and other requirements of the RRC with respect to such outages.

"Supplementary Energy" means all Measured Energy not supplied by Customer Renewable Resources.

"Supplementary Contract Power" means the specified Power in kW of Supplementary Power that the Customer contracts with the Company to supply and which the Company agrees to have available for delivery to each Retail Point of Delivery for the Customer. Subject to Section 5.2, the Supplementary Contract Power established by this Agreement between the Customer and the Company shall initially be 22,000 kW at the Medical Center Substation and 25,000 kW at the Red Butte/Research Substation, subject to adjustment upon mutual agreement of the Parties.

"Supplementary Power" means the kW of Measured Power supplied by the Company to the Customer. The kW of Supplementary Power for the Billing Period shall be the kW for the 15minute period of the Customer's greatest use of Supplementary Power during On-Peak Hours during the Billing Period, adjusted for power factor as specified, determined to the nearest kW. Subject to Section 5.2, for each such 15-minute period, Supplementary Power shall equal the Measured Power minus the Renewable Contract Power, but shall not be less than zero nor greater than the Supplementary Contract Power.

"Supplementary Service" means electric service provided by Company and regularly used by Customer in addition to electric service provided by Customer Renewable Resources.

"Supplementary Supply" means all Supplementary Energy and Supplementary Power supplied by Company at a Retail Point of Delivery pursuant to this Agreement. "Term" of this Agreement has the meaning set forth in Article II. "Term" of a Customer Renewable Resource is as specified in the applicable Renewable Resource Appendix.

"Total Contract Power" means the sum of Renewable Contract Power and Supplementary Contract Power.

"WREGIS" means the Western Renewable Energy Generation Information System or any successor renewable energy tracking and reporting system.

Section 1.2 <u>Interpretation.</u> Unless the context plainly indicates otherwise, words importing the singular number shall be deemed to include the plural number and the masculine includes the feminine and neuter (and vice versa); terms such as "hereof", "herein", "hereunder" and other similar compounds of the word "here" mean and refer to the entire Agreement rather than any particular part of the same. The words "includes" and "including" shall be deemed to mean "including, without limitation" or the correlative meaning. All references to any agreement, laws, rules and regulations are references to such agreement, laws, rules or regulations as amended, supplemented or modified from time to time in accordance with its terms or applicable law. All references to a particular entity shall include a reference to such entity's successors and permitted assigns. The headings of divisions, items or other parts of this Agreement are for convenience of reference only and do not define, limit, construe or otherwise affect the contents thereof. Certain other definitions, as required, appear in the following parts of this Agreement.

## ARTICLE II TERM

The Term of this Agreement shall begin on the Effective Date of this Agreement and, subject to Customer's rights under Section 4.8, shall continue for so long as any Renewable Resource Contract for Customer remains in place, or for so long as the Company has a financial obligation under a Renewable Resource Contract for Customer, whichever is longer; provided, however, that the Parties may shorten or extend the Term by mutual written agreement.

## ARTICLE III SERVICE TO BE FURNISHED

Section 3.1 <u>Scope of Service</u>. Subject to the terms and conditions set forth below, and at the rates and charges provided herein, Company agrees to supply to Customer and Customer agrees to accept and pay for, Firm Power and Energy in the form of Renewable Supply and Supplementary Supply for use on Customer's Campus.

Section 3.2 <u>Delivery of Renewable Supply</u>. Company shall acquire all Power and Energy from all Customer Renewable Resources under the terms and conditions specified herein and in applicable Renewable Resource Contracts and sell and deliver to Customer as specified in a thenactive Delivery Schedule to one or more Retail Points of Delivery.

Section 3.3 <u>Delivery Schedule</u>. Customer shall notify Company as specified herein of the expected delivery schedule for each Customer Renewable Resource, including the percentage, and associated estimated monthly kWh volume, to be delivered to one or more Retail Points of Delivery for each month specified therein ("Delivery Schedule"). Attachment 2 to Appendix 1 of

Exhibit A provides Customer's currently-anticipated Delivery Schedule for the Initial Customer Renewable Resource. At least three (3) months prior to the initial date on which Renewable Supply from any Customer Renewable Resource, including the Initial Customer Renewable Resource, is expected to be available for sale to Company for delivery to Customer hereunder, Customer shall provide Company with a Delivery Schedule Supplement in a form generally consistent with Exhibit B to reflect its updated expected Delivery Schedule. Thereafter, Customer may amend the Delivery Schedule from time to time by delivering to Company a new Delivery Schedule Supplement to become effective on a date specified therein but, absent Company's written consent, no less than six (6) months after the new Delivery Schedule Supplement is provided to Company.

Section 3.4 <u>Delivery of Supplementary Supply</u>. Company shall supply and deliver to Customer all Supplementary Supply required by Customer for its Campus. Customer may, without an amendment to this Agreement, install up to **Section** of additional Customer Renewable Generation in areas on its Campus served from the Retail Points of Delivery. Customer agrees to notify Company of any material changes to the Supplementary Supply levels anticipated as a result of any such Customer Renewable Generation.

Section 3.5 <u>No Resale</u>. Customer shall not resell any Power or Energy delivered under this Agreement to any other Person; provided that neither sales pursuant to Section 5.3, nor use of electric power or energy by tenants pursuant to the terms of Company's Electric Service Regulation No. 4 shall constitute a resale of Power or Energy hereunder.

### ARTICLE IV CUSTOMER RENEWABLE RESOURCES

Section 4.1 <u>Customer Renewable Resources</u>. Customer has directed Company to procure the Initial Customer Renewable Resource identified in Renewable Resource Appendix 1 appended to Exhibit A, at the prices and subject to the terms and provisions specified therein.

Section 4.2 <u>Customer Procurement Request</u>. Customer may, from time to time, request that Company procure additional Customer Renewable Resources on its behalf by giving written directions to Company. Each Customer Renewable Resource must meet all requirements of this Agreement, the Applicable Code and Schedule 32.

(a) Upon Customer's written direction under this Section 4.2, Company shall use commercial reasonable efforts to promptly enter into and complete negotiations to procure the specified Customer Renewable Resource on terms and conditions as directed by Customer, and promptly submit applications for any regulatory approvals that may be required. Any written directions provided by Customer under this Section 4.2 shall include relevant terms and conditions under which the Company is asked to procure the Customer Renewable Resource. Notwithstanding the forgoing, Customer directed terms and conditions shall be consistent with the Applicable Code and Schedule 32 and consistent with reasonable market terms or conditions in the utility energy industry.

(b) The Customer, or at Customer's direction, the Renewable Resource Provider, shall pay all internal and external costs, if any, reasonably incurred by Company and directly related to the Company's acquisition of a Customer Renewable Resource under this Section 4.2. Upon receipt of Customer's notice under this Section 4.2, Company shall provide Customer with a good

faith estimate of Company's costs for Customer's approval prior to Company commencing work to acquire the Customer Renewable Resource. The Company shall seek prior authorization from Customer prior to incurring any costs for which the Company intends to seek reimbursement from Customer.

Material Terms and Conditions. Before Company enters into any Renewable Section 4.3 Resource Contract under this Agreement, the Company shall secure Customer's advance written consent to such contract. The Company shall not require any term or condition in a Renewable Resource Contract that (i) cannot be considered reasonable market terms or conditions in the utility energy industry, (ii) would unreasonably impair the ability to finance the Customer Renewable Resource, or (iii) requires the Renewable Resource Supplier to address or mitigate risks assumed by Customer under this Agreement. Each Renewable Resource Contract shall provide that (x) Customer is a third party beneficiary of the contract and has the right, but not the obligation, to enforce the contract according to it terms, (y) Customer may, in its sole discretion, cure any default by either party under the Renewable Resource Contract and recover from the defaulting party any damages, costs or expenses suffered or incurred by Customer in enforcing the contract or curing a default, including reasonable attorneys' fees, and (z) Company and the Renewable Resource Supplier each agrees to provide written notice to Customer of any default by the other party under the Renewable Resource Contract that could lead to termination of the Renewable Resource Contract as soon as practicable and in all events prior to the expiration of the cure period applicable to such default.

Section 4.4 <u>No Liability for Performance of Customer Renewable Resource</u>. The Company shall not be liable to the Customer for any partial or total failure to perform by a Renewable Resource Provider, nor shall the Company be obligated to locate or secure a replacement Customer Renewable Resource.

Section 4.5 <u>Enforcement of Contract and Remittance of Damages</u>. The Company shall use commercially reasonable efforts to enforce the terms of each Renewable Resource Contract between the Company and each Renewable Resource Provider, consistent with the Company's enforcement of the terms of other contracts between Company and other renewable energy providers. All amounts collected for any output shortfall, liquidated damages or damages by Company from a Renewable Resource Provider under any Renewable Resource Contract in excess of Company Damages shall promptly be remitted to Customer.

Section 4.6 <u>Cost of Renewable Supply</u>. The Customer shall be responsible for all costs incurred by Company under each Renewable Resource Contract as specified in a Renewable Resource Appendix ("Cost of Renewable Supply"). Customer shall not be responsible for any costs incurred as a result of Company's failure to comply with the terms of this Agreement or such Renewable Resource Contract. The Cost of Renewable Supply shall be specified in each Renewable Resource Contract and associated Renewable Resource Appendix.

Section 4.7 <u>Ownership of Renewable and Environmental Attributes</u>. Each Renewable Resource Contract shall provide that Customer will receive and own all Renewable and Environmental Attributes and Renewable Energy Certificates associated with any Renewable Supply purchased by Company for delivery to Customer hereunder. Each Renewable Resource Contract shall require, within 90 days after Customer has paid Company's monthly invoice for any Renewable Supply, that Company or the Renewable Resource Provider shall transfer or arrange

for the transfer of all associated Renewable Energy Certificates to a WREGIS account to be set up for Customer in accordance with applicable WREGIS rules and requirements. Upon written request by Customer, Renewable Energy Certificates associated with Renewable Supply hereunder may be retained in a WREGIS account maintained in the name of Company or the Renewable Resource Provider, and retired at Customer's direction on Customer's behalf. Customer or, at Customer's direction, the Renewable Resource Provider, shall pay all costs incurred by Company in transferring Renewable Energy Certificates to Customer and/or retiring them on Customer's behalf.

Section 4.8 <u>Termination of Renewable Resource Contract</u>. Customer may direct Company to modify or terminate any Renewable Resource Contract at any time upon at least 180 days' advance written notice to Company, to the extent a RESA gives Customer the right to so modify or terminate the same; provided that any such modification must comply with the terms of this Agreement, the Applicable Code and Schedule 32. Upon any termination of a Renewable Resource Contract, Company will be relieved of any obligation to purchase Renewable Supplies from such Renewable Resource Provider or to deliver the same to Customer hereunder.

# ARTICLE V

## RATES AND CHARGES

Section 5.1 <u>Rates for Power and Energy Delivered to Customer</u>. The amount to be paid by Customer to Company for Power and Energy delivered to Customer under this Agreement shall be calculated based upon (a) the Cost of Renewable Supply; (b) Transmission voltage level Customer Charges, Administrative Fee, Delivery Facilities Charges, and Daily Power Charges, all as specified in Schedule 32; (c) Charges for Supplementary Supply based on the Applicable General Service Schedule; (d) any applicable equipment lease or subscription charges; (e) any applicable demand side management or other applicable surcharges or credits; and (f) any applicable taxes. The Parties recognize that Customer is exempt from state sales and use taxes pursuant to Utah Code Ann. § 59-12-104(2), and that, if and to the extent Customer is subject to municipal energy sales and use taxes, Utah Code Ann. § 10-1-304(4) exempts the Customer from municipal energy sales and use taxes hereunder with respect to the portion of the rate paid hereunder that exceeds the rate Customer would have paid for service under the Applicable General Service Schedule.

Section 5.2 <u>Duplicate Charges</u>. In order to avoid duplicate charges, measurements of Daily Power, Measured Power and Supplemental Power for purposes of Daily Power charges, Delivery Facilities Charges and Supplemental Power charges hereunder shall be adjusted as appropriate to avoid charges for any day or month, as applicable, for all Retail Points of Delivery combined, in excess of the charges that would have applied but for temporary complete outages of Customer's production facilities or redistribution of loads between Retail Points of Delivery initiated by Customer to protect equipment or people from serious damage or injury. Demand fees for affected Retail Points of Delivery during any such periods shall be reasonably estimated by Company based on demands experienced during similar days during the same or previous calendar months.

Section 5.3 <u>Excess Energy</u>. Company agrees to credit Customer for each kWh of Renewable Supply, if any, in excess of Customer's aggregate metered kWh load in any hour at each Retail Point of Delivery ("Excess Energy"). The credit for such Excess Energy shall be the price per MWh specified in the Company's Utah Electric Service Schedule No. 37, or a successor schedule, as approved by the Commission and in effect for a like resource at the time of credit. In the event the amount of Excess Energy exceeds three MWh per hour on a consistent basis over a period in excess of three months, Company may determine a credit for future Excess Energy in a manner consistent with the Company's Utah Electric Service Schedule No. 38, or a successor schedule, as approved by the Commission and in effect for a like resource at the time of credit. The total credit for all Excess Energy each month under this Agreement shall be credited against Customer's aggregated invoice from Company for that same month.

## ARTICLE VI BILLING & PAYMENT

Section 6.1 <u>Calculation and Payment of Amount Due</u>. Customer's service to Company shall be metered and billed separately for each Retail Point of Delivery. Each master invoice and backup information shall be transmitted to Customer both electronically and by U.S. Mail.

Section 6.2 <u>Payments</u>. All bills shall be paid within 30 days of receipt by Customer. Customer may make payments by check, EDI or wire transfer to an account designated by Company. The Customer account number(s) shall be included with each payment. If Customer disputes any portion of Company's bill, Customer shall give prompt notice to Company of and the basis for the dispute and shall pay the undisputed portion. Each of the Parties agrees to work in good faith to promptly rectify any disputed amounts. Late payments and any disputed amounts determined to be due to Company shall bear interest at the rate then specified by the Commission or, if no rate is specified, at the then-effective prime rate as specified in The Wall Street Journal.

Section 6.3 <u>No Duplication</u>. Customer shall not be liable under this Agreement to make any payment of amounts due (or for which Customer has paid in advance) if and to the extent that Company has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

## ARTICLE VII METERING

Section 7.1 <u>Metering Equipment</u>. To the greatest extent practicable, the Company shall utilize existing metering equipment for billing purposes. Customer shall allow Company access to all such metering equipment without charge during regular business hours. Company shall maintain and periodically test all such meters and metering equipment in accordance with its policies and procedures and in accordance with its Electric Service Regulations. In exercise of the rights granted by this section, Company shall use commercially reasonable efforts not to materially interfere with the operation of Customer, shall schedule any activity to minimize any interference with Customer's operations, and shall comply with all safety and other reasonable requirements of Customer as provided by Customer to Company.

Section 7.2 <u>Telecommunications Facilities</u>. At sites where there is mobile telephone coverage, the Company shall provide an external cell phone or Ethernet connection for remote data acquisition located at the meter. For sites where there is no cell coverage or Company-owned fiber, Customer shall provide a dedicated telephone line or other Company approved dedicated data access for meter interrogation. Customer shall provide the dedicated access without charge to Company.

Section 7.3 <u>Secondary Metering</u>. If any Retail Point of Delivery is on the primary side of Customer's transformers, Company may elect to install its meter on the secondary side of the transformers, whereupon transformer and other losses occurring between the Retail Point of Delivery and the meter shall be computed and added to the meter readings to determine Power and Energy consumption.

Section 7.4 <u>Transformer Loss Curves</u>. If Customer takes service at primary voltage and if secondary metering is used, Customer shall, prior to commencement of service, provide Company with transformer loss curves and test data to allow Company to calculate transformer losses for billing purposes.

#### ARTICLE VIII OPERATIONAL CONSTRAINTS

Section 8.1 <u>Notification</u>. Customer shall use commercially reasonable efforts to notify Company prior to increasing consumption of electric power and energy at its Campus in a manner that would reasonably be expected to significantly exceed Total Contract Power or expected Supplementary Service levels, and Customer shall provide sufficient time for Company to accommodate such loads. Customer shall also notify Company prior to any significant change in load characteristics or installation of devices (such as power factor correction capacitors, dynamic brakes, adjustable speed drives, etc.) that would reasonably be expected to materially impact the operation of Company's electric system or Customer's interaction with Company's electric system.

Section 8.2 <u>Normal Operating Conditions</u>. Customer shall comply with Company's Electric Service Requirements. Customer accepts and shall adhere to Company's Power Quality Standards, including the "Voltage Level and Range", "Voltage Balance", and "Voltage Disturbances" sections. All measurements of currents and voltages under this Section 8.2 shall be taken at the Retail Points of Delivery.

Section 8.3 <u>Reactive Requirements</u>. Customer shall control and limit the flow of reactive power between Company's and Customer's system so as to maintain a Power Factor of 90% lagging, or higher. If the average Power Factor is found to be less than 90% lagging, the Demand as recorded by the applicable meter will be increased by 3/4 of 1% for every 1% that the Power Factor is less than 90%.

Section 8.4 <u>Voltage Fluctuation and Light Flicker</u>. In order to receive electric service from Company, Customer shall continuously comply with Company's "Voltage Fluctuation and Light Flicker" requirements set forth in the Power Quality Standards. If operation outside of these limits is desired, Customer must contact Company for engineering studies to be done prior to changing operations such that operation will stay within these limits.

Section 8.5 <u>Harmonic Distortion</u>. Customer shall operate the Campus in such a manner so that harmonic distortion and notching falls within Company's Harmonic Distortion section of the Power Quality Standards.

Section 8.6 <u>Current Imbalance</u>. Customer shall operate the Campus in a manner such that Campus steady-state load currents are reasonably balanced between each phase.

#### Section 8.7 Remediation.

(a) If the Customer's operations fall outside of the Electric Service Requirements or Power Quality Standards, or adversely affect the operations of Company's transmission or distribution system or other Company customers, Company shall give written notice of the corrective actions required, and Customer shall have the opportunity for a period of 15 Business Days to discuss Company's requirements. After such period, Company and Customer shall discuss Company's required corrective action in good faith; final determination of the corrective action required shall, subject to Commission resolution of any disputes, be made by Company, based on compliance with Company's Electric Service Requirements and Power Quality Standards.

(b) Should Customer fail to begin to take corrective action required by Company within 30 days after written notice from Company or fail to pursue completion of such corrective action with diligence, Company may perform such services or supply and install such equipment in a good and workmanlike manner in accordance with all applicable laws and Customer's security and safety requirements, and in a manner designed to minimize interference with Customer's operations, as it reasonably deems necessary to provide corrective action, whereupon Customer shall compensate Company for all sums expended, all materials utilized, and all services contracted or performed, by paying a sum equal to 110% of all costs, expenses, material, and labor charges reasonably incurred by Company, including Company's reasonable internal material and labor charges and standard overhead costs. Customer shall pay such sums within 30 days after Company has mailed an itemized statement of its charges therefor. If Customer desires to operate outside of applicable limits, Customer shall pay for studies done by Company to determine the impact on other Company customers and whether the proposed operation is acceptable to Company.

(c) Should Company at any time reasonably determine that Customer's operations pose a threat to the safety of Company's employees or the public, pose an imminent threat to the integrity of Company's electric system, or may materially interfere with the performance of Company's service obligations, Company shall attempt to provide notice to Customer that Customer must change its operations. If Customer fails to take corrective action on a timely basis, or if notice cannot be provided by Company to Customer, prior to the time when corrective action must occur, then Company may perform such work and/or take such corrective action that is necessary, including disconnection, without additional notice to Customer but in a good and workmanlike manner in accordance with all applicable laws and Customer's security and safety requirements, and in a manner designed to minimize interference with Customer's operations. As soon as practicable thereafter, Company will advise Customer in writing of the work performed or the action taken and will endeavor to arrange for the accommodation of Customer's operations, subject to the terms of this Agreement, the Electric Services Regulations, the Electric Service Requirements, and all other applicable rules or regulations. Customer shall be responsible for paying Company, upon demand, for all reasonable costs incurred by Company for all work, action, and accommodation performed by Company that is consistent with the terms of this paragraph.

Section 8.8 <u>Conflict with Interconnection Agreement</u>. To the extent terms and conditions in this Agreement conflict with terms and conditions of any interconnection agreement between Customer and PacifiCorp, the terms of the interconnection agreements shall control.

#### ARTICLE IX REPRESENTATIONS AND WARRANTIES

Section 9.1 <u>Mutual Representations and Warranties</u>. On the Effective Date of this Agreement and on the Effective Date of each Renewable Resource Appendix, each Party represents, warrants and covenants to the other Party that:

(a) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) Except for the approval of the Commission, it has, or to its knowledge expects to timely acquire, all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) The execution, delivery and performance of this Agreement are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

(d) This Agreement constitutes a legally valid and binding obligation enforceable against it in accordance with its terms, subject to any equitable defenses;

(e) There is not pending, or to its knowledge, threatened against it or any of its Affiliates, any legal proceedings that could materially adversely affect its ability to perform under this Agreement;

(f) It is acting for its own account and its decision to enter into this Agreement is based upon its own judgment, not in reliance upon the advice or recommendations of the other Party, and it is capable of assessing the merits of and understanding, and understands and accepts the terms, conditions and risks of this Agreement; and

(g) It has not relied upon any promises, representations, statements or information of any kind whatsoever that are not contained in this Agreement in deciding to enter into this Agreement.

## ARTICLE X

#### TERMINATION

This Agreement may be terminated or modified as permitted hereunder. If this Agreement is terminated for any reason, the Parties shall negotiate in good faith to reach agreement on substitute rates, terms and conditions for service to Customer, subject to approval by the Commission. If the Parties are unable to reach definitive agreement on replacement agreements, or during the interim period, if any, following termination of this Agreement and prior to the Parties entering into replacement agreements, Customer shall be liable to pay for Firm Power and Energy delivered to each Retail Point of Delivery in accordance with such applicable rate as determined by the Commission or, in the absence of a Commission determination, in accordance with the Applicable General Service Schedule, subject to retroactive adjustment if the Commission later determines a different rate is applicable for the time period in question.

#### ARTICLE XI FORCE MAJEURE

Section 11.1 <u>Definition of Force Majeure</u>. "Force Majeure" or "an event of Force Majeure" means an event that (a) is not reasonably anticipated as of the date hereof, (b) is not within the reasonable control of the Party affected by the event, (c) is not the result of such Party's negligence or failure to act, and (d) could not be overcome by the affected Party's use of due diligence in the circumstances.

Section 11.2 <u>Examples of Force Majeure</u>. Events of Force Majeure include, but are not restricted to, events of the following types (but only to the extent that such an event, in consideration of the circumstances, satisfies the tests set forth in Section 11.1: (a) acts of God or nature such as fire, chemical or radioactive contamination or ionizing radiation, earthquakes, lightning, cyclones, hurricanes or floods; (b) civil disturbance; (c) sabotage; and (d) strikes; lock-outs; work stoppages; and action or restraint by court order or public or government authority (as long as the affected Party has not applied for or assisted in the application for, and has opposed to the extent reasonable, such court or government action).

Section 11.3 Exclusions from Force Majeure. None of the following shall constitute events of Force Majeure: (i) Company's ability to sell, or Customer's ability to purchase, capacity, energy or RECs at a more advantageous price than is provided hereunder or under any RRC; (ii) the cost or availability of fuel or motive force to operate any Renewable Energy Facility; (iii) economic hardship, including lack of money; (iv) any breakdown or malfunction of any equipment (including any serial equipment defect) or facilities that is not caused by an independent event of Force Majeure, (v) the imposition upon a Party of any costs or taxes under any RRC, (vi) delay or failure of a Renewable Resource Provider to perform under the applicable RRC, unless due to a Force Majeure event, (vii) any delay, alleged breach of contract, or failure by any other entity, unless due to a Force Majeure; or (ix) a failure to obtain, or perform under, any other agreements, unless due to a Force Majeure event. Notwithstanding anything to the contrary herein, in no event will the increased cost of electricity, steel, labor, or transportation constitute an event of Force Majeure.

Section 11.4 <u>Suspension of Performance</u>. Neither Party shall be liable for any delay or failure in its performance under this Agreement, nor shall any delay, failure, or other occurrence or event become an Event of Default, to the extent such delay, failure, occurrence or event is substantially caused by conditions or events of Force Majeure duration of the continuation of the event of Force Majeure, for the same number of days that the event of Force Majeure has prevailed, provided that:

(i) the Party affected by the Force Majeure, shall, as soon as practicable after the occurrence of the event of Force Majeure, give the other Party written notice describing the particulars of the event; and

(ii) the suspension of performance shall be of no greater scope and of no longer duration than is required to remedy the effect of the Force Majeure; and

(iii) the affected Party shall use diligent efforts to remedy its inability to perform.

Section 11.5 <u>Force Majeure Does Not Affect Other Obligations</u>. No obligations of either Party that arose before the Force Majeure causing the suspension of performance or that arise after the cessation of the Force Majeure shall be excused by the Force Majeure.

Section 11.6 <u>Strikes</u>. Notwithstanding any other provision hereof, neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

Section 11.7 <u>Right to Terminate</u>. If a Force Majeure event prevents a Party from substantially performing its obligations hereunder for a period exceeding 180 consecutive days, then the Party not affected by the Force Majeure event, with respect to its obligations hereunder, may terminate this Agreement by giving 10 days' prior notice to the other Party; provided, however, if the affected Party takes all reasonable steps to remedy the effects of the Force Majeure event with all reasonable dispatch, and the Force Majeure event cannot be resolved within 180 days, then this Agreement may not be terminated for 360 days. Notwithstanding the foregoing, this Agreement may be terminated only if all RESAs and all RRCs are also terminated. Upon such termination, neither Party will have any liability to the other with respect to period following the effective date of such termination; provided, however, that this Agreement will remain in effect to the extent necessary to facilitate the settlement of all liabilities and obligations arising hereunder before the effective date of such termination.

#### ARTICLE XII LIABILITY

Subject to the limitations of liability contained herein and in Company's Electric Service Regulations, each Party (the liability-causing Party) will defend and indemnify and hold harmless the other Party from and against any liability, damage, loss, costs and expenses, including, but not limited to, Customer's employees and Company's employees, occurring on or occasioned by facilities owned or controlled by either Party, to the extent such injury or damage resulted from the negligence or willful misconduct of the liability-causing Party.

#### ARTICLE XIII RECORDS: AUDIT

Company shall create and keep accurate accounts of calculations, costs, expenses and liabilities substantiating amounts due from Customer or Company to the other Party under this Agreement, including accounts of Company costs under Renewable Resource Contracts ("Records"). Company shall maintain the Records in a format sufficient to allow verification that same are complete, accurate, and up-to-date. Company shall keep and maintain the Records for a period of at least five (5) years after the respective records are created, and Customer may inspect and audit those records during normal business hours upon reasonable advance notice and with as little impact to Company's business as reasonably possible. At Customer's request, Company shall use commercially reasonable efforts to obtain similar records from its counterparties under any Renewable Resource Contracts. The Parties shall bear their respective costs of such audits and inspections.

#### ARTICLE XIV ASSIGNMENT

Section 14.1 <u>Assignment by Customer</u>. Customer's rights and obligations under this Agreement may not be assigned to any Person without Company's consent, which shall not be unreasonably withheld, conditioned or delayed. Any assignment is subject to (1) such successor's qualification as a customer under Company's policies and the Electric Service Regulations, and (2) the written agreement of such successor to be bound by this Agreement and the Electric Service Regulations and to assume the obligation of Customer from the date of assignment. If Company consents to any such sale, assignment, lease or transfer, Customer shall remain liable for any liabilities and obligation under this Agreement and the Electric Service Regulations through the date of assignment.

Section 14.2 <u>Assignment by Company</u>. Company may at any time assign its rights and delegate its obligations under this Agreement, in whole or in part, including, without limitation, transferring its rights and obligations under this Agreement, to any: (i) Affiliate; (ii) successor in interest, or (iii) corporation or any other business entity in conjunction with a merger, consolidation or other business reorganization to which Company is a party, upon approval of the same by the Commission.

#### ARTICLE XV INFORMATION

Section 15.1 <u>Furnishing Information</u>. Upon Company's request, Customer shall make year-end financial statements available to Company, certified to be true and correct and in accordance with GAAP or Government Auditing Standards; provided that public filings by Customer shall be deemed to satisfy this requirement.

Section 15.2 <u>Accuracy of Information</u>. Each Party represents that to the actual knowledge of those representatives of such Party listed on Exhibit C, all information it has furnished or will furnish to the other Party in connection with this Agreement will be accurate and complete in all material respects. Each Party also represents that to the actual knowledge of those representatives of such Party listed on Exhibit C, it has not omitted, and will not knowingly in the future omit, any fact in connection with the information furnished or required to be furnished under this Agreement, which could reasonably be expected to materially and adversely affect the business, operations, property or condition of the Campus or the obligations of the other Party under this Agreement.

Section 15.3 Confidentiality

(a) Subject to Section 20.3, and except as otherwise expressly provided in this Agreement or as agreed in writing by the other Party, each receiving Party will (a) keep strictly confidential and take reasonable precautions to protect against the disclosure of (i) the terms and conditions of each Renewable Resource Contract and each Renewable Resource Appendix and (ii) all Confidential Information, and (b) not knowingly use Confidential Information for any purposes other than performing its obligations under this Agreement; <u>provided</u>, a Party may disclose facts, terms and conditions referred to in clause (a) above and Confidential Information to those of its or its Affiliates' directors, officers, members, employees, representatives, agents, consultants, attorneys or auditors (collectively, "Representatives") who need to know such information for the purposes of performing the receiving Party's obligations under this Agreement if, prior to being

told of such matters or being given access to Confidential Information, such Representatives are informed of the confidentiality thereof and the requirements of this Agreement and are directed to comply with the requirements of this Agreement. Each Party will be responsible for any breach of this Agreement by its Representatives.

(b) Either Party may disclose the substance or terms of this Agreement as required by law, order, rule or regulation of any duly constituted governmental body or official authority having jurisdiction, subject to the condition that the disclosing Party give prompt notice to the other Party, so that a protective order or other protective arrangements may be sought by such other Party.

#### Section 15.4 Publicity

(a) No announcement or press release regarding the arrangement contemplated under this Agreement, including the existence hereof, shall be made by the Company without the prior written approval of the Customer. In addition, without obtaining the Customer's prior written consent, Company shall not, and shall cause its agents not to, engage in advertising, promotion or publicity containing non-public information concerning this Agreement, or make public use of the Customer's name, trade names, trademarks, service marks, insignias, symbols, logos or any other product, service or organization designation, or specifications or drawings.

(b) Each Renewable Resource Contract shall grant to Customer the exclusive right to advertise, market, and promote to the general public the benefits of all Renewable and Environmental Attributes and Renewable Energy Certificates generated under or as a result of this Agreement and delivered to, or retired on behalf of, Customer, including but not limited to the right, in any advertising, marketing or promotional material, to associate itself with any claimed or actual environmental or sociological benefits arising from the creation, sale or retirement of such Renewable and Environmental Attributes and Renewable Energy Certificates in whatever media, whether print, electronic, broadcast or otherwise, that are associated with advertising, marketing or promotional purposes.

#### ARTICLE XVI DISPUTE RESOLUTION

Section 16.1 <u>Administrative Remedies; Alternative Dispute Resolution</u>. In the event of a dispute arising under this Agreement regarding any matter for which the Commission has jurisdiction, the Party seeking a claim of breach shall first exhaust its administrative remedies in accordance with the Commission's administrative rules. In the event of any other dispute arising under this Agreement, for which the Commission does not have jurisdiction, the Parties shall first attempt to resolve the matter through direct negotiation between the representatives of the Parties. If the representatives are unable to resolve the issue within a reasonable period of time after presentation of the dispute, then the Parties agree to participate in non-binding mediation in good faith, using a mediator mutually agreeable to the Parties, prior to engaging in any arbitration or court proceeding or other legal action in connection with such dispute. The costs of mediation, including the costs of the mediator, if any, shall be shared equally between the Parties.

Section 16.2 <u>Governing Law; Jurisdiction; Venue</u>. All provisions of this Agreement and the rights and obligations of the Parties shall in all cases be governed by and construed in accordance with the laws of the state of Utah applicable to contracts executed in and to be wholly performed

in Utah by Persons domiciled in the state of Utah. Subject to the provisions of Section 16.1, each Party agrees that any dispute relating to this Agreement, the Electric Service Regulations or the transactions contemplated hereby or thereby shall be brought before federal or state courts of the State of Utah.

Section 16.3 <u>Waiver of Jury Trial</u>. To the fullest extent permitted by law, each of the Parties hereto waives any right it may have to a trial by jury in respect of any litigation directly or indirectly arising out of, under or in connection with this Agreement. Each Party further waives any right to consolidate any action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived.

#### ARTICLE XVII DEFAULT; REMEDIES; WAIVER

Section 17.1 Default in Purchasing Renewable Supply. Each Renewable Resource Contract shall provide that, in the event Customer defaults in its obligation to purchase and pay for all Renewable Supply purchased by Company under such Renewable Resource Contract and delivered to Customer, and fails to cure such default within 30 days of Customer's receipt of written notice of default, Company's obligation to acquire or purchase Renewable Supply under such Renewable Resource Contract shall cease and, subject to notice and termination provisions in the applicable RRC, Company may elect to terminate such Renewable Resource Contract, in which case the Renewable Resource Appendix associated with such Renewable Resource Contract shall terminated and removed from this Agreement.

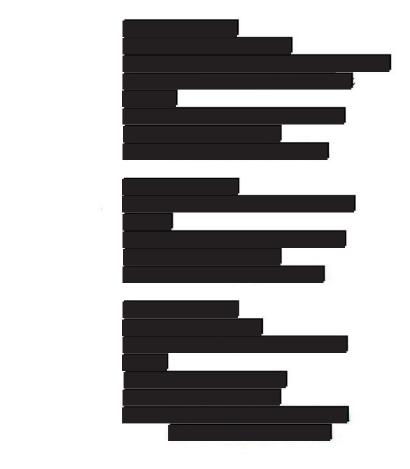
Section 17.2 <u>Remedies; Waiver</u>. Subject to the provisions of Article XVI, either Party may exercise any or all of its rights and remedies under this Agreement, the applicable Electric Service Regulations and under any applicable laws, rules and regulations. Company's liability for any action arising out of its activities relating to this Agreement or Company's electric utility service shall be as specified by applicable Utah laws or regulations. Under no circumstances shall either party be liable for any special, indirect, incidental, consequential, punitive, or exemplary damages. No provision of this Agreement or the Electric Service Regulations shall be deemed to have been waived unless such waiver is in writing signed by the waiving Party. No failure by any Party to insist upon the strict performance of any provision of this Agreement or the Electric Service Regulations or to exercise any right or remedy consequent upon a breach thereof, shall constitute a waiver of any such breach of such provision or of any other provision. No waiver of any provision of this Agreement or the Electric Service Regulations shall be deemed a waiver of any other provision of this Agreement or the Electric Service Regulations or a waiver of any other provision of this Agreement or the Electric Service Regulations or a waiver of such provision with respect to any subsequent breach, unless expressly provided in writing.

#### ARTICLE XVIII COMMUNICATIONS AND NOTICE

All notices, requests, statements or payments shall be made to the addresses set out below. Notices required to be in writing shall be delivered by letter, facsimile or other tangible documentary form. Notice by hand delivery shall be deemed to have been given when received or hand delivered or upon attempted delivery if delivery is refused or is not reasonably possible because of a Party's failure to provide a reasonable means of accomplishing delivery. Notice by facsimile or email is effective as of transmission to each and all of the telefacsimile numbers or email addresses provided below for a Party, but, unless receipt is acknowledged by the recipient, must be followed up by notice by registered mail or overnight carrier to be effective. Notice by overnight mail shall be deemed to have been given the Business Day after it is sent, if sent for next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express or UPS). Notice by certified or registered mail, return receipt requested, shall be deemed to have been given upon receipt. Any party may, by written notice consistent with this Article XVIII, change any of the following contact information.



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#### ARTICLE XIX REGULATORY APPROVAL; INTENT

Section 19.1 <u>No Modification Request</u>. A condition precedent to the effectiveness of this Agreement is approval without material modification by the Commission of this Agreement and the RRC for the Initial Customer Renewable Resource. Each Party agrees that it will not petition the Commission for or otherwise seek an order of the Commission to cancel, terminate or modify any provisions of this Agreement or any RRC without the prior written consent of the other Party.

Section 19.2 <u>Regulatory Approval</u>. If a Commission order regarding this Agreement or the RRC for the Initial Customer Renewable Resource includes any condition or requirement that is materially adverse to either Party, the Party adversely impacted may terminate this Agreement by providing the other Party written notice within 30 days of the entry of the Commission order, in which case the Parties may but are not required to negotiate revisions or an amendment to this Agreement with mutually acceptable rates, terms and conditions, which amendment or revised agreement shall be subject to Commission approval.

#### ARTICLE XX MISCELLANEOUS

Section 20.1 <u>Sole Purpose Agreement</u>. This Agreement and the rates and provisions contained herein are based upon the specific load, operating and cost characteristics of the Customer's

Campus, and on specific Utah laws and tariffs, and are thus applicable only to the Customer's Campus.

Section 20.2 <u>Jurisdiction of Regulatory Authorities</u>. The terms of Schedule 32, the Applicable General Service Schedule, and the Electric Service Regulations, as applicable, are incorporated herein and by reference made a part hereof. Customer agrees to comply with applicable Electric Service Regulations and all applicable amendments and changes thereto as approved by the Commission.

Section 20.3 Customer a Governmental Entity of the State of Utah. Company acknowledges that Customer is a body politic and corporate of the State of Utah and a governmental entity under the Governmental Immunity Act of Utah, Utah Code Ann., Section 63G-7-101 et seg., as amended (the "Act"). Nothing in this Agreement shall be construed as a waiver by Customer of any protections, rights, remedies, or defenses applicable to Customer under the Act, including without limitation, the provisions of Section 63G-7-604 regarding limitation of judgments, or other applicable law. It is not the intent of Customer to incur by contract any liability for the operations, acts, or omissions of Company or any third party and nothing in this Agreement shall be so interpreted or construed. Without limiting the generality of the foregoing, and notwithstanding any provisions to the contrary in this Agreement, the obligations of Customer in this Agreement to defend, indemnify, and hold harmless are subject to the Act, are limited to the amounts established in Section 63G-7-604 of the Act, and are further limited only to claims that arise directly and solely from the negligent acts or omissions of Customer. Customer carries insurance through the State Risk Manager of the State of Utah up to the limits required by the State Risk Manager of the State of Utah and under applicable law. Nothing in this Agreement shall require Customer to carry different or additional insurance, any obligations of Customer contained in this Agreement to name a party as additional insured shall be limited to naming such party as additional insured with respect to the Customer's negligent acts or omissions, and no rights of subrogation are waived by Customer. Company acknowledges that: Customer is a governmental entity subject to the Utah Government Records Access and Management Act, Utah Code Ann., Section 63G-2-101 et seq., as amended ("GRAMA"); that certain records within Customer's possession or control may be subject to public disclosure; and that Customer's confidentiality obligations in this Agreement shall be subject in all respects to compliance with GRAMA. Pursuant to Section 63G-2-309 of GRAMA, any confidential information provided to Customer that Company believes should be protected from disclosure must be accompanied by a written claim of confidentiality and a concise statement of reasons supporting such claim. A copy of Customer's standard business confidentiality claim form be found may at (http://fbs.admin.utah.edu/download/purchasing/Business Confidentiality Claim Form.pdf). Non-specific statements of confidentiality (such as, but not limited to, designating or marking a document confidential or proprietary in a cover letter, header, footer or watermark) are insufficient to claim confidentiality under GRAMA. Amounts paid or received by Customer are generally not protected from disclosure under GRAMA. Notwithstanding any provision in this Agreement, Customer may disclose any information or records (including any Confidential Information) to the extent required by GRAMA or as otherwise required by law, provided Customer takes reasonable steps to give Company sufficient prior notice to contest such disclosure. In the event of any conflict between the provisions of this Section and any other section of this Agreement, the provisions of this Section shall prevail.

Section 20.4 Integration; Amendment; Termination of Existing Agreements. All terms and conditions heretofore made or agreed to with respect to the subject matter of this Agreement are merged into this Agreement, and no previous or contemporary representation or agreement made by any officer, agent or employee of Company or Customer shall be binding upon either Party unless contained herein. Except as otherwise expressly provided, this Agreement may be modified only by a subsequent written amendment or agreement executed by both Parties. Upon the Effective Date of this Agreement, this Agreement will replace and supersede all existing electric service agreements between Company and Customer for delivery of Power and Energy to the Retail Points of Delivery as defined in this Agreement.

Section 20.5 <u>Survival</u>. The provisions of this Agreement that by their nature are intended to survive the termination, cancellation, completion, or expiration of this Agreement shall continue as a valid and enforceable obligation of the Party notwithstanding any such termination, cancellation, completion, or expiration.

Section 20.6 <u>Consent</u>. Where the consent, agreement or approval of either Party must be obtained hereunder, such consent, agreement or approval shall not be unreasonably withheld, conditioned or delayed. Where either Party is required or permitted to act or omit to act based on its opinion or judgment, such opinion or judgment shall not be unreasonably exercised.

Section 20.7 <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which will be deemed to be an original, but all such counterparts will together constitute but one and the same instrument. Company and Customer may retain duplicate copies of this Agreement, which will be considered equivalent to this original.

[Signature Page(s) Follow]

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by Persons duly authorized as of the date first set forth above.

UNIVERSITY OF UTAH
--------------------

#### **ROCKY MOUNTAIN POWER**

By:	Daville Terely	By:
Name:	David W. Pershing ()	Name:
Title:	President	Title:

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by Persons duly authorized as of the date first set forth above.

UNIVERSITY OF UTAH	ROCKY MOUNTAIN POWER
Ву:	By: Certifican
Name:	Name: Cindy A Crane
Title:	Title: Kresident x CEO

## Exhibit A

# [Renewable Resource Appendices]

## **Attached Appendices:**

	Project/Appendix	Anticipated Effective Date
1.	Renewable Resource Appendix A	20 Months after Effective
	- Resource A: [Soda Lake Geothermal Plant]	Date
2.		

#### Renewable Resource Appendix No. 1; Resource A [Soda Springs Renewable Project]

This Renewable Resource Appendix No. 1 For Resource A [Soda Springs Renewable Project] supplements, forms a part of, and is subject to, the terms of the Renewable Energy Contract (Schedule 32) ("Agreement") executed and entered into on the 2<sup>1st</sup> day of February, 2018, by and between PacifiCorp, an Oregon corporation doing business in Utah as Rocky Mountain Power ("Company"), and the University of Utah, a body politic and corporate of the State of Utah ("Customer").

This Appendix is a "Renewable Resource Appendix" within the meaning of the Agreement. In the event of any inconsistency between a provision of the Agreement and a provision of this Appendix, the provision of this Appendix shall control for purposes of acquiring and delivering the Customer Renewable Resource referenced herein. Capitalized terms used and not otherwise defined in this Appendix will have the meanings assigned to them in the Agreement.

Project Name:	Soda Springs Renewable Project ("Project" or "Resource")	
Expected Effective Date:	20 Months after Effective Date of Agreement	
Seller:	Amor IX, LLC	
Buyer:	Company	
Type of Resource:	Geothermal	
Maximum Renewable Power:	20 MW AC	
Product:	Power, Energy and RECs	
Cost of Renewable Supply:	See Attachment 1	
Point(s) of Delivery:	Gon.PAV	
Estimated Production:	See Attachment 2	
Renewable Contract Power:	See Attachment 2	
Other Terms and Conditions (as applicable):	None	

UNIVERSITY OF UTAH	ROCKY MOUNTAIN POWER	
By: Davil W. Perch	-By:	
Name: David W. Pershing	Name:	
Title: President	Title:	

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UNIVERSITY OF UTAH	ROCKY MOUNTAIN POWER
By:	By: Cudy Clane
Name:	Name: Cinty Alrane
Title:	Title: <u>Mesichent &amp; CED</u>

#### Attachment 1

#### To Renewable Resource Appendix No. 1

## For Resource A: Soda Lake Geothermal Plant

[Cost of Renewable Supply]

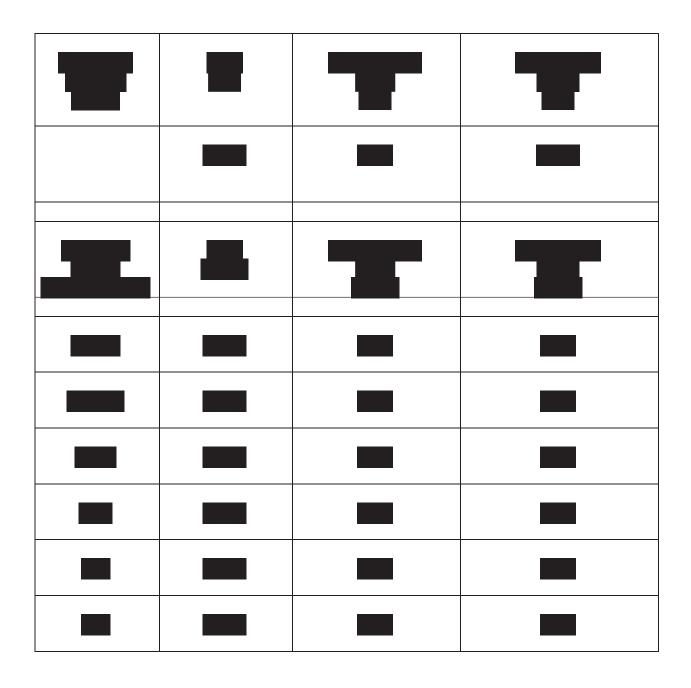


### Attachment 2

### To Renewable Resource Appendix No. 1

## For Resource A: Soda Lake Geothermal Plant

#### [Estimated Production]



Rocky Mountain Power Exhibit RMP\_\_\_(MPT-1) Page 33 of 37 Docket No. 18-035-08 Witness: Mark P. Tourangeau

## Exhibit B

# [Form of Delivery Schedule Supplement]

Project Description:	Expected Effective	Expected Resource Size
	Date:	<u>(kW):</u>
Resource A		
[Soda Lake Geothermal Plant]		
Resource B:		
[]		
Resource C:		
[]		
[Etc.]		

<u>Renewable</u> <u>Contract</u> <u>Power:</u>	Total [ <u>kW]</u>	Research Sub [% / kW]	Medical Sub [% / kW]
-Resource A -Resource B -Resource C Total:			
Estimated Energy (Before Losses):	Total [ <u>MWh]</u>	Medical Sub [% / <u>MWh]</u>	Research Sub [% / MWh]
January -Resource A -Resource B -Resource C Total:			
February -Resource A -Resource B -Resource C Total:			

March		
-Resource A		
-Resource B		
-Resource C		
Total:		
April		
-Resource A		
-Resource B		
-Resource C		
Total:		
May		
-Resource A		
-Resource B		
-Resource C		
Total:		
June		
-Resource A		
-Resource B		
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July		
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-Resource B		
-Resource C		
Total:	 	
August		
-Resource A		
-Resource B		
-Resource C		
Total:		
September		
-Resource A		
-Resource B		
-Resource C		
Total:		
October		
-Resource A		
-Resource B		
-Resource C		
Total:		
November		
-Resource A		
-Resource B		
-Resource C		
Total:		

December		
-Resource A		
-Resource B		
-Resource C		
Total:		
<b>Annual Totals:</b>		

## Exhibit C

## [Actual Knowledge Personnel]

Customer: Cory Higgins, Director, Plant Operations Chris Benson, Facilities Sustainability and Energy Manager

Company: Mark Tourangeau, Director of Commercial Sales Kyle Moore

## REDACTED

Rocky Mountain Power Exhibit RMP\_\_\_(MPT-2) Docket No. 18-035-08 Witness: Mark P. Tourangeau

## BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

## ROCKY MOUNTAIN POWER

#### REDACTED

Exhibit Accompanying Direct Testimony of Mark P. Tourangeau

Renewable Resource Purchase Contract

March 2018

Rocky Mountain Power Exhibit RMP\_\_\_(MPT-2) Page 1 of 82 Docket No. 18-035-08 Witness: Mark P. Tourangeau

## RENEWABLE RESOURCE CONTRACT (SCHEDULE 32)

### BETWEEN

# AMOR IX, LLC

AND

PACIFICORP

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### RENEWABLE RESOURCE CONTRACT (SCHEDULE 32)

THIS RENEWABLE RESOURCE CONTRACT (SCHEDULE 32) is entered into this 21<sup>st</sup> day of February, 2018 between Amor IX, LLC, a Delaware limited liability company (**"Seller"**) and PacifiCorp, an Oregon corporation acting in its merchant function capacity (**"PacifiCorp"**). Seller and PacifiCorp are sometimes hereinafter referred to collectively as the **"Parties"** and individually as a **"Party."** 

WHEREAS, Seller intends to construct, own, operate and maintain a geothermal generation facility for the generation of electric energy located in Churchill County, Nevada, with an expected nameplate capacity rating of 20 MW (the **"Facility"**).

WHEREAS, the Parties are entering into this Agreement, as defined below, to supply energy goods and services to the University of Utah (the "**University**").

WHEREAS, Seller expects that the Facility will deliver to PacifiCorp the Net Output for supply to the University pursuant to a Renewable Energy Contract (Schedule 32) between the University and PacifiCorp (the "**University Contract**") in accordance with Utah Code Ann. § 54-17-801 and 805, and Electric Service Schedule 32.

WHEREAS, Seller desires to sell, and PacifiCorp desires to purchase, the Net Output expected to be delivered by the Facility in accordance with the terms and conditions hereof.

NOW, THEREFORE, in consideration of the foregoing and mutual promises set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties mutually agree as follows:

#### SECTION 1 DEFINITIONS, RULES OF INTERPRETATION

1.1 <u>Defined Terms</u>. Unless otherwise required by the context in which any term appears, initially capitalized terms used herein shall have the following meanings:

"AAA" is defined in 25.2.1.

"Abandonment" means the relinquishment of all possession and control of the Facility by Seller, other than pursuant to a transfer permitted under this Agreement, but only to the extent such relinquishment or cessation is not caused by or attributable to an Event of Default of, or request by, PacifiCorp, or an event of Force Majeure.

"Affiliate" means, with respect to any entity, each entity that directly or indirectly controls, is controlled by, or is under common control with, such designated entity, with "control" meaning the possession, directly or indirectly, of the power to direct management and policies, whether through the ownership of voting securities or by contract or otherwise.

Notwithstanding the foregoing, with respect to PacifiCorp, Affiliate shall only include Berkshire Hathaway Energy Company and its direct, wholly owned subsidiaries.

"Agreement" means this Renewable Resource Contract (Schedule 32) and any renewals hereof and any appendix, exhibit or amendment hereto.

"Availability" means, for any measurement period, the ratio, expressed as a percentage, of (a) the hours in the period during which the Facility was generating or available to generate Output divided by (b) the total number of hours in that period.

"Business Day" means any day on which banks in Salt Lake City, Utah are not authorized or required by Requirements of Law to be closed, beginning at 6:00 a.m. and ending at 5:00 p.m. local time in Utah.

"Capacity Rights" means any current or future defined characteristic, certificate, tag (but not RECs), credit, ancillary service or attribute thereof, or accounting construct, including any of the same counted towards any current or future resource adequacy or reserve requirements, associated with the electric generation capability and capacity of the Facility or the Facility's capability and ability to produce energy. Capacity Rights are measured in MW and do not include PTCs, ITCs, the Cash Grant, any Tax Credits, or any other tax incentives existing now or in the future associated with the ownership or operation of the Facility.

"Cash Grant" means the payment described in Section 1603 of the American Recovery and Reinvestment Tax Act of 2009, as such law may be amended or superseded, which payment is in lieu of receipt of ITCs.

"Commercial Operation" means when the Facility begins to operate on NV Energy's transmission system in a manner that is acceptable to NV Energy and which is expected to be normal to so operate, after energization and commissioning.

"Commission" means the Utah Public Service Commission.

"Confidential Business Information" is defined in Section 24.1.

"Contract Interest Rate" means the lesser of (a) the highest rate permitted under Requirements of Law or (b) 200 basis points per annum plus the rate per annum equal to the publicly announced prime rate or reference rate for commercial loans to large businesses in effect from time to time quoted by Citibank, N.A. as its "prime rate." If a Citibank, N.A. prime rate is not available, the applicable prime rate shall be the announced prime rate or reference rate for commercial loans in effect from time to time quoted by a bank with \$10 billion or more in assets in New York City, N.Y., selected by the Party to whom interest is being paid.

"Contract Price" means the applicable price, expressed in \$/MWh for Net Output, and Capacity Rights stated in Section 5.1.

"Contract Year" means any consecutive 12-month period during the Term, commencing at 00:00 hours on the Delivery Start Date or any of its anniversaries and ending at 24:00 hours on the last day of such 12-month period.

"Curtailment" is defined in Section 4.4.

"Default Security" is defined in Section 8.2.

"Delivery Start Date" means the date upon which Net Output is first delivered by Seller to PacifiCorp under this Agreement for delivery to University under the University Contract, after the Facility has achieved Commercial Operation and is fully interconnected, integrated, and synchronized with the transmission system of NV Energy, currently expected to be on or before September 1, 2019. Seller shall provide at least 9 months' advance written notice, if possible, to University and PacifiCorp of the anticipated Delivery Start Date, and shall promptly notify University and PacifiCorp of any expected changes to the Delivery Start Date.

"Disruption Day" means any calendar day when for any reason no Power is delivered from the Facility to PacifiCorp at the Point of Delivery during any On-Peak Hour; provided however, a Disruption Day includes only a day when Power is delivered for less than 24 hours in that calendar day. If the Facility delivers no Power to PacifiCorp at the Point of Delivery during an entire calendar day, it is not a Disruption Day.

"Effective Date" is defined in Section 2.1.

"Electric System Authority" means each of NERC, WECC, WREGIS, an RTO, a regional or sub-regional reliability council or authority, and any other similar council, corporation, organization or body of recognized standing with respect to the operations of the electric system in the WECC region.

"Emission Reduction Credit" is any credit, allowance or instrument issued or issuable pursuant to a state implementation plan under the Clean Power Plan promulgated by the Environmental Protection Agency under the Clean Air Act.

"Energy" means electric energy expressed in kilowatt hours.

"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 federal, state or local laws or regulations, and present a material risk under federal, state or local laws and regulations that the Premises will not be available or usable for the purposes contemplated by this Agreement.

"EWG" means an "exempt wholesale generator," as defined under PUHCA.

"Event of Default" is defined in Section 11.1.

"Example" means an example of certain calculations to be made hereunder. Each Example is for purposes of illustration only and is not intended to constitute a representation, warranty or covenant concerning the matters assumed for purposes of each Example.

"Expected Energy" means the expected MWh of Net Output from the Facility to be delivered to the Point of Delivery as set forth in Section 6.11.1 and as specified in Exhibit A. "Facility" is defined in the Recitals and is more fully described in attached

Exhibit B.

"FERC" means the Federal Energy Regulatory Commission.

"FIN 46" is defined in Section 6.10.

"Firm Market Price Index" means (a) the average price reported on the Intercontinental Exchange ("ICE") Day-Ahead Palo Verde On-Peak Index, for on-peak hours (as specified by ICE), and (b) the average price reported on the ICE Day-Ahead Palo Verde Off-Peak Index, for off-peak hours (as determined by ICE). If either index is not available for a given period, for purposes of calculations hereunder, the Firm Market Price Index shall be deemed to equal the volumetrically-weighted average price derived from data published by ICE for the same number of days immediately preceding and immediately succeeding the period in which the index in question was not available, regardless of which days of the week are used for this purpose. If the Firm Market Price Index or its replacement or any component of that index or its replacement ceases to be published or available, or useful for its intended purpose hereunder, during the Term, the Parties shall agree upon a replacement Firm Market Price Index or component an index or component that, after any necessary adjustments, provides the most reasonable substitute quotation of the daily price of electricity for the applicable periods.

"Force Majeure" is defined in Section 15.1.

"Forced Outage" means NERC Event Types U1, U2 and U3, as set forth in attached Exhibit C, and specifically excludes any Maintenance Outage or Planned Outage.

"Generation Interconnection Agreement" means the large generator interconnection agreement to be entered into separately between Seller and Interconnection Provider concerning the Interconnection Facilities.

"Governmental Authority" means any supranational, federal, state or other political subdivision thereof, having jurisdiction over Seller, PacifiCorp or this Agreement, including any municipality, township or county, and any entity or body exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any corporation or other entity owned or controlled by any of the foregoing.

"Guaranteed Energy" has the meaning set forth in 6.11.1.

"Guaranteed Power" has the meaning set forth in 6.11.2

"Hazardous Materials" means any waste or other substance that is listed, defined, designated or classified as or determined to be hazardous under or pursuant to any environmental law or regulation.

"Indemnified Party" is defined in Section 6.1.3(b).

"Indemnifying Party" is defined in Section 6.1.3(b).

"Interconnection Facilities" means all the facilities installed, or to be installed, for the purpose of interconnecting the Facility to the System, including electrical transmission lines, upgrades, transformers and associated equipment, substations, relay and switching equipment, and safety equipment.

"Interconnection Provider" means NV Energy.

"ITCs" means the investment tax credits established pursuant to Section 48 of the Internal Revenue Code, as such law may be amended or superseded.

"Lender" means an entity lending money or extending credit (including any financing lease, monetization of tax benefits, transaction with a tax equity investor, back leverage financing or credit derivative arrangement) to Seller or Seller's Affiliates, for purposes relating to the Facility, which shall include, without limitation, (a) for the construction, term or permanent financing or refinancing of the Facility; (b) for working capital or other ordinary business requirements for the Facility (including for the maintenance, repair, replacement or improvement of the Facility); (c) for any development financing, bridge financing, credit support, and related credit enhancement or interest rate, currency, weather, or Renewable and Environmental Attributes in connection with the development, construction or operation of the Facility; or (d) for the purchase of the Facility and related rights from Seller.

"Letter of Credit" means, in the case of Default Security, an irrevocable standby letter of credit in a form and from an issuer reasonably acceptable to PacifiCorp, naming PacifiCorp as the party entitled to demand payment and present draw requests thereunder, which by its terms will remain in effect for at least 90 days after the end of the specified period for which the letter of credit is to be maintained.

"Liabilities" is defined in Section 13.1.1.

"Liquidated Damages" means the amounts specified in 6.11.1 or 6.11.2, as applicable.

"Maintenance Outage" means NERC Event Type MO, as set forth in attached Exhibit C, and includes any outage that is not a Forced Outage or a Planned Outage.

"Maximum Delivery Rate" means the maximum hourly rate of delivery of Net Output in MWh from the Facility to the Point of Delivery, calculated on the basis of the Net Output delivered in an hour accruing at an average rate equivalent to the actual Nameplate Capacity Rating.

"Mediation Notice" is defined in Section 25.2.1(a).

"Mediation Procedures" is defined in Section25.2.1.

"Moody's" means Moody's Investor Services, Inc.

"MW" means megawatt.

"MWh" means megawatt hour.

"Nameplate Capacity Rating" means the maximum installed instantaneous generation capacity of the completed Facility, expressed in MW, when operated in compliance with the Generation Interconnection Agreement and consistent with manufacturer's recommended operating parameters. The Nameplate Capacity Rating of the Facility is 20 MW, net of station use, transformation and transmission losses to the Point of Delivery.

"NERC" means the North American Electric Reliability Corporation.

"Net Output" means the Output actually delivered to the Point of Delivery by Seller through NV Energy for sale to PacifiCorp and resale to University, rounded to whole MW increments. Net Output for each hour shall be measured as the amount of Scheduled Delivery for that hour.

"Network Resource" is defined in the Network Service Provider's Tariff.

"Network Service Provider" means PacifiCorp, acting through its transmission service function.

"On-Peak Hours" means those hours defined as On-Peak in PacifiCorp's Utah Schedule 32. At the time of execution of this Agreement, On-Peak hours are 7 a.m. to 11 p.m., inclusive, Monday through Friday, except holidays from October through April, inclusive; and 1 p.m. to 9 p.m., inclusive, Monday through Friday, except holidays, from May through September, inclusive. On-Peak Hours are based on the prevailing Mountain Time, including the effects of Daylight Savings Time.

"Output" means all Power and Energy produced by the Facility.

"PacifiCorp" is defined in the Recitals.

"PacifiCorp Indemnitees" is defined in Section 13.1.1.

"PacifiCorp Representatives" is defined in Section 6.12.

"PacifiCorp's Cost to Cover" means the positive difference, if any, between (a) the sum of (i) the time weighted average of the Firm Market Price Index for each day for which the determination is being made, minus (b) the Contract Price specified in Exhibit D in effect on such days, stated as an amount per MWh. If on a given day the difference between (a) minus (b) referenced above is zero or negative, then PacifiCorp's Cost to Cover shall be zero dollars (\$0), and Seller shall have no obligation to pay any amount to PacifiCorp on account of Section 11.2.1 with respect to such day.

"Party" and "Parties" are defined in the Recitals.

"Permits" means the permits, licenses, approvals, certificates, entitlements and other authorizations issued by Governmental Authorities required for the construction, ownership and operation of the Facility and occupancy of the Premises specified in Exhibit E, and all amendments, modifications, supplements, general conditions and addenda thereto.

"Planned Outage" means NERC Event Type PO, as set forth in attached Exhibit C, and specifically excludes any Maintenance Outage or Forced Outage.

"Point of Delivery" means the Gon.PAV where Seller shall deliver Net Output to PacifiCorp utilizing firm Point-to-Point Transmission Services provided by Transmission Provider.

"Point of Interconnection" means the Ragtown Substation on the NV Energy transmission system.

"Portfolio Energy Credit" or "PEC" means the portfolio energy credit certified pursuant to Nevada Revised Statutes section 704.7803 from energy required to operate the Soda Lake geothermal project consistent with the Declaratory Order of the Public Utilities Commission of Nevada in Docket No. 12-09015, dated November 12, 2012.

"Power" means electric power expressed in kilowatts.

"Premises" means the real property on which the Facility is or will be located, as more fully described on Exhibit B.

"Prudent Electrical Practices" means any of the practices, methods and acts engaged in or approved by a significant portion of the independent electric power generation industry for geothermal facilities of similar size and characteristics or any of the practices, methods or acts, which, in the exercise of reasonable judgment in the light of the facts known at the time a decision is made, could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Electrical Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts.

"PTCs" means production tax credits under Section 45 of the Internal Revenue Code, as such law may be amended or superseded.

"PUHCA" means the Public Utility Holding Company Act of 2005.

"PURPA" means the Public Utility Regulatory Policies Act of 1978.

"Qualifying Institution" means a United States commercial bank or trust company organized under the laws of the United States of America or a political subdivision thereof, having assets of at least \$10,000,000,000 (net of reserves) and a credit rating on its long-term senior unsecured debt of at least "A" from S&P and "A2" from Moody's.

"RECs" means (a) all Renewable and Environmental Attributes associated with all Output, together with (b) REC Reporting Rights associated with such Output and Renewable and Environmental Attributes, however commercially transferred or traded under any or other product names, such as "Renewable Energy Credits," "Green-e Certified," "Green Tags" or otherwise. One REC represents the Renewable and Environmental Attributes made available by the generation of one MWh of energy from the Facility, excluding PECs associated with station service.

"REC Reporting Rights" means the exclusive right of a purchaser of Renewable and Environmental Attributes to report ownership of Renewable and Environmental Attributes in compliance with federal or state law, if applicable, and to federal or state agencies or other parties at such purchaser's discretion, and include reporting under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international, or foreign emissions trading program or renewable portfolio standard.

"Renewable and Environmental Attributes" means any and all claims, credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, resulting from the avoidance of the emission of any gas, chemical, or other substance to the air, soil or water. Renewable and Environmental Attributes include but are not limited to any and all: (a) avoided emissions of pollutants to the air, soil, or water such as (subject to the foregoing) sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO), and other pollutants; (b) Emission Reduction Credits; and (c) avoided emissions of carbon dioxide (CO2), methane (CH4), and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere. Renewable and Environmental Attributes do not include (i) PTCs, ITCs or any Tax Credits, or certain other tax incentives existing now or in the future associated with the construction, ownership or operation of the Facility, (ii) adverse wildlife or environmental impacts, or (iii) Portfolio Energy Credits.

"Renewable Energy Supply Agreement" or "RESA" means the Renewable Energy Supply Agreement of even date herewith between University and Seller.

"Reporting Month" is defined in Section 6.9.1.

"Required Facility Documents" means the Permits and other authorizations, rights and agreements now or hereafter necessary for construction, operation, and maintenance of the Facility set forth in Exhibit F. Nothing set forth in Exhibit F limits the obligations of Seller to obtain the Permits set forth in Exhibit E or otherwise required hereunder.

"Requirements of Law" means any applicable and mandatory (but not merely advisory) federal, state and local law, statute, regulation, rule, action, order, code or ordinance enacted, adopted, issued or promulgated by any federal, state, local or other Governmental Authority or regulatory body (including those pertaining to electrical, building, zoning, environmental and occupational safety and health requirements).

"RTO" means any entity that becomes responsible as system operator for, or directs the operation of, the System.

"S&P" means Standard & Poor's Rating Group (a division of McGraw-Hill, Inc.).

"Scheduled Delivery" for each hour means the MW of Power (and associated Energy) scheduled by Seller from the Facility and delivered to PacifiCorp for redelivery to University through NV Energy at the Point of Delivery, in whole MW increments, in accordance with all applicable scheduling guidelines and requirements of the North American Electric Reliability Corporation (NERC) and NV Energy.

"Seller" is defined in the Recitals.

"Seller Indemnitees" is defined in Section 13.1.2.

"Seller's Cost to Cover" means the positive difference, if any, between (a) the Contract Price per MWh specified in Exhibit D, and (b) the net proceeds per MWh actually realized by Seller from the sale to a third party of Net Output not purchased by PacifiCorp or RECs not sold to University as required hereunder. If on any given day the difference between (a) minus (b) referenced above is zero or negative, then Seller's Cost to Cover shall be zero dollars with respect to such day, and PacifiCorp shall have no obligation to pay any amount to Seller on account of Section 11.2.2.

"Seller Excused Delivery Hour" means any hour during a calendar day in which the Facility was unable to deliver Net Output to PacifiCorp (or during which PacifiCorp was unable to accept such delivery) due to one or more of the following events, to the extent not caused by Seller's actions or negligence, each as recorded by Seller's SCADA and indicated by Seller's electronic fault log: (a) an Event of Force Majeure; (b) Planned Outages, as defined in this Agreement, in up to a maximum of three calendar days in any Contract Year, other than every sixth Contract Year after the Delivery Start Date, during which Planned Outages may include up to seven calendar days for Seller to overhaul its turbine, consistent with the applicable operating manual; (c) unplanned outages or downtime of the Facility in up to a maximum of three calendar days per Contract Year; (d) other conditions that prevent delivery by Seller or acceptance by PacifiCorp of Net Output in up to a maximum of seven calendar days per Contract Year, or (e) a default by PacifiCorp under the Renewable Energy Contract or this Agreement that prevents the delivery of power from Seller; provided, however, that if any of the events described above in items (a) through (e) occur simultaneously, then the relevant hour shall only be counted once in order to prevent double counting. A Seller Excused Delivery Hour shall not include any hour when (i) the Facility or any portion thereof was unavailable due to Seller's nonconformance with the applicable generation interconnection agreement or (ii) the Facility or any portion thereof was paused or withdrawn from use by Seller for reasons other than those covered in this definition. All hours qualifying for each category of Seller Excused Delivery Hour as specified above shall be summed, up to the applicable maximum, if any, specified above. All Seller Excused Delivery Hours will be considered for purposes of determining Guaranteed Energy liquidated damages under Section 6.11.1. Only those Seller Excused Delivery Hours that occur during an On-Peak Hour will be considered for purposes of calculating Guaranteed Power liquidated damages under Section 6.11.2. Any calendar day in which Seller delivers no Power to PacifiCorp at the Point of Delivery will not be counted against the calendar days set forth in subsections (c) unplanned outages or (d) other conditions, set forth above.

"System" means the electric transmission substation and transmission or distribution facilities owned, operated or maintained by Transmission Provider, which include

the circuit reinforcements, extensions, and associated terminal facility reinforcements or additions required to interconnect the Facility, all as set forth in the Generation Interconnection Agreement.

"Tariff" means the PacifiCorp FERC Electric Tariff Fifth Revised Volume No. 11 Pro Forma Open Access Transmission Tariff, as revised from time to time.

"Tax Credits" means any state, local and/or federal production tax credit, tax deduction, and/or investment tax credit specific to the production of renewable energy and/or investments in renewable energy facilities.

"Technical Dispute Notice" is defined in Section 25.2.2(a).

"Technical Dispute Procedures" is defined in Section 25.2.2.

"Technical Expert" is defined in Section 25.2.2.

"Term" is defined in Section 2.1.

"Transmission Provider" means NV Energy.

"Transmission Service" means the transmission services pursuant to which the Transmission Provider transmits Output to the Point of Delivery, as applicable.

"University" is defined in the Recitals.

"University Contract" is defined in the Recitals.

"University Damages" means either (i) Liquidated Damages as defined in a RESA, as applicable, or (ii) an amount equal to the present value of the economic loss to University, if any, resulting from an Event of Default by Seller under this Agreement for so long as such Event of Default continues, or for the entire remaining Term in the event of termination, determined in a commercially reasonable manner and without duplication of any costs included in calculating PacifiCorp's Cost to Cover. Factors that may be used in determining University Damages may include, without limitation, the incremental cost if PacifiCorp is able to obtain replacement Power and Energy from a comparable baseload renewable resource reasonably acceptable to the University that can be delivered to the University under the University Contract, and incremental daily fees or costs owed by University to PacifiCorp under the University Contract, all of which shall be calculated for the applicable period, and shall specifically include and reflect the value of comparable renewable resources, including associated Renewable and Environmental Attributes.

"WECC" means the Western Electricity Coordinating Council.

"WREGIS" means the Western Renewable Energy Generation Information

System.

"WREGIS Certificate" means "Certificate" as defined by WREGIS in the WREGIS Operating Rules.

"WREGIS Operating Rules" means the operating rules and requirements adopted by WREGIS.

## 1.2 <u>Rules of Interpretation</u>.

1.2.1 <u>General</u>. Unless otherwise required by the context in which any term appears or otherwise stated herein, (a) the singular includes the plural and vice versa; (b) references to "Articles," "Sections," "Schedules," "Annexes," "Appendices" or "Exhibits" are to articles, sections, schedules, annexes, appendices or exhibits hereof; (c) all references to a particular entity or an electricity market price index include a reference to such entity's or index's successors; (d) "herein," "hereof" and "hereunder" refer to this Agreement as a whole; (e) all accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles, consistently applied; (f) the masculine includes the feminine and neuter and vice versa; (g) "including" means "including, without limitation" or "including, but not limited to"; (h) all references to a particular law or statute mean that law or statute as amended from time to time; (i) the word "or" is not necessarily exclusive; and (j) references to "days" are to calendar days.

1.2.2 <u>Terms Not to be Construed For or Against Either Party</u>. Each term hereof shall be construed simply according to its fair meaning and not strictly for or against either Party. The Parties have jointly prepared this Agreement, and no term hereof shall be construed against a Party on the ground that the Party is the author of that provision.

1.2.3 <u>Headings</u>. The headings used for the sections and articles hereof are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions hereof.

1.2.4 <u>Examples</u>. Example calculations and other examples set forth herein are for purposes of illustration only and are not intended to constitute a representation, warranty or covenant concerning the example itself or the matters assumed for purposes of such example. If there is a conflict between an example and the text hereof, the text shall control.

### SECTION 2 TERM

2.1 <u>Term</u>. This Agreement shall become effective the date upon which (a) this Agreement has been fully executed and delivered by both Parties (b) final and non-appealable Commission orders have been entered approving without material modification all of the terms of this Agreement and the University Contract and (c) the Project Development Security as set forth in Section 5.1 of the RESA has been posted (the "Effective Date"), and, unless earlier terminated as provided herein,

(the "Term"), subject to extension of this Agreement upon mutual agreement of the Parties.

2.2 <u>Project</u>.

(a) Seller hereby represents and warrants to PacifiCorp that the Required Facility Documents including, but not limited to the material permits, consents and agreements necessary to operate and maintain the Facility will be obtained by Seller prior to Commercial Operation.

(b) Seller shall not undertake to increase the Output of the Facility without the prior written consent of PacifiCorp.

2.3 <u>PacifiCorp's Right to Monitor</u>. During the Term, Seller shall permit PacifiCorp and its advisors and consultants to:

(a) Review and discuss with Seller and its advisors and consultants concerning operation of the Facility.

(b) Monitor the operation of the Facility and the performance of the Seller's contractors.

(c) Nothing in this Agreement shall be construed to require PacifiCorp to review, comment on, or approve of any contract between Seller and a third party.

(d) Perform such examinations, inspections, and quality surveillance as, in PacifiCorp's reasonable judgment, are appropriate and advisable.

With respect to PacifiCorp's right to monitor under this Section 2.3, (i) PacifiCorp is under no obligation to exercise any of these monitoring rights, (ii) such monitoring shall occur subject to reasonable rules developed by Seller regarding Facility access, health, safety, and environmental requirements, and (iii) PacifiCorp shall have no liability to Seller for failing to advise it of any condition, damages, circumstances, infraction, fact, act, omission or disclosure discovered or not discovered by PacifiCorp with respect to the Facility or any contractor. PacifiCorp shall maintain one or more designated representatives for purposes of the monitoring activities contemplated in this Section 2.3, which representatives shall have authority to act for PacifiCorp in all technical matters under this Section 2.3 as authorized by PacifiCorp but not to amend or modify any provision hereof. PacifiCorp's initial representatives and their contact information are listed in Exhibit H. PacifiCorp may, by written notice to Seller, change its representatives or their contact information.

2.4 <u>Tax Credits</u>. Seller shall bear all risks, financial and otherwise throughout the Term, associated with Seller's or the Facility's eligibility to receive PTCs, ITCs, the Cash Grant, or other Tax Credits, or to qualify for accelerated depreciation for Seller's accounting, reporting or tax purposes. The obligations of the Parties hereunder, including those obligations set forth herein regarding the purchase and price for and Seller's obligation to deliver Net Output, shall be effective regardless of whether the sale of Output or Net Output from the Facility is eligible for, or receives, PTCs, ITCs, the Cash Grant, or other Tax Credits during the Term.

### SECTION 3 REPRESENTATIONS AND WARRANTIES

3.1 <u>Mutual Representations and Warranties</u>. Each Party represents, covenants, and warrants to the other that:

3.1.1 <u>Organization</u>. It is duly organized and validly existing under the laws of the State of its organization.

3.1.2 <u>Authority</u>. It has the requisite power and authority to enter hereinto and to perform according to the terms hereof.

3.1.3 <u>Corporate Actions</u>. It has taken all corporate actions required to be taken by it to authorize the execution, delivery and performance hereof and the consummation of the transactions contemplated hereby.

3.1.4 <u>No Contravention</u>. The execution and delivery hereof do not contravene any provision of, or constitute a default under, any indenture, mortgage, security instrument or undertaking, or other material agreement to which it is a party or by which it is bound, or any valid order of any court, or any regulatory agency or other body having authority to which it is subject.

3.1.5 <u>Valid and Enforceable Agreement</u>. This Agreement is a valid and legally binding obligation of it, enforceable against it in accordance with its terms, except as the enforceability hereof may be limited by general principles of equity or bankruptcy, insolvency, bank moratorium or similar laws affecting creditors' rights generally and laws restricting the availability of equitable remedies.

3.1.6 <u>Eligible Contract Participant</u>. It, and any guarantor of its obligations hereunder, is an "eligible contract participant" within the meaning of the Commodity Exchange Act.

3.2 <u>Seller's Further Representations and Warranties</u>. Seller further represents, covenants, and warrants to PacifiCorp that:

3.2.1 <u>Authority</u>. Seller (a) has or will have 30 days prior to Commercial Operation all required regulatory authority to make wholesale sales from the Facility; (b) has the power and authority to own and operate the Facility and be present upon the Premises for the Term; and (c) is duly qualified and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires such qualification.

3.2.2 <u>No Contravention</u>. The execution, delivery, performance and observance by Seller of its obligations hereunder do not and will not:

(a) contravene, conflict with or violate any provision of any material Requirements of Law presently in effect having applicability to either Seller or any of Seller's members;

(b) require the consent or approval of or material filing or registration with any Governmental Authority or other person other than such consents and approvals which are (i) set forth in Exhibit K or (ii) required in connection with the operation of the Facility and expected to be obtained in due course;

(c) result in a breach of or constitute a default under any provision of any security issued by any of Seller's members or managers, the effect of which would materially and adversely affect Seller's performance of, or ability to perform, its obligations hereunder, or any material agreement, instrument or undertaking to which either Seller's members or any Affiliates of Seller's members is a party or by which the property of any of Seller's members or any Affiliates of Seller's members is bound, the effect of which would materially and adversely affect Seller's performance of, or ability to perform, its obligations hereunder.

3.2.3 <u>Litigation</u>. No litigation, arbitration, investigation or other proceeding is pending or, to the best of Seller's knowledge, threatened in writing against any of Seller or its members, with respect hereto and the transactions contemplated hereunder. No other investigation or proceeding is pending or threatened in writing against Seller, its members, or any Affiliate, the effect of which would materially and adversely affect Seller's performance of its obligations hereunder.

3.2.4 <u>Required Facility Documents</u>. All Required Facility Documents are listed on Exhibit F. Seller shall hold the Required Facility Documents as of Commercial Operation, and shall maintain for the Term all material rights and entitlements necessary to own and operate the Facility and to deliver Net Output to PacifiCorp in accordance with this Agreement. The anticipated use of the Facility complies with all applicable restrictive covenants affecting the Premises. Seller shall notify PacifiCorp of any additional material consent or approval that is required for the operation and maintenance of the Facility promptly after Seller makes any such determination.

3.2.5 <u>Delivery of Energy</u>. Seller shall hold firm point-to-point Transmission Service rights and other rights sufficient to enable Seller to deliver Net Output based on the Nameplate Capacity Rating from the Facility to the Point of Delivery pursuant to this Agreement beginning upon Commercial Operation and throughout the Term. Provided Seller has tendered to PacifiCorp information required by Section 29.2 of the Tariff, PacifiCorp will request, within five (5) calendar days of execution of this Agreement, designation of this Agreement as a Network Resource at the Point of Delivery under PacifiCorp's Network Integration Transmission Service Agreement with the Network Service Provider. The Network Service Provider processes Network Resource designation requests in accordance with the Tariff.

3.2.6 <u>Transmission and Interconnection Costs</u>. Section I.C.5 of Rocky Mountain Power Electric Service Schedule No. 32 requires that Seller will be responsible for all interconnection and transmission integration costs. This means Seller must be responsible for any network upgrade costs or other costs associated with: (i) Seller's generator interconnection; (ii) Seller's energy delivery obligations under Section 3.2.5 of this Agreement; and (iii) PacifiCorp's request to designate this Agreement as a Network Resource. The Contract Price assumes that no network upgrades will be required. Thus, unless the Parties otherwise agree, and notwithstanding anything to the contrary in this Agreement, this Agreement will terminate unless prior to the Effective Date: (i) Network Service Provider confirms through the Tariff study process that no network upgrades on the Network Service Provider's transmission system will be required for Seller's generator interconnection or for PacifiCorp's request to designate this Agreement as a Network Resource.

3.2.7 <u>Permits</u>. All Permits and all other material permits, consents, approvals, licenses and authorizations required for Seller's performance of this Agreement shall be obtained prior to Commercial Operation and remain in full force and effect. Seller shall notify PacifiCorp of any additional material permit, consent, approval, license or authorization that is required for Seller's performance of this Agreement promptly after Seller makes any such determination.

3.2.8 <u>Leases</u>. All leases of real property required for the operation of the Facility or the performance of any obligations of Seller hereunder are set forth and accurately described in Exhibit G. Upon request by PacifiCorp, Seller shall provide copies of the leases to PacifiCorp which shall be Confidential Business Information. Seller's leases, licenses or other grants of rights in real property required for the operation of the Facility or location of Facility on the Premises shall be valid through the Term and Seller is not in breach of any terms or conditions of such leases or other rights in real property for the Facility or Premises.

3.2.9 <u>Green Guides</u>. Seller has and will at all times be fully compliant with the requirements of the Federal Trade Commission's "Green Guides," 77 F.R. 62122, 16 C.F.R. Part 260, as amended or restated in any communication concerning Net Output, the Facility or the RECs.

3.2.10 <u>Undertaking of Agreement; Professionals and Experts</u>. Seller has engaged those professional or other experts it believes necessary to understand its rights and obligations pursuant to this Agreement. All professionals or experts including, but not limited to, engineers, attorneys or accountants, that Seller may have consulted or relied on in undertaking the transactions contemplated by this Agreement have been solely those of Seller. In entering into this Agreement and the undertaking by Seller of the obligations set forth herein, Seller has investigated and determined that it is capable of performing hereunder and has not relied upon the advice, experience or expertise of PacifiCorp in connection with the transactions contemplated by this Agreement.

3.2.11 <u>Verification</u>. All information relating to the Facility, its operation and Output and the Premises provided to PacifiCorp and contained in this Agreement has been verified by Seller and is true and accurate.

3.3 <u>PacifiCorp's Further Representations and Warranties</u>. PacifiCorp further represents, covenants, and warrants to Seller that:

3.3.1 <u>Authority</u>. PacifiCorp has all required regulatory authority to purchase the Net Output sold to it by Seller hereunder.

3.3.2 <u>No Contravention</u>. The execution, delivery, performance and observance by PacifiCorp of its obligations hereunder do not and will not require the consent or

approval of any Governmental Authority other than such consents and approvals which are expected to be obtained in due course.

3.3.3 <u>Litigation</u>. No litigation, arbitration, investigation or other proceeding is pending or, to the best of PacifiCorp's knowledge, threatened against PacifiCorp or its Affiliates with respect hereto and the transactions contemplated hereunder, the effect of which would materially and adversely affect PacifiCorp's performance of its obligations hereunder.

3.4 <u>No Other Representations or Warranties</u>. Each Party acknowledges that it has entered hereinto in reliance upon only the representations and warranties set forth in this Agreement, and that no other representations or warranties have been made by the other Party with respect to the subject matter hereof.

3.5 <u>Continuing Nature of Representations and Warranties; Notice</u>. The representations and warranties set forth in this Section 3 are made as of the Effective Date. If at any time during the Term, any Party obtains actual knowledge of any event or information which causes any of the representations and warranties in Section 3 to be materially untrue or misleading, such Party shall provide the other Party with written notice of the event or information, the representations and warranties affected, and the action, if any, which such Party intends to take to make the representations and warranties true and correct. The notice required pursuant to this Section 3 shall be given as soon as practicable after the occurrence of each such event.

## SECTION 4 DELIVERIES OF NET OUTPUT

4.1 <u>Purchase and Sale</u>. Except as otherwise expressly provided herein, commencing upon Commercial Operation and continuing through the Term, Seller shall (a) sell and make available to PacifiCorp, and PacifiCorp shall purchase and receive the entire Net Output from the Facility at the Point of Delivery as measured pursuant to Scheduled Delivery, to enable PacifiCorp to sell and deliver Net Output to University under the University Contract; and (b) sell and transfer to University, at no additional cost to PacifiCorp or University, all Renewable and Environmental Attributes and RECs associated with the Output. PacifiCorp shall be under no obligation to make any purchase hereunder other than Net Output as described above. PacifiCorp shall not be obligated to purchase, receive or pay for Output that is not delivered to the Point of Delivery.

4.2 <u>No Sales to Third Parties</u>. During the Term, Seller shall not sell any Output, RECs or Capacity Rights from the Facility to any party other than PacifiCorp or University; provided, however, that this restriction shall not apply during periods when PacifiCorp is in default hereof because it has failed to accept or purchase Net Output as required to hereunder. Seller shall be able to sell Net Output and RECs to others during Curtailments. In event Seller sells Net Output or RECs to third parties during Curtailments under this Section 4.2, Seller shall be responsible for procurement of any services, including transmission service, to complete such sales to any third parties. 4.3 <u>Title and Risk of Loss of Net Output</u>. Seller shall deliver Net Output to the Point of Delivery free and clear of all liens, claims and encumbrances. Title to and risk of loss of all Net Output shall transfer from Seller to PacifiCorp upon its delivery to PacifiCorp at the Point of Delivery. Seller shall be deemed to be in exclusive control of, and responsible for, any damage or injury caused by, all Output up to and at the Point of Delivery. PacifiCorp shall be deemed to be in exclusive control of, and responsible for, any damages or injury caused by, Net Output from and after the Point of Delivery.

4.4 Curtailment. PacifiCorp shall not be obligated to purchase, receive, pay for, or pay any damages associated with, Net Output (or associated Production Tax Credits) if such Net Output is not delivered to the Point of Delivery for any reason ("Curtailment"), including but not limited to any of the following: (a) the interconnection between the Facility and the System is disconnected, suspended or interrupted, in whole or in part, under the terms of the Generation Interconnection Agreement or otherwise, (b) the Transmission Provider or Network Service Provider directs a general curtailment, reduction, or redispatch of generation in the area, (which would include the Net Output) for any reason, even if such curtailment or redispatch directive is carried out by PacifiCorp as Network Service Provider, which may fulfill such directive by acting in its sole discretion; or if PacifiCorp curtails or otherwise reduces the Net Output in order to meet its obligations to the Transmission Provider or Network Service Provider to operate within system limitations, (c) the Facility's Output is not received because the Facility is not fully integrated or synchronized with the System, or (d) an event of Force Majeure prevents either Party from delivering or receiving Net Output. However, PacifiCorp shall be obligated to purchase, receive, pay for or pay any damages associated with Net Output if Seller obtains alternative transmission rights during a Curtailment to another location on the PacifiCorp (PACE) system at which PacifiCorp can purchase and use an alternative transmission arrangement to deliver Net Output to University at no incremental cost to PacifiCorp or University. PacifiCorp's ability to deliver Net Output to University using alternative transmission arrangements may be subject to the results of a request for a transmission service modification and transmission service study, if applicable. Seller must have the rights to available transmission capacity on the Transmission Provider and the Network Service Provider systems.

4.5 <u>PacifiCorp as Merchant</u>. Seller acknowledges that PacifiCorp, acting in its merchant capacity function as purchaser under this Agreement, has no responsibility for or control over Transmission Provider or Network Service Provider.

4.6 <u>Title to RECs</u>. All RECs and Emission Reduction Credits associated with the Output will be deposited by Seller into an account maintained by or on behalf of, and will be retired or otherwise dealt with as directed by, University. PacifiCorp and Seller waive any claim to ownership of any RECs or Emission Reduction Credits under this Agreement. University shall have all REC Reporting Rights.

4.7 Capacity Rights.

4.7.1 <u>Purchase and Sale of Capacity Rights</u>. For and in consideration of PacifiCorp's agreement to purchase from Seller the Facility's Net Output on the terms and conditions set forth herein, Seller transfers to PacifiCorp, and PacifiCorp accepts from Seller,

any right, title, and interest that Seller may have in and to Capacity Rights, if any, existing during the Term.

4.7.2 <u>Representation Regarding Ownership of Capacity Rights</u>. Seller represents that it has not sold, and covenants that during the Term it will not sell or attempt to sell to any other person or entity the Capacity Rights, if any. During the Term, Seller shall not report to any person or entity that the Capacity Rights, if any, belong to anyone other than PacifiCorp. PacifiCorp may at its own risk and expense report to any person or entity that Capacity Rights exclusively belong to it.

4.7.3 <u>Further Assurances</u>. At PacifiCorp's request, the Parties shall execute such documents and instruments as may be reasonably required to affect recognition and transfer of the Capacity Rights, if any, to PacifiCorp.

4.8 <u>Third Party Sales of PECs</u>. Seller may sell PECs to any qualified buyer provided that such PECs are associated with energy required to operate the Facility, including station usage and parasitic load.

## SECTION 5 CONTRACT PRICE; COSTS

5.1 <u>Contract Price; Includes Capacity Rights.</u> PacifiCorp shall pay Seller the prices stated below for all deliveries of Net Output and associated RECs, up to the Maximum Delivery Rate. The Contract Price provided for in this Section 5.1 includes the consideration to be paid to Seller for all Net Output, Capacity Rights and RECs, and Seller shall not be entitled to any compensation over and above the Contract Price, as the case may be, for Capacity Rights or RECs associated therewith. For the period beginning on the Delivery Start Date and thereafter during the Term, PacifiCorp shall pay to Seller the Contract Price per MWh of Net Output delivered to the Point of Delivery, as specified in Exhibit D. During testing prior to Commercial Operation, Seller shall have the right to sell and deliver Net Output to NV Energy as test energy.

5.2 <u>Costs and Charges</u>. Seller shall be responsible for paying or satisfying when due all costs or charges imposed in connection with the scheduling and delivery of Output up to and at the Point of Delivery, including transmission costs, Transmission Service, and transmission line losses, and any operation and maintenance charges imposed by Interconnection Provider and Transmission Provider for the Interconnection Facilities. PacifiCorp shall be responsible for all costs or charges, if any, imposed in connection with the delivery of Net Output from and after the Point of Delivery, including transmission costs and transmission line losses and imbalance charges or penalties. Without limiting the generality of the foregoing, Seller, in accordance with the Generation Interconnection Agreement, shall bear all costs associated with the modifications to Interconnection Facilities or the System (including system upgrades) caused by or related to (a) the interconnection of the Facility with the System and (b) any increase in generating capacity of the Facility.

5.3 <u>Station Service</u>. Seller shall be responsible for arranging and obtaining, at its sole risk and expense, any station service required by the Facility that is not provided by the Facility itself.

5.4 <u>Taxes</u>. Seller shall pay or cause to be paid when due, or reimburse PacifiCorp for, all existing and any new sales, use, excise, severance, ad valorem, and any other similar taxes, imposed or levied by any Governmental Authority up to and including, but not beyond, the Point of Delivery, on the generation of Net Output, Capacity Rights or on the sale of Net Output, Capacity Rights from Seller to PacifiCorp hereunder, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law. PacifiCorp shall pay or cause to be paid when due all such taxes levied beyond the Point of Delivery upon a purchaser of power, regardless of whether such taxes are imposed on PacifiCorp or Seller under Requirements of Law. The Contract Price shall not be adjusted on the basis of any action of any Governmental Authority with respect to changes to or revocations of sales and use tax benefits, rebates, exception or give back. In the event any taxes are imposed on a Party for which the other Party is responsible hereunder, the Party on which the taxes are imposed shall promptly provide the other Party notice thereof and such other information as such Party may reasonably request with respect to any such taxes.

5.5 <u>Costs of Ownership and Operation</u>. Without limiting the generality of any other provision hereof and subject to Section 5.4, Seller shall be solely responsible for paying when due (a) all costs of owning and operating the Facility in compliance with existing and future Requirements of Law and the terms and conditions hereof, and (b) all taxes and charges (however characterized) now existing or hereinafter imposed on or with respect to the Facility, its operation, or on or with respect to emissions or other environmental impacts of the Facility, including any such tax or charge (however characterized) to the extent payable by a generator of such energy or Renewable and Environmental Attributes.

5.6 <u>Rates Not Subject to Review</u>. The rates for service specified herein shall remain in effect until expiration of the Term, and shall not be subject to change for any reason, including regulatory review, absent agreement of the parties. Neither Party shall petition FERC pursuant to the provisions of Sections 205 or 206 of the Federal Power Act (16 U.S.C. § 792 et seq.) to amend such prices or terms, or support a petition by any other person seeking to amend such prices or terms, absent the agreement in writing of the other Party. Further, absent the agreement in writing by both Parties, the standard of review for changes hereto proposed by a Party, a nonparty or the FERC acting sua sponte shall be the "public interest" application of the "just and reasonable" standard of review set forth in <u>United Gas Pipe Line Co. v. Mobile Gas Service Corp.</u>, 350 U.S. 332 (1956) and <u>Federal Power Commission v. Sierra Pacific Power Co.</u>, 350 U.S. 348 (1956) and clarified by <u>Morgan Stanley Capital Group</u>. Inc. v. Public Util. Dist. No. 1 of Snohomish, 554 U.S. 527, 128 S. Ct. 2733 (2008).

### SECTION 6 OPERATION AND CONTROL

## 6.1 <u>Standard of Facility Operation</u>.

6.1.1 <u>General</u>. At Seller's sole cost and expense, Seller shall build, operate, maintain and repair the Facility and the Interconnection Facilities owned by Seller in accordance with (a) the applicable and mandatory standards, criteria and formal guidelines of FERC, NERC, any RTO, and any other Electric System Authority and any successors to the functions thereof; (b) the Permits and Required Facility Documents; (c) the Generation Interconnection Agreement;

(d) all Requirements of Law; (e) the requirements hereof; and (f) Prudent Electrical Practice. Seller acknowledges that it shall have no claims hereunder against PacifiCorp hereunder with respect to any requirements imposed by or damages caused by (or allegedly caused by) the Transmission Provider. Seller will have no claims against PacifiCorp under this Agreement with respect to the provision of station service.

6.1.2 <u>Qualified Operator</u>. Seller shall itself operate the Facility or cause the Facility to be operated by an entity that has at least two years of experience in operation of geothermal energy facilities of comparable size to the Facility and approved by PacifiCorp, which approval shall not be unreasonably withheld or delayed.

## 6.1.3 <u>Fines and Penalties</u>.

(a) Without limiting a Party's rights under Section 6.1.3(b), each Party shall pay all fines and penalties incurred by such Party on account of noncompliance by such Party with Requirements of Law in respect to this Agreement, except where such fines and penalties are being contested in good faith through appropriate proceedings.

(b) If fines, penalties, or legal costs are assessed against or incurred by either Party (the "Indemnified Party") on account of any action by any Governmental Authority due to noncompliance by the other Party (the "Indemnifying Party") with any Requirements of Law or the provisions hereof, or if the performance of the Indemnifying Party is delayed or stopped by order of any Governmental Authority due to the Indemnifying Party's noncompliance with any Requirements of Law, the Indemnifying Party shall indemnify and hold harmless the Indemnified Party against any and all losses, liabilities, damages, and claims suffered or incurred by the Indemnified Party as a result thereof. Without limiting the generality of the foregoing, the Indemnifying Party shall reimburse the Indemnified Party for all fees, damages, or penalties imposed on the Indemnified Party by any Governmental Authority, other person or to other utilities for violations to the extent caused by a default by the Indemnifying Party or a failure of performance by the Indemnifying Party hereunder.

6.2 <u>Interconnection</u>. Seller shall be responsible for the costs and expenses associated with interconnection of the Facility at its Nameplate Capacity Rating to and at the Point of Interconnection. Seller shall have no claims hereunder against PacifiCorp, acting in its merchant function capacity, with respect to any requirements imposed by or damages caused by (or allegedly caused by) acts or omissions of the Transmission Provider or Interconnection Provider, in connection with the Generation Interconnection Agreement or otherwise.

6.3 <u>Coordination with System</u>. Seller shall be responsible for the coordination and synchronization of the Facility and the Interconnection Facilities with the System. In the event there are unanticipated changes in FERC or Electric System Authority rules sufficiently significant to change the benefits, risks and burdens held by the Parties, the Parties shall meet in good faith to adjust the terms of this Agreement to provide for the Parties the originally intended allocation of benefits, risks and burdens.

### 6.4 <u>Outages</u>.

6.4.1 <u>Planned Outages</u>. Without the advance written approval of PacifiCorp, Seller shall not schedule a Planned Outage during any portion of any of the months of May, June, July, August, or September, except to the extent a Planned Outage during any such month is reasonably required to satisfy a manufacturer's warranty requirement or to comply with Prudent Electrical Practices. At least seven months prior to the Delivery Start Date, and at least seven months prior to the beginning of each Contract Year thereafter, Seller shall provide PacifiCorp, in writing, Seller's proposed schedule of Planned Outages for each month of the 18month period beginning on such Delivery Start Date or beginning of such Contract Year. To the extent Seller believes it is required to change any Planned Outage schedule in order to comply with Prudent Electrical Practices, it shall notify PacifiCorp of the same as soon as practicable and seek consent to such change, which consent shall not be unreasonably withheld, delayed or conditioned.

6.4.2 Maintenance Outages. If Seller reasonably determines that it is necessary to schedule a Maintenance Outage, Seller shall notify PacifiCorp of the proposed Maintenance Outage as soon as practicable but in any event at least 30 days before the outage begins (or such shorter period to which PacifiCorp may reasonably consent in light of thenexisting conditions). Upon such notice, the Parties shall plan the Maintenance Outage to mutually accommodate the reasonable requirements of Seller and the service obligations of PacifiCorp; provided, however, that Seller shall take all reasonable measures consistent with Prudent Electrical Practices not to schedule any Maintenance Outage during the months of May, June, July, August, or September Notice of a proposed Maintenance Outage shall include the expected start date and time of the outage, the amount of generation capacity of the Facility that will not be available, and the expected completion date and time of the outage. Seller shall give PacifiCorp notice of the Maintenance Outage as soon as practicable after Seller determines that a Maintenance Outage is necessary. PacifiCorp shall promptly respond to such notice and may request reasonable modifications in the schedule for the outage. Seller shall use all reasonable efforts to comply with any request to modify the schedule for a Maintenance Outage. Seller shall notify PacifiCorp of any subsequent changes in generation capacity available to PacifiCorp as a result of such Maintenance Outage or any changes in the Maintenance Outage completion date and time. As soon as practicable, any notifications given orally shall be confirmed in writing. Seller shall take all reasonable measures consistent with Prudent Electrical Practices to minimize the frequency and duration of Maintenance Outages.

6.4.3 <u>Forced Outages</u>. Seller shall promptly provide PacifiCorp an oral report, via telephone to a number specified by PacifiCorp, of any Forced Outage resulting in more than 10 percent of the Nameplate Capacity Rating of the Facility being unavailable. This report shall include the amount of the generation capacity of the Facility that will not be available because of the Forced Outage and the expected return date of such generation capacity. Seller shall promptly update the report as necessary to advise PacifiCorp of changed circumstances. As soon as practicable, the oral report shall be confirmed in writing by notice to PacifiCorp. Seller shall take all reasonable measures consistent with Prudent Electrical Practices to avoid Forced Outages and to minimize their duration.

6.4.4 <u>Notice of Deratings and Outages</u>. Without limiting the foregoing, Seller will inform PacifiCorp, via telephone to a number specified by PacifiCorp, of any major limitations, restrictions, deratings or outages known to Seller affecting the Facility for the following day (except for Curtailments) and will promptly update Seller's notice to the extent of any material changes in this information, with "major" defined as affecting more than 5 percent of the Nameplate Capacity Rating of the Facility.

6.4.5 <u>Effect of Outages on Estimated Output</u>. Seller represents and warrants that the estimated monthly Net Output set forth on Exhibit A takes into account the Planned Outages, Maintenance Outages, and Forced Outages that Seller reasonably expects to encounter in an average year in the ordinary course of operating the Facility.

### 6.5 <u>Scheduling</u>.

<u>Cooperation and Standards</u>. With respect to any and all scheduling requirements hereunder, (a) Seller shall cooperate with PacifiCorp with respect to scheduling Net Output, and (b) each Party shall designate authorized representatives to communicate with regard to scheduling and related matters arising hereunder. Each Party shall comply with the applicable variable resource standards and criteria of any applicable Electric System Authority.

### 6.6 <u>Forecasting</u>.

6.6.1 <u>Long-Range Forecasts</u>. For planning purposes, Seller shall, by December 1 of each year during the Term (except for the last year of the Term), provide an annual update to the expected long-term monthly/diurnal mean net capacity factor estimates (12 X 24 profile) by updating Exhibit A.

6.6.2 <u>Day-Ahead Forecasts and Updates</u>. By such time as mutually agreed to by the Parties on the Business Day immediately preceding the day on which Net Output from the Facility is to be delivered, Seller shall provide PacifiCorp with an hourly forecast of deliveries for each hour of the next day; provided, however, that a forecast provided on a day before any non-Business Day shall include forecasts for each day to and including the next Business Day. The Parties shall cooperate to implement and use automatic forecast updates including more frequent updates when material conditions change, including weather. Seller shall communicate forecasts under this Section 6.6.2 in an efficient manner, including electronic mail or other such media as determined by PacifiCorp (which, at PacifiCorp's discretion, may be in lieu of or in addition to notice to PacifiCorp).

6.6.3 <u>Basis of Forecasts</u>. The forecasts called for by this Agreement shall be non-binding, good faith estimates only, and PacifiCorp expressly releases and holds harmless Seller from any liability for forecasting errors.

6.6.4 <u>Compliance</u>. With respect to any and all forecasting requirements hereunder, and including real-time forecasting requirements, each Party shall comply with all applicable Electric System Authority tariff procedures, protocol, rules and testing as necessary. The Parties shall agree upon reasonable changes to these requirements from time-to-time as necessary to comply with the Electric System Authority, including but not limited to, automated forecasts and outage submissions. 6.7 Increase in Nameplate Capacity Rating; New Project Expansion or Development. Without limiting any restrictions herein on Nameplate Capacity Rating, if Seller elects to increase, at its own expense, the ability of the Facility to deliver Net Output in quantities in excess of the Maximum Delivery Rate through any means, including replacement or modification of turbines or related infrastructure, PacifiCorp shall not be required to purchase any Net Output above the Maximum Delivery Rate. If Seller or any Affiliate elects to build an expansion or additional geothermal project in the geographic vicinity of the Facility, Seller shall have no rights pursuant hereto to require PacifiCorp to purchase (and PacifiCorp shall have no obligation to purchase pursuant hereto) the output of any such expansion or additional facility. Any such expansion or additional facility may not materially and adversely impact the ability of either Party to fulfill its obligations pursuant hereto.

## 6.8 <u>Electronic Communications</u>.

6.8.1 <u>Telemetering</u>. Seller shall during the Term provide telemetering equipment and facilities capable of transmitting the following information concerning the Facility to PacifiCorp on a real-time basis, and operate such equipment when requested by PacifiCorp to indicate:

- (a) MW Output at the Point of Interconnection;
- (b) Net Output; and
- (c) the Facility's total instantaneous generation capacity.

Seller shall transmit to PacifiCorp any other data from the Facility that Seller receives on a real time basis. Seller shall provide such real time data to PacifiCorp on the same basis on which Seller receives the data (e.g., if Seller receives the data in four second intervals, PacifiCorp shall also receive the data in four second intervals).

6.8.2 <u>Transmission Provider Consent</u>. Seller shall execute a consent, in the form required by Transmission Provider, to provide that PacifiCorp can read the meter and receive any and all data from the Transmission Provider relating to transmission of Output or other matters relating to the Facility without the need for further consent from Seller.

6.8.3 <u>Dedicated Communication Circuit</u>. Seller shall install a dedicated direct communication circuit (which may be by common carrier telephone) between PacifiCorp and the control center in the Facility's control room or such other communication equipment as the Parties may agree.

# 6.9 <u>Reports and Records</u>.

6.9.1 <u>Monthly Reports</u>. Within 30 days after the end of each calendar month during the Term (each, a "Reporting Month"), Seller shall provide to PacifiCorp a report in electronic format, which report shall include (a) summaries of the Facility's Output data for the Reporting Month in intervals not to exceed one hour (or such shorter period as is reasonably possible with commercially available technology), including information from the Facility's computer monitoring system; (b) summaries of any other significant events related to the

operation of the Facility for the Reporting Month; and (c) any supporting information that PacifiCorp may from time to time reasonably request (including historical data for the Facility).

6.9.2 <u>Electronic Fault Log</u>. Seller shall maintain an electronic fault log of operations of the Facility during each hour of the Term. Seller shall provide PacifiCorp with a copy of the electronic fault log within 30 days after the end of the calendar month to which the fault log applies.

6.9.3 <u>Other Information to be Provided to PacifiCorp</u>. Seller shall provide to PacifiCorp the following information concerning the Facility:

(a) Upon the request of PacifiCorp, the manufacturers' guidelines and recommendations for maintenance of the Facility equipment;

(b) A report summarizing the results of maintenance performed during each Maintenance Outage, Planned Outage, and any Forced Outage, and upon request of PacifiCorp any of the technical data obtained in connection with such maintenance; and

(c) A monthly report detailing the Availability of the Facility.

6.9.4 <u>Information to Governmental Authorities</u>. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all data collected by Seller related to the Facility reasonably required by PacifiCorp or an Affiliate thereof for reports to, and information requests from, any Governmental Authority or Electric System Authority. Along with this information, Seller shall provide to PacifiCorp copies of all submittals to Governmental Authorities or Electric System Authorities directed by PacifiCorp and related to the operation of the Facility with a certificate that the contents of the submittals are true and accurate to the best of Seller's knowledge. Seller shall use best efforts to provide this information to PacifiCorp with sufficient advance notice to enable PacifiCorp to review such information and meet any submission deadlines imposed by the requesting organization or entity. PacifiCorp shall reimburse Seller for all of Seller's reasonable costs and expenses in excess of \$10,000, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.9.4.

6.9.5 <u>Data Request</u>. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with data reasonably required for information requests from any Governmental Authorities, state or federal agency intervener or any other party achieving intervenor status in any PacifiCorp rate proceeding or other proceeding before any Governmental Authority. Seller shall use best efforts to provide this information to PacifiCorp sufficiently in advance to enable PacifiCorp to review it and meet any submission deadlines. PacifiCorp shall reimburse Seller for all of Seller's reasonable costs and expenses in excess of \$10,000, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.9.5.

6.9.6 <u>Documents to Governmental Authorities</u>. After sending or filing any statement, application, and report or any document with any Governmental Authority or Electric System Authority relating to operation and maintenance of the Facility, Seller shall promptly provide to PacifiCorp a copy of the same.

6.9.7 Environmental Information. Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all data reasonably requested by PacifiCorp relating to environmental information under the Required Facility Documents. Seller shall further provide PacifiCorp with information relating to environmental impact mitigation measures it is taking in connection with the Facility's construction or operation that are required by any Governmental Authority. PacifiCorp shall reimburse Seller for all of Seller's reasonable costs and expenses in excess of \$10,000, if any, incurred in connection with PacifiCorp's requests for the foregoing information under this Section 6.9.7. As soon as it is known to Seller, Seller shall disclose to PacifiCorp the extent of any material violation of any environmental laws or regulations arising out of the construction or operation of the Facility, or the presence of Environmental Contamination at the Facility or on the Premises, alleged to exist by any Governmental Authority having jurisdiction over the Premises, or the present existence of, or the occurrence during Seller's occupancy of the Premises of, any enforcement, legal, or regulatory action or proceeding relating to such alleged violation or alleged presence of Environmental Contamination presently occurring or having occurred during the period of time that Seller has occupied the Premises.

6.9.8 <u>Operational Reports</u>. Seller shall provide PacifiCorp monthly operational reports in a form and substance reasonably acceptable to PacifiCorp, and Seller shall, promptly upon written request from PacifiCorp, provide PacifiCorp with all operational data requested by PacifiCorp with respect to the performance of the Facility and delivery of Net Output, Capacity Rights therefrom.

6.9.9 <u>Notice of Material Adverse Events</u>. Seller shall promptly notify PacifiCorp of receipt of written notice or actual knowledge by Seller or its Affiliates of the occurrence of any event of default under any material agreement to which Seller is a party and of any other development, financial or otherwise, which would have a material adverse effect on Seller, the Facility or Seller's ability to operate, maintain or own the Facility as provided herein.

6.9.10 <u>Notice of Litigation</u>. Following its receipt of written notice or actual knowledge of the commencement of any action, suit, or proceeding before any court or Governmental Authority against Seller or its members with respect to this Agreement or the transactions contemplated hereunder, Seller shall promptly give notice to PacifiCorp of the same. Following its receipt of written notice or actual knowledge of the commencement of any action, suit or proceeding before any court or Governmental Authority against Seller, its members or any Affiliate, the effect of which would materially and adversely affect Seller's performance of its obligations hereunder, Seller shall promptly give notice to PacifiCorp of the same.

6.9.11 <u>Additional Information</u>. Seller shall provide to PacifiCorp such other information respecting the condition or operations of Seller, as such pertains to Seller's performance of its obligations hereunder, or the Facility as PacifiCorp may, from time to time, reasonably request.

6.9.12 <u>Confidential Treatment</u>. The monthly reports and other information provided to PacifiCorp under this Section 6.9 shall be treated as Confidential Business Information, subject to PacifiCorp's rights to disclose such information pursuant to Sections 6.9.4, 6.9.5, 9.5, and 24.3, and pursuant to any applicable Requirements of Law. Seller shall have the right to seek confidential treatment of any such information from the Governmental Authority entitled to receive such information.

6.10 <u>Financial and Accounting Information</u>. If PacifiCorp or one of its Affiliates determines that, under the Financial Accounting Standards Board's revised Interpretation No. 46, Consolidation of Variable Interest Entities ("FIN 46"), it may hold a variable interest in Seller, but it lacks the information necessary to make a definitive conclusion, Seller hereby agrees to provide, upon PacifiCorp's written request, sufficient financial and ownership information so that PacifiCorp or its Affiliate may confirm whether a variable interest does exist under FIN 46. If PacifiCorp or its Affiliate determines that, under FIN 46, it holds a variable interest in Seller, Seller hereby agrees to provide, upon PacifiCorp's written request, sufficient financial and other information to PacifiCorp or its Affiliate so that PacifiCorp may properly consolidate the entity in which it holds the variable interest or present the disclosures required by FIN 46. PacifiCorp shall reimburse Seller for Seller's reasonable costs and expenses, if any, incurred in connection with PacifiCorp's requests for information under this Section 6.10.

### 6.11 <u>Output Guarantee</u>.

6.11.1 Guaranteed Energy. Seller acknowledges that University is relying upon the full quantity of Expected Energy each Contract Year. Seller promises and guarantees that it will deliver from the Facility to PacifiCorp for redelivery to the University hereunder at least of the Expected Energy as specified in Exhibit A each Contract Year, excluding Energy that is not delivered during a Seller Excused Delivery Hour ("Guaranteed Energy"). The calculation of the number of MWhs related to each day of a Planned Outage, an unplanned outage, or the seven other days related to a Seller Excused Delivery Hour will be based on the average daily MWh of the month in which the outage occurred as set forth in Schedule A. Seller will be liable for agreed-upon liquidated damages ("Liquidated Damages") for failure of any Guaranteed Energy to be delivered to PacifiCorp for redelivery to University in any Contract Year, in the below the Guaranteed Energy actually delivered from the Facility amount of to PacifiCorp for redelivery to University in a Contract Year. Each Party agrees and acknowledges that the damages that would be incurred due to Seller's failure to deliver the Guaranteed Energy from the Facility each Contract Year would be difficult or impossible to predict with certainty and that the Liquidated Damages contemplated by this provision represent a fair and reasonable calculation of such damages.

6.11.2 <u>Guaranteed Power</u>. Seller acknowledges that University is relying upon the delivery of Power from the Facility during each On-Peak Hour during each Contract Year. Seller guarantees that it will deliver Power from, and commensurate with Net Output of, the Facility in each such On-Peak Hour, except during a Seller Excused Delivery Hour ("Guaranteed Power"). If Guaranteed Power is not delivered during any On-Peak Hour in any day, Seller will be liable for Liquidated Damages for each Disruption Day in the amount of **Deliver**. Each Party agrees and acknowledges that the damages that would be incurred due to Seller's failure to deliver Guaranteed Power from the Facility each On-Peak Hour would be difficult or impossible to predict with certainty and that the Liquidated Damages contemplated by this provision represent a fair and reasonable calculation of such damages. 6.11.3 Damages Invoicing. No later than 30 days after the end of each contract month or year, as applicable, Seller shall provide to PacifiCorp and University its calculation of and records supporting Liquidated Damages under this Section 6.11. No later than 60 days following the end of each month, PacifiCorp shall deliver to Seller an invoice for any Liquidated Damages. In preparing such calculations, Parties shall utilize meter data for the month in question, but may rely on historical averages and such other information as may be available at the time if meter data is incomplete or not available. To the extent required, any such invoice shall be trued up as promptly as practicable following receipt of actual results. Seller shall pay to PacifiCorp, by wire transfer of immediately available funds to an account specified in writing by PacifiCorp or by any other means agreed to by the Parties in writing from time to time, the amount set forth as due in such invoice, and shall within 30 days after receiving the invoice raise any objections regarding any disputed portion of the invoice. All disputes regarding such invoices shall be subject to Section 10.4. Objections not made by Seller within the 30-day period shall be deemed waived.

6.12 <u>Access Rights</u>. Upon reasonable prior notice and subject to the prudent safety requirements of Seller, and Requirements of Law relating to workplace health and safety, Seller shall provide PacifiCorp and its authorized agents, employees and inspectors ("PacifiCorp Representatives") with reasonable access to the Facility: (a) for the purpose of reading or testing metering equipment, (b) as necessary to witness any acceptance tests, (c) to provide tours of the Facility to customers and other guests of PacifiCorp (not more than 12 times per year), (d) for purposes of implementing Sections 2.3 or 10.5, and (e) for other reasonable purposes at the reasonable request of PacifiCorp. PacifiCorp shall release Seller against and from any and all Liabilities resulting from actions or omissions by any of the PacifiCorp Representatives in connection with their access to the Facility, except to the extent that such damages are caused or by the intentional or grossly negligent act or omission of Seller.

6.13 <u>Facility Images</u>. PacifiCorp shall be free to use any and all images from or of the Facility for promotional purposes, subject to Seller's consent (not to be unreasonably withheld or delayed, and which consent may consider Requirements of Law relating to Premises security, obligations to outside vendors (including any confidentiality obligations), and the corporate policies of Seller's Affiliates).

### SECTION 7 FACILITY STATUS

Seller shall provide PacifiCorp with copies of Seller's FERC Exempt Wholesale Generator status and for authority to sell energy. During the Term, Seller shall maintain its status (to the extent it is required by law to do so) and its authority to sell power hereunder.

## SECTION 8 SECURITY

8.1 <u>Project Development Security</u>. Project Development Security requirements related to this Facility are set forth in the Renewable Energy Supply Agreement. PacifiCorp shall have no obligation or right to require, enforce or draw upon any Project Development Security associated with the Facility.

8.2 <u>Default Security</u>. On or before the Delivery Start Date, Seller shall post and maintain, or cause to be posted and maintained, with and for the benefit of PacifiCorp and University, security in the form of cash or a Letter of Credit in the amount of secure performance of all of Seller's obligations under this Agreement. If Seller fails to timely discharge any of its obligations under this Agreement, PacifiCorp may draw upon the Default Security on account of any resulting damages or University Damages. PacifiCorp shall also be entitled to draw upon the Default Security for damages if this Agreement is terminated because of an Event of Default by Seller. In the event University cures any default by Seller or enforces its third-party beneficiary rights under this Agreement, University may thereafter draw upon any Default Security and apply the proceeds against any damages.

8.3 <u>No Limitation</u>. The security required hereunder (a) constitutes security for, but not a limitation on, Seller's obligations under this Agreement and (b) shall not be an exclusive remedy for Seller's failure to perform in accordance with this Agreement. To the extent any Default Security is drawn upon, Seller shall, on or before the first day of the month following such draw, replenish or reinstate the security to the full amount required under this Agreement

## SECTION 9 METERING

9.1 <u>Installation of Metering Equipment</u>. Metering equipment shall be designed, furnished, installed, owned, inspected, tested, maintained and replaced as provided in the Generation Interconnection Agreement at the Point of Interconnection and as required by Transmission Provider; provided, however, that PacifiCorp acting in its merchant function capacity shall be under no obligation, pursuant hereto, to bear any expense relating to any such metering equipment. If PacifiCorp desires metering above and beyond that as specified above, PacifiCorp shall be responsible for all associated costs.

9.2 <u>Metering</u>. Metering shall be performed at the location and in the manner specified in Exhibit I, the Generation Interconnection Agreement and as necessary to perform and Seller's other obligations hereunder. All quantities of Net Output purchased hereunder shall reflect the net amount of energy flowing into the System at the Point of Delivery.

9.3 Inspection, Testing, Repair and Replacement of Meters. PacifiCorp shall have the right to periodically inspect and request the interconnecting utility, test, repair and replace the metering equipment at the Point of Interconnection or the Point of Delivery, without PacifiCorp assuming any obligations thereunder. If any of the inspections or tests disclose an error exceeding 0.5 percent, either fast or slow, proper correction, based upon the inaccuracy found, shall be made of previous readings for the actual period during which the metering equipment rendered inaccurate measurements if that period can be ascertained. If the actual period cannot be ascertained, the proper correction shall be made to the measurements taken during the time the metering equipment was in service since last tested, but not exceeding three months, in the amount the metering equipment shall have been shown to be in error by such test. Any correction in billings or payments resulting from a correction, when made, shall constitute full adjustment of any claim between Seller and PacifiCorp arising out of such inaccuracy of metering equipment. Nothing in this Agreement shall give rise to PacifiCorp, acting in its

merchant function capacity hereunder, having any obligations to Seller, or any other person or entity, pursuant to or under the Generation Interconnection Agreement.

9.4 <u>Metering Costs</u>. To the extent not otherwise provided in the Generation Interconnection Agreement, Seller shall bear all costs relating to all metering equipment installed to accommodate Seller's Facility.

9.5 <u>Meter Data</u>. Within 10 days of the Effective Date, Seller shall request the Interconnection Provider or Transmission Provider in writing to provide any and all meter or other data associated with the Facility or Net Output directly to PacifiCorp. Notwithstanding any other provision hereof, PacifiCorp shall have the right to provide such data to any Electric System Authority.

9.6 <u>WREGIS Metering</u>. Seller shall cause the Facility to implement all necessary generation information communications in WREGIS, and report generation information to WREGIS pursuant to a WREGIS-approved meter that is dedicated to the Facility and only the Facility. Seller shall at its sole cost and expense indemnify and hold PacifiCorp harmless from all costs and expenses incurred by PacifiCorp in connection with any dispute between Seller and WREGIS or WECC in connection with WREGIS, including responding to data requests or subpoenas, and including taking such steps as are necessary to cause the facility to generate WREGIS Certificates in WREGIS should WREGIS refuse to do business with Seller.

## SECTION 10 BILLINGS, COMPUTATIONS AND PAYMENTS

10.1 <u>Monthly Invoices</u>. On or before the 10th day following the end of each calendar month, Seller shall deliver to PacifiCorp a proper invoice showing Seller's computation of Net Output delivered to the Point of Delivery during such month. If such invoice is delivered by Seller to PacifiCorp, then PacifiCorp shall send to Seller, on or before the later of the 20th day following receipt of such invoice or the 30th day following the end of each month, payment for Seller's deliveries of Net Output to PacifiCorp.

10.2 <u>Offsets</u>. Either Party may offset any payment due hereunder against amounts owed by the other Party pursuant hereto. Either Party's exercise of recoupment and set off rights shall not limit the other remedies available to such Party hereunder.

10.3 <u>Interest on Late Payments</u>. Any amounts that are not paid when due hereunder shall bear interest at the Contract Interest Rate from the date due until paid.

10.4 <u>Disputed Amounts</u>. If either Party, in good faith, disputes any amount due pursuant to an invoice rendered hereunder, such Party shall notify the other Party of the specific basis for the dispute and, if the invoice shows an amount due, shall pay that portion of the statement that is undisputed, on or before the due date. Any such notice shall be provided within two years of the date of the invoice in which the error first occurred. If any amount disputed by such Party is determined to be due the other Party, or if the Parties resolve the payment dispute, the amount due shall be paid within five (5) days after such determination or resolution, along with interest at the Contract Interest Rate from the date due until the date paid.

10.5 <u>Audit Rights</u>. Each Party, through its authorized representatives, shall have the right, at its sole expense upon reasonable notice and during normal business hours, to examine and copy the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made hereunder or to verify the other Party's performance of its obligations hereunder. Upon request, each Party shall provide to the other Party statements evidencing the quantities of Net Output delivered at the Point of Delivery. If any statement is found to be inaccurate, a corrected statement shall be issued and any amount due thereunder will be promptly paid and shall bear interest at the Contract Interest Rate from the date of the overpayment or underpayment to the date of receipt of the reconciling payment. Notwithstanding the foregoing, no adjustment shall be made with respect to any statement or payment hereunder unless a Party questions the accuracy of such payment or statement within two years after the date of such statement or payment.

#### SECTION 11 DEFAULTS AND REMEDIES

11.1 <u>Defaults</u>. The following events are defaults (each a "default" before the passing of applicable notice and cure periods, and an "Event of Default" thereafter) hereunder:

11.1.1 Defaults by Either Party.

(a) A Party fails to make a payment when due hereunder if the failure is not cured within 15 Business Days after the non-defaulting Party gives the defaulting Party a notice of the default.

(b) A Party (i) makes an assignment for the benefit of its creditors; (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it and such petition is not withdrawn or dismissed within 60 days after such filing; (iii) becomes insolvent; or (iv) is unable to pay its debts when due.

(c) A Party breaches a representation or warranty made by it herein if the breach is not cured within 30 days after the non-defaulting Party gives the defaulting Party a notice of the default; provided that if such default is not reasonably capable of being cured within the thirty (30) day cure period but is reasonably capable of being cured within an additional one hundred and eighty (180) day cure period, the defaulting Party will have such additional time (not exceeding an additional 180 days) as is reasonably necessary to cure, if, prior to the end of the 30 day cure period the defaulting Party provides the non-defaulting Party a remediation plan, the non-defaulting party approves such remediation plan, which approval shall not be unreasonably withheld or delayed, and the defaulting Party promptly commences and diligently pursues the remediation plan. 11.1.2 A Party otherwise fails to perform any material obligation hereunder for which an exclusive remedy is not provided hereunder and which is not addressed in any other Event of Default described in Section 11.1, if the failure is not cured within 30 days after the non-defaulting Party gives the defaulting Party notice of the default; provided that if such default is not reasonably capable of being cured within the thirty (30) day cure period but is reasonably capable of being cured within an additional one hundred and eighty (180) day cure period, the defaulting Party will have such additional time (not exceeding an additional 180 days) as is reasonably necessary to cure, if, prior to the end of the 30 day cure period the defaulting Party provides the non-defaulting Party a remediation plan, the non-defaulting party approves such remediation plan, which approval shall not be unreasonably withheld or delayed, and the defaulting Party promptly commences and diligently pursues the remediation plan.

#### 11.1.3 Defaults by Seller.

(a) Seller fails to post, increase, or maintain the Default Security as required hereunder by the applicable dates set forth therein.

(b) Seller sells Net Output, Capacity Rights or RECs from the Facility to a party other than PacifiCorp or University, in breach hereof.

(c) PacifiCorp receives notice of foreclosure of the Facility or any part thereof by a Lender to Seller, mechanic or materialman, or any other holder, of an unpaid lien or other charge or encumbrance, if the same has not been stayed, paid, or bonded around within 30 days of the date of the notice received by PacifiCorp, and in all cases prior to the expiration of any applicable cure period associated with such foreclosure.

(d) Seller fails to maintain any Required Facility Documents or Permits necessary to own or operate the Facility, after the expiration of applicable notice, cure and waiver periods.

(e) Seller's Abandonment of construction or operation of the Facility except to the extent caused by an event of Force Majeure or default by PacifiCorp.

(f) Seller fails to maintain insurance as required by the Agreement.

## 11.2 <u>Remedies for Failure to Deliver/Receive</u>.

11.2.1 <u>Remedy for Seller's Failure to Deliver</u>. Upon the occurrence and during the continuation of a default of Seller under Section 11.1.3(b), Seller shall pay PacifiCorp within five (5) Business Days after invoice receipt, an amount equal to (a) PacifiCorp's Cost to Cover multiplied by the Net Output delivered to a party other than PacifiCorp, (b) additional costs and transmission charges, if any, reasonably incurred by PacifiCorp in moving replacement energy to the Point of Delivery or if not there, to such points in PacifiCorp's control area as are determined by PacifiCorp, (c) any additional cost or expense incurred as a result of Seller's default under Section 11.1.3(b), as determined by PacifiCorp in a commercially reasonable manner (but not including any penalties, ratcheted demand or similar charges), and (d) University Damages. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation of such amount.

11.2.2 <u>Remedy for PacifiCorp's Failure to Purchase</u>. If PacifiCorp fails to receive or purchase all or part of the Net Output required to be purchased pursuant hereto and such failure is not excused under the terms hereof or by Seller's failure to perform, then Seller shall perform under Section 11.7 and PacifiCorp shall pay Seller, on the earlier of the date payment would otherwise be due in respect of the month in which the failure occurred or within five (5) Business Days after invoice receipt, an amount equal to Seller's Cost to Cover multiplied by the amount of Net Output so not received or purchased, less amounts received by Seller pursuant to Section 11.7, plus all costs and expenses incurred by Seller in arranging for sales to third-parties, including the costs and expenses related to entering into an alternative transaction and any costs in delivering Net Output. The invoice for such amount shall include a written statement explaining in reasonable detail the calculation thereof.

11.2.3 <u>Remedy for Seller's Failure to Sell/Deliver Capacity Rights</u>. Seller shall be liable for PacifiCorp's actual damages in the event Seller fails to sell or deliver all or any portion of the Capacity Rights to PacifiCorp.

11.3 <u>Remedies for University Default</u>. If University defaults in its obligation to make required payments to PacifiCorp under the University Contract and the University fails to cure such payment default within the applicable cure period specified therein, PacifiCorp's obligation to purchase further Net Output under this Agreement may be suspended by PacifiCorp until University remedies such default, effective upon delivery of written notice of such suspension by PacifiCorp to Seller. If University fails to cure such default within the applicable cure period, PacifiCorp's obligation to acquire or purchase Net Output under this Agreement shall cease and, subject to notice and termination provisions herein, PacifiCorp may elect to terminate this Agreement.

Termination and Remedies. Promptly after a non-defaulting Party has knowledge 11.4 of any default, it shall provide notice to the defaulting Party, Lender and University, specifying in reasonable detail the default and the cure period, if any, applicable thereto. From and during the continuance of an Event of Default, the non-defaulting Party shall be entitled to all remedies available at law or in equity, and may terminate this Agreement by notice to the other Party designating the date of termination and delivered to the defaulting Party no less than 60 days before such termination date; provided, however, that as a precondition to Seller's exercise of this termination right, Seller must also provide copies of such notice to the notice addresses of then-current President and General Counsel of PacifiCorp set forth in Section 23. Also, as a precondition to PacifiCorp's exercise of this termination right, PacifiCorp must also provide copies of such notice to the notice addresses of Seller, Lender and University set forth in Section 23. Such copies shall be sent by registered overnight delivery service or by certified or registered mail, return receipt requested. In addition, a Party's termination notice shall state prominently therein in type font no smaller than 14-point all-capital letters that "THIS IS A TERMINATION NOTICE UNDER A RENEWABLE PPA. YOU MUST CURE A DEFAULT, OR THE PPA MAY BE TERMINATED," and shall state therein any amount purported to be owed and wiring instructions. A Party will not have any right to terminate this Agreement if the default that gave rise to the termination right is cured within 60 days of receipt of such notice or is subject to the notice and cure rights set forth in this Section. Further, from and after the date upon which Seller fails to remedy a default within the time periods provided in Section 11.1, and until PacifiCorp has recovered all damages incurred on account of such default by Seller, without exercising its termination right, PacifiCorp may offset its damages against any payment due Seller. Except in circumstances in which a remedy provided for in this Agreement is described as a Party's sole or exclusive remedy, upon termination, the non-defaulting Party may pursue any and all legal or equitable remedies provided by law, equity or this Agreement. The rights contemplated by this Section 11 are cumulative such that the exercise of one or more rights shall not constitute a waiver of any other rights. In the event of a termination hereof:

(a) Each Party shall pay to the other all amounts due the other hereunder for all periods prior to termination, subject to offset by the non-defaulting Party against damages incurred by such Party.

(b) Any amounts due hereunder shall be calculated and paid within 30 days after the billing date for such charges and shall bear interest thereon at the Contract Interest Rate from the date of default until the date paid. The foregoing does not extend the due date of, or provide an interest holiday for any payments otherwise due hereunder.

(c) Before and after the effective date of termination, the nondefaulting Party may pursue, to the extent permitted by this Agreement, any and all legal or equitable remedies provided by law, equity or this Agreement.

(d) Without limiting the generality of the foregoing, the provisions of Sections 4.5, 5.4, 6.9.4, 6.9.5, 8, 9.5, 9.6, 10.3, 10.4, 10.5, 11.4, 11.5, 11.6, 11.10, and Section 13 and Section 24 shall survive the termination hereof.

11.5 <u>Termination of Duty to Buy</u>. If this Agreement is terminated because of a default by Seller, neither Seller nor any Affiliate of Seller, nor any successor to Seller with respect to the ownership of the Facility or Premises, on whose behalf Seller acts herein as agent, may thereafter require or seek to require PacifiCorp to make any purchases from the Facility or any electric generation facility constructed on the Premises under PURPA, or any other Requirements of Law, for any periods that would have been within the Term had this Agreement remained in effect. Seller, on behalf of itself and on behalf of any other entity on whose behalf it may act, hereby waives its rights to require PacifiCorp to do so. This section shall not apply to University, to the extent it cures Seller's default, succeeds to Seller's interest in the Facility, or otherwise obtains the right to continue purchasing renewable energy from the Facility.

11.6 <u>Termination Damages</u>. If this Agreement is terminated as a result of an Event of Default by one of the Parties, termination damages shall be determined. The amount of termination damages shall be calculated by the non-defaulting Party within a reasonable period after termination of the Agreement. Amounts owed pursuant to this section shall be due within five (5) Business Days after the non-defaulting Party gives the defaulting Party notice of the amount due. The non-defaulting Party shall under no circumstances be required to account for or otherwise credit or pay the defaulting Party for economic benefits accruing to the non-defaulting Party as a result of the defaulting Party's default.

11.7 <u>Duty/Right to Mitigate</u>. 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 hereof. "Commercially

reasonable efforts" (a) by Seller shall include requiring Seller to use commercially reasonable efforts to maximize the price for Net Output and RECs received by Seller from third parties, including entering into an enabling agreement with, or being affiliated with, one or more power marketers of nationally recognized standing to market such Net Output or RECs not purchased or accepted by PacifiCorp (only during a period PacifiCorp is in default), in each case only to the extent any of the foregoing actions are permitted under Requirements of Law and the Interconnection Agreement; and (b) by PacifiCorp shall include requiring PacifiCorp to use commercially reasonable efforts to minimize the price paid to third parties for energy purchased to replace Net Output and RECs not delivered by Seller as required hereunder.

11.8 <u>Security</u>. If this Agreement is terminated because of Seller's default, PacifiCorp may, in addition to pursuing any and all other remedies available at law or in equity, proceed against any security held by PacifiCorp or University in whatever form to reduce any amounts that Seller owes PacifiCorp arising from such default.

## 11.9 <u>Cure by Lender or University</u>.

(a) Seller shall notify PacifiCorp and University of the names and addresses of any Lender.

(b) PacifiCorp upon serving Seller any notice of default pursuant to any provisions of this Agreement, shall also serve a copy of such notice upon any Lender and University at the addresses provided for in Section 23. No notice of default by PacifiCorp hereunder shall be deemed to have been duly given unless and until a copy thereof shall have been so served.

(c) From and after the date that such notice has been given to a Lender and University, said Lender or University shall, each in its sole discretion, have the same period for remedying any alleged default or causing the same to be remedied, as is given to Seller pursuant to this Agreement. Lender or University may cure any default by either Party under this Agreement and recover from the defaulting Party any damages, costs or expenses suffered or incurred by Lender or University in enforcing this Agreement or curing a default, including reasonable attorneys' fees. The Parties shall accept such performance by or on behalf of such Lender or University as if the same had been done by Seller. If Seller is not proceeding with due diligence to remedy any such default, neither PacifiCorp nor Seller shall interpose any objection if any Lender or University takes such action for such purpose.

11.10 <u>Cumulative Remedies</u>. Except in circumstances in which a remedy provided for in this Agreement is described as a sole or exclusive remedy, the rights and remedies provided to PacifiCorp or Seller hereunder are cumulative and not exclusive of any rights or remedies of PacifiCorp or Seller.

## 11.11 <u>Recoupment of Damages</u>.

(a) <u>Default Security Available</u>. If Seller has posted Default Security, PacifiCorp may draw upon that security to satisfy any damages.

(b) <u>Recovery of Damages</u>. PacifiCorp may, with or without drawing upon any available Default Security, collect any amount owing by Seller hereunder by partially withholding future payments to Seller over a reasonable period of time, which period shall not be less than the period over which the default occurred. PacifiCorp and Seller shall work together in good faith to establish the period, and monthly amounts, of such withholding so as to avoid Seller's default on its commercial or financing agreements necessary for its continued operation of the Facility.

#### SECTION 12 EARLY TERMINATION

This Agreement and the obligations of the Parties hereunder may be terminated early by written notice from PacifiCorp to Seller, with no liability to either Party, upon receipt by PacifiCorp of written notice from University under the University Contract directing PacifiCorp to terminate this Agreement early as of a date specified by University ("Early Termination"), as set forth in Article IX of the Renewable Energy Supply Agreement between Seller and University.

### SECTION 13 INDEMNIFICATION AND LIABILITY

#### 13.1 Indemnities.

13.1.1 Indemnity by Seller. To the extent permitted by Requirements of Law and subject to Section 13.1.5, Seller shall release, indemnify and hold harmless PacifiCorp, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the "PacifiCorp Indemnitees") against and from any and all losses, fines, penalties, claims, demands, damages, liabilities, actions or suits of any nature whatsoever (including legal costs and attorneys' fees, both at trial and on appeal, whether or not suit is brought) (collectively, "Liabilities") actually or allegedly resulting from, or arising out of, or in any way connected with, the performance by Seller of its obligations hereunder, for or on account of: (a) injury, bodily or otherwise, to, or death of, or (b) damage to, or destruction of property of, any person or entity, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the PacifiCorp Indemnitees. Seller shall be solely responsible for (and shall defend and hold PacifiCorp harmless against) any damage that may occur as a direct result of Seller's breach of the Generation Interconnection Agreement.

13.1.2 <u>Indemnity by PacifiCorp</u>. To the extent permitted by Requirements of Law and subject to Section 13.1.5, PacifiCorp shall release, indemnify and hold harmless Seller, its Affiliates, and each of its and their respective directors, officers, employees, agents, and representatives (collectively, the "Seller Indemnitees") against and from any and all Liabilities actually or allegedly resulting from, or arising out of, or in any way connected with, the performance by PacifiCorp of its obligations hereunder for or on account of (a) injury, bodily or otherwise, to, or death of, or (b) for damage to, or destruction of property of, any person or entity, excepting only to the extent such Liabilities as may be caused by the gross negligence or willful misconduct of any person or entity within the Seller Indemnitees.

13.1.3 <u>Additional Cross Indemnity</u>. Without limiting Sections 13.1.1 and 13.1.2, Seller shall release, indemnify and hold harmless the PacifiCorp Indemnitees from and against all Liabilities related to Net Output prior to its delivery by Seller at the Point of Delivery, and PacifiCorp shall release, indemnify and hold harmless the Seller Indemnitees from and against all Liabilities related to Net Output once delivered to PacifiCorp at the Point of Delivery as provided herein, except in each case to the extent such Liabilities are attributable to the gross negligence or willful misconduct or a breach of this Agreement by any member of the PacifiCorp Indemnitees or the Seller Indemnitees, respectively, seeking indemnification hereunder.

13.1.4 <u>No Dedication</u>. Nothing herein shall be construed to create any duty to, any standard of care with reference to, or any liability to any person not a Party. No undertaking by one Party to the other under any provision hereof shall constitute the dedication of PacifiCorp's facilities or any portion thereof to Seller or to the public, nor affect the status of PacifiCorp as an independent public utility corporation or Seller as an independent individual or entity.

13.1.5 <u>Consequential Damages</u>. NEITHER PARTY SHALL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES, WHETHER SUCH DAMAGES ARE ALLOWED OR PROVIDED BY CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, STATUTE OR OTHERWISE. THE PARTIES AGREE THAT ANY LIQUIDATED DAMAGES, DELAY DAMAGES, PACIFICORP AND SELLER COST TO COVER OR UNIVERSITY DAMAGES, OR OTHER SPECIFIED MEASURE OF DAMAGES EXPRESSLY PROVIDED FOR HEREIN, ARE NOT INTENDED BY THEM TO REPRESENT SPECIAL, PUNITIVE, INDIRECT, EXEMPLARY OR CONSEQUENTIAL DAMAGES.

#### SECTION 14 INSURANCE

14.1 <u>Required Policies and Coverages</u>. Without limiting any liabilities or any other obligations of Seller hereunder, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "A-VII" by the A.M. Best Company the insurance coverage specified on Exhibit J during the periods specified on Exhibit J.

14.2 <u>Certificates of Insurance</u>. Seller shall provide PacifiCorp with certificates of insurance within 10 days after the date by which such policies are required to be obtained (as set forth in Exhibit J). Seller shall provide a certificate of insurance (in ACORD or similar industry form) to PacifiCorp within 10 days of the effective date of any insurance policy required under this Agreement. Seller shall provide PacifiCorp with copies of any notices of cancellation that it may receive within five (5) Business Days of receipt from its insurer, and shall provide proof of replacement coverage prior to the effective date of cancellation. If any coverage is written on a "claims-made" basis, the certification accompanying the policy shall conspicuously state that the policy is "claims made."

#### SECTION 15 FORCE MAJEURE

15.1 <u>Definition of Force Majeure</u>. "Force Majeure" or "an event of Force Majeure" means an event that (a) is not reasonably anticipated as of the date hereof, (b) is not within the reasonable control of the Party affected by the event, (c) is not the result of such Party's negligence or failure to act, and (d) could not be overcome by the affected Party's use of due diligence in the circumstances.

15.2 <u>Examples of Force Majeure</u>. Events of Force Majeure include, but are not restricted to, events of the following types (but only to the extent that such an event, in consideration of the circumstances, satisfies the tests set forth in Section 15.1): (a) acts of God or nature such as fire, chemical or radioactive contamination or ionizing radiation, earthquakes, lightning, cyclones, hurricanes or floods; (b) civil disturbance; (c) sabotage; (d) strikes; lock-outs; work stoppages; and action or restraint by court order or public or government authority (as long as the affected Party has not applied for or assisted in the application for, and has opposed to the extent reasonable, such court or government action); (e) unanticipated and unforeseeable geological or ground conditions, and (f) specific incidents of exceptionally adverse temperature and wind speed conditions in excess of those necessary for the Facility to operate as designed and which are at least 25% worse than those encountered at the Facility at the relevant time of year during any of the 20 years prior to the Effective Date.

Exclusions from Force Majeure. None of the following constitute Force Majeure: 15.3 (i) Seller's ability to sell, or University or PacifiCorp's ability to purchase capacity, energy or RECs at a more advantageous price than is provided hereunder; (ii) the cost or availability of fuel or motive force to operate the Facility; (iii) economic hardship, including lack of money; (iv) any breakdown or malfunction of the Facility equipment (including any serial equipment defect) that is not caused by an independent event of Force Majeure, (v) the imposition upon a Party of costs or taxes allocated to such Party under Section 5, (vi) delay or failure of Seller to obtain or perform any Required Facility Document unless due to a Force Majeure event, (vii) any delay, alleged breach of contract, or failure by the Transmission Provider, Network Service Provider or Interconnection Provider unless due to a Force Majeure event, (viii) maintenance upgrade or repair of any facilities or right of way corridors constituting part of or involving the Interconnection Facilities, whether performed by or for Seller, or other third parties (except for repairs made necessary as a result of an event of Force Majeure); (ix) Seller's failure to obtain, or perform under, the Generation Interconnection Agreement, or its other contracts and obligations to Transmission Provider, Network Service Provider, or Interconnection Provider, unless due to a Force Majeure event; or (xi) any event attributable to the use of Interconnection Facilities for deliveries of Net Output to any party other than PacifiCorp. Notwithstanding anything to the contrary herein, in no event will the increased cost of electricity, steel, labor, or transportation constitute an event of Force Majeure.

15.4 <u>Suspension of Performance</u>. Neither Party shall be liable for any delay or failure in its performance under this Agreement, nor shall any delay, failure, or other occurrence or event become an Event of Default, to the extent such delay, failure, occurrence or event is substantially caused by conditions or events of Force Majeure duration of the continuation of the event of Force Majeure, for the same number of days that the event of Force Majeure has prevailed, provided that:

the Party affected by the Force Majeure, shall, as soon as (a) practicable after the occurrence of the event of Force Majeure, give the other Party and University written notice describing the particulars of the event; and

(b) the suspension of performance shall be of no greater scope and of no longer duration than is required to remedy the effect of the Force Majeure; and

to perform.

(c) the affected Party shall use diligent efforts to remedy its inability

Force Majeure Does Not Affect Other Obligations. No obligations of either Party 15.5 that arose before the Force Majeure causing the suspension of performance or that arise after the cessation of the Force Majeure shall be excused by the Force Majeure.

15.6 Strikes. Notwithstanding any other provision hereof, neither Party shall be required to settle any strike, walkout, lockout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute, are contrary to the Party's best interests.

Right to Terminate. If a Force Majeure event prevents a Party from substantially 15.7 performing its obligations hereunder for a period exceeding 180 consecutive days, then the Party not affected by the Force Majeure event, with respect to its obligations hereunder, may terminate this Agreement by giving 10 days' prior notice to the other Party; provided, however, if the affected Party takes all reasonable steps to remedy the effects of the Force Majeure event with all reasonable dispatch, and the Force Majeure event cannot be resolved within 180 days, then this Agreement may not be terminated for 360 days. Notwithstanding the foregoing, unless University has failed to timely cure any University default under the University Contract, PacifiCorp may not terminate this Agreement under this Section 15.7 without the advance written consent of University. Upon such termination, neither Party will have any liability to the other with respect to period following the effective date of such termination; provided, however, that this Agreement will remain in effect to the extent necessary to facilitate the settlement of all liabilities and obligations arising hereunder before the effective date of such termination.

## **SECTION 16** SEVERAL OBLIGATIONS

Nothing contained herein shall be construed to create an association, trust, partnership or joint venture or to impose a trust, partnership or fiduciary duty, obligation or liability on or between the Parties.

## **SECTION 17 CHOICE OF LAW**

This Agreement shall be interpreted and enforced in accordance with the laws of the State of Utah, applying any choice of law rules that may direct the application of the laws of another jurisdiction.

#### SECTION 18 PARTIAL INVALIDITY

The Parties do not intend to violate any laws governing the subject matter hereof. If any of the terms hereof are finally held or determined to be invalid, illegal or void as being contrary to any applicable law or public policy, all other terms hereof shall remain in effect. The Parties shall use best efforts to amend this Agreement to reform or replace any terms determined to be invalid, illegal or void, such that the amended terms (a) comply with and are enforceable under applicable law, (b) give effect to the intent of the Parties in entering hereinto, and (c) preserve the balance of the economics and equities contemplated by this Agreement in all material respects.

### SECTION 19 NON-WAIVER

No waiver of any provision hereof shall be effective unless the waiver is set forth in a writing that (a) expressly identifies the provision being waived, and (b) is executed by the Party waiving the provision. A Party's waiver of one or more failures by the other Party in the performance of any of the provisions hereof shall not be construed as a waiver of any other failure or failures, whether of a like kind or different nature.

### SECTION 20 GOVERNMENTAL JURISDICTION AND AUTHORIZATIONS

This Agreement is subject to the jurisdiction of those Governmental Authorities having control over either Party or this Agreement. During the Term, Seller shall maintain all Permits required, as applicable, for the operation or ownership of the Facility.

### SECTION 21 SUCCESSORS AND ASSIGNS

21.1 <u>Restriction on Assignments</u>. Except as expressly provided in this Section 21, neither Party may assign this Agreement or any of its rights or obligations hereunder without the prior written consent of the other Party.

21.2 <u>Permitted Assignments</u>. Notwithstanding Section 21.1, either Party may, without the need for consent from the other Party (but with notice to the other Party, including the names of the assignees), (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds therefrom in connection with any financing or other financial arrangements; (b) transfer or assign this Agreement to an Affiliate of such Party; or (c) transfer or assign this Agreement to any party succeeding to all or substantially all of the assets or generating assets of such Party (and, with respect to Seller, Seller shall be required to transfer or assign this Agreement to any party succeeding to all or substantially all of the assets of Seller); provided, however, that Seller shall not transfer, sell, encumber or assign this Agreement or any interest herein to any Affiliate of PacifiCorp without the prior written consent of PacifiCorp. Except with respect to collateral assignments for financing purposes and also except as otherwise provided above in the immediately preceding sentence, in every assignment hereof, the assignee

must (x) agree in writing to be bound by the terms and conditions hereof, (y) possess the same or similar experience, and possess the same or better creditworthiness, as the assignor, and (z) except as provided in the next sentence, obtain the consent of the other Party hereof for the assignment. PacifiCorp may assign this Agreement in whole or in part without the consent of Seller to any person or entity in the event that PacifiCorp ceases to be a load-serving entity if its assignee meets the requirements of clauses (x) and (y) in the immediately preceding sentence, in which event PacifiCorp shall be released from liability hereunder. The Party seeking to assign or transfer this Agreement shall be solely responsible for paying all costs of assignment.

### SECTION 22 ENTIRE AGREEMENT

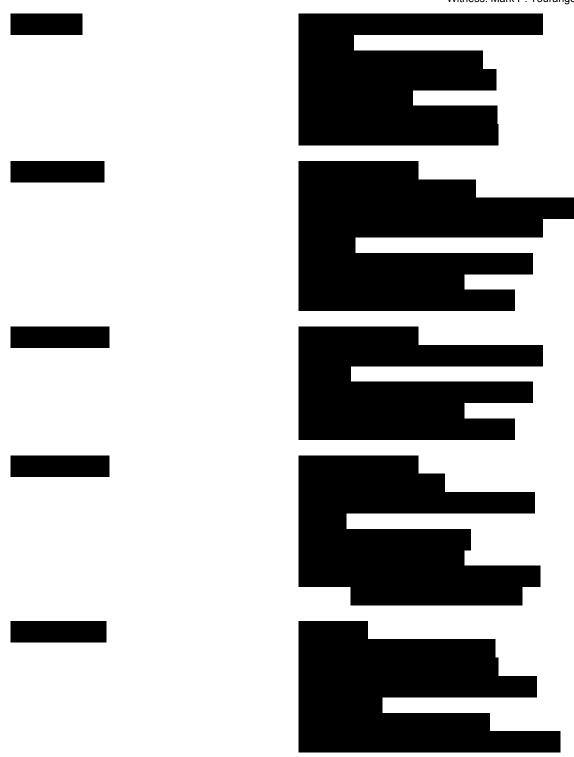
This Agreement supersedes all prior agreements, proposals, representations, negotiations, discussions or letters, whether oral or in writing, regarding the subject matter hereof. No modification hereof shall be effective unless it is in writing and executed by both Parties.

### SECTION 23 NOTICES

Addresses and Delivery Methods. All notices, requests, statements or payments 23.1 shall be made to the addresses set out below. In addition, copies of a notice of termination of this Agreement under Section 11 shall contain the information required by Section 11 and shall be sent to the then-current President and General Counsel of PacifiCorp, Lender and University. Notices required to be in writing shall be delivered by letter, facsimile or other tangible documentary form. Notice by hand delivery shall be deemed to have been given when received or hand delivered or upon attempted delivery if delivery is refused or is not reasonably possible because of a Party's failure to provide a reasonable means of accomplishing delivery. Notice by facsimile or email is effective as of transmission to each and all of the telefacsimile numbers or email addresses provided below for a Party, but, unless receipt is acknowledged by the recipient, must be followed up by notice by registered mail or overnight carrier to be effective. Notice by overnight mail shall be deemed to have been given the Business Day after it is sent, if sent for next day delivery to a domestic address by a recognized overnight delivery service (e.g., Federal Express or UPS). Notice by certified or registered mail, return receipt requested, shall be deemed to have been given upon receipt.



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23.2 <u>Changes of Address</u>. The Parties may change any of the persons to whom notices are addressed, or their addresses, by providing written notice in accordance with this section.

#### SECTION 24 CONFIDENTIALITY

24.1 <u>Confidential Business Information</u>. The following constitutes "Confidential Business Information," whether oral or written: (a) the Parties' proposals and negotiations concerning this Agreement, made or conducted prior to the Effective Date, (b) the terms hereof, (c) information provided under Section 6.9.1, (d) the actual charges billed to PacifiCorp hereunder, and (e) any information delivered by PacifiCorp to Seller prior to the Effective Date relating to the market prices of energy and methodologies for their determination or estimation, and (f) information provided by one Party to the other pursuant hereto. Seller and PacifiCorp each agree to hold such Confidential Business Information wholly confidential. Such Confidential Business Information may only be used by the Parties for purposes related to the approval, administration or enforcement hereof and for no other purpose. "Confidential Business Information that (x) is in or enters the public domain through no fault of the Party receiving such information, and (y) was in the possession of a Party prior to the Effective Date, and (e) above.

A Party providing any Confidential Business Information under this Agreement shall clearly mark all pages of all documents and materials to be treated as Confidential Business information with the term "Confidential" on the front of each page, document or material. If the Confidential Business Information is transmitted by electronic means the title or subject line shall indicate the information is Confidential Business Information. All Confidential Business Information shall be maintained as confidential, pursuant to the terms of Section 24, for a period of two years from the date it is received by the receiving Party unless otherwise agreed to in writing by the Parties.

24.2 Duty to Maintain Confidentiality. Each Party agrees not to disclose Confidential Business Information to any other person (other than its Affiliates, accountants, auditors, counsel, consultants, lenders, prospective lenders, purchasers, insurers, prospective purchasers, contractors providing services to the Facility, employees, officers and directors who agree to be bound by the provisions of this section), without the prior written consent of the other Party, provided that: (a) either Party may disclose Confidential Business Information, if and to the extent such disclosure is required (i) by Requirements of Law, (ii) in order for PacifiCorp to receive regulatory recovery of expenses related to this Agreement, (iii) pursuant to an order of a court or regulatory agency, or (iv) in order to enforce this Agreement or to seek approval hereof, and (b) notwithstanding any other provision hereof, PacifiCorp may in its sole discretion disclose or otherwise use for any purpose in its sole discretion the Confidential Business Information described in Sections 24.1(d) or 24.1(e). In the event a Party is required by Requirements of Law to disclose Confidential Business Information, such Party shall to the extent possible notify the other Party at least three (3) Business Days in advance of such disclosure.

PacifiCorp Regulatory Compliance. The Parties acknowledge that PacifiCorp is 24.3required by law or regulation to report certain information that could embody Confidential Business Information from time to time. Such reports include models, filings, reports of PacifiCorp's net power costs, general rate case filings, power cost adjustment mechanisms, FERC-required reporting such as those made on FERC Form 1, Form 12, or Form 714, market power and market monitoring reports, annual state reports that include resources and loads, integrated resource planning reports, reports to entities such as NERC, WECC, Pacific Northwest Utility Coordinating Committee, WREGIS, or similar or successor organizations, forms, filings, or reports, the specific names of which may vary by jurisdiction, along with supporting documentation. Additionally, in regulatory proceedings in all state and federal jurisdictions in which it does business, PacifiCorp will from time to time be required to produce Confidential Business Information. PacifiCorp may use its business judgment in its compliance with all of the foregoing and the appropriate level of confidentiality it seeks for such disclosures. PacifiCorp may submit Confidential Business Information in regulatory proceedings without notice to Seller if PacifiCorp has obtained in such proceedings a protective order covering such Confidential Business Information.

24.4 <u>Irreparable Injury; Remedies</u>. Each Party agrees that violation of the terms of this Section 24 constitutes irreparable harm to the other, and that the harmed Party may seek any and all remedies available to it at law or in equity, including injunctive relief.

24.5 <u>News Releases and Publicity</u>. Except as otherwise provided in Section 6.13, before either Party issues any news release or publicly distributed promotional material regarding the Facility that mentions the Facility, such Party shall first provide a copy thereof to the other

Party for its review and approval. Any use of either Party's name in such news release or promotional material must adhere to such Party's publicity guidelines then in effect; any use of Berkshire Hathaway's name requires PacifiCorp's prior written consent.

#### SECTION 25 DISAGREEMENTS

25.1 <u>Negotiations</u>. The Parties shall attempt in good faith to resolve all disputes arising out of, related to or in connection with this Agreement promptly by negotiation, as follows. Any Party may give the other Party written notice of any dispute not resolved in the normal course of business. Executives of both Parties at levels one level above the personnel who have previously been involved in the dispute shall meet at a mutually acceptable time and place within 10 days after delivery of such notice, and thereafter as often as they reasonably deem necessary, to exchange relevant information and to attempt to resolve the dispute. If the matter has not been resolved within 30 days after the referral of the dispute to such senior executives, or if no meeting of such senior executives has taken place within 15 days after such referral, either Party may initiate litigation as provided hereinafter if neither Party has requested that the dispute be mediated in accordance with Section 25.2 below. All negotiations pursuant to this clause are confidential.

#### 25.2 <u>Mediation; Technical Expert.</u>

25.2.1 <u>Mediation</u>. If the dispute is not resolved within 30 days after the referral of the dispute to senior executives, or if no meeting of senior executives has taken place within 15 days after such referral, either Party may request that the matter be submitted to nonbinding mediation. If the other Party agrees, the mediation will be conducted in accordance with the Construction Industry Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Construction Disputes) of the American Arbitration Association ("AAA"), as amended and effective on the date of the dispute (the "Mediation Procedures"), notwithstanding any Dollar amounts or Dollar limitations contained therein.

(a) The Party requesting the mediation, may commence the mediation process with AAA by notifying AAA and the other Party in writing ("Mediation Notice") of such Party's desire that the dispute be resolved through mediation, including therewith a copy of the Dispute Notice and the response thereto, if any, and a copy of the other Party's written agreement to such mediation.

(b) The mediation shall be conducted through, by and at the office of AAA located in Salt Lake City, Utah.

(c) The mediation shall be conducted by a single mediator. The Parties may select any mutually acceptable mediator. If the Parties cannot agree on a mediator within five (5) days after the date of the Mediation Notice, then the AAA's Arbitration Administrator shall send a list and resumes of three available mediators to the Parties, each of whom shall strike one name, and the remaining person shall be appointed as the mediator. If more than one name remains, either because one or both Parties have failed to respond to the AAA's Arbitration Administrator within five (5) days after receiving the list or because one or

both Parties have failed to strike a name from the list or because both Parties strike the same name, the AAA's Arbitration Administrator will choose the mediator from the remaining names. If the designated mediator shall die, become incapable or, unwilling to, or unable to serve or proceed with the mediation, a substitute mediator shall be appointed in accordance with the selection procedure described above in this Section 25.2.1, and such substitute mediator shall have all such powers as if he or she has been originally appointed herein.

(d) The mediation shall consist of one or more informal, nonbinding meetings between the Parties and the mediator, jointly and in separate caucuses, out of which the mediator will seek to guide the Parties to a resolution of the Dispute. The mediation process shall continue until the resolution of the dispute, or the termination of the mediation process pursuant to Section 25.2.1(f). The costs of the mediation, including fees and expenses, shall be borne equally by the Parties.

(e) All verbal and written communications between the Parties and issued or prepared in connection with this Section 25.2 shall be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and shall be exempt from discovery and production, and shall not be admissible in evidence (whether as admission or otherwise) in any litigation or other proceedings for the resolution of the dispute.

(f) The initial mediation meeting between the Parties and the mediator shall be held within 20 days after the Mediation Notice. Either Party may terminate the mediation process upon or after the earlier to occur of (i) the failure of the initial mediation meeting to occur within 20 days after the date of the Mediation Notice, (ii) the passage of 30 days after the date of the Mediation Notice without the dispute having been resolved, or (iii) such time as the mediator makes a finding that there is no possibility of resolution through mediation.

(g) All deadlines specified in this Section 25.2.1 may be extended by mutual agreement.

25.2.2 <u>Technical Expert</u>. If the dispute regards the disputed amount of any invoice, the Parties may, in lieu of mediation, have such dispute resolved pursuant to this Section 25.2.2. Any such dispute will be determined by an independent technical expert, who shall be a mutually acceptable third party with training and experience in the disciplines relevant to the matters with respect to which such person is called upon to provide a certification, evaluation or opinion (the "Technical Expert"), which determination shall be (x) made in accordance with the Construction Industry Arbitration Rules and Mediation Procedures (Including Procedures for Large, Complex Construction Disputes) of the AAA, as amended and effective on the date of the dispute (the "Technical Dispute Procedures"), notwithstanding any Dollar amounts or Dollar limitations contained therein, and (y) binding upon the Parties.

(a) Either Party may commence the technical dispute process with AAA by notifying AAA and the other Party in writing ("Technical Dispute Notice") of such Party's desire that the dispute be resolved through a determination by a technical expert.

(b) The determination shall be conducted by a sole Technical Expert. The Parties may select any mutually acceptable Technical Expert. If the Parties cannot agree on a Technical Expert within five (5) days after the date of the Technical Dispute Notice, then the AAA's Arbitration Administrator shall send a list and resumes of three available technical experts meeting the qualifications set forth in Section 25.2.2 to the Parties, each of whom shall strike one name, and the remaining person shall be appointed as the Technical Expert. If more than one name remains, either because one or both Parties have failed to respond to the AAA's Arbitration Administrator within five (5) days after receiving the list or because one or both Parties have failed to strike a name from the list or because both Parties strike the same name, the AAA's Arbitration Administrator will choose the Technical Expert from the remaining names. If the designated Technical Expert shall die, become incapable or, unwilling to, or unable to serve or proceed with the determination, a substitute technical expert shall be appointed in accordance with the selection procedure described above, and such substitute Technical Expert shall have all such powers as if he or she has been originally appointed herein.

(c) Within 30 days of the appointment of the Technical Expert pursuant to the foregoing sub-section, each Party shall submit to the Technical Expert a written report containing its position with respect to the dispute, and arguments therefor together with supporting documentation and calculations. Discovery shall be limited to Facility documentation relating to the disputed matter. Within 60 days from receipt of such submissions, the Technical Expert shall select one or the other Party's position with respect to the dispute, whereupon such selection shall be a binding determination upon the Parties for all purposes hereof. The costs of the determination by the Technical Expert of any dispute, including fees and expenses, shall be borne by the Party whose position was not selected by the Technical Expert. If the Technical Expert fails to render a decision within 90 days from receipt of each Party's submissions, either Party may initiate litigation in accordance with the provisions herein.

(d) All verbal and written communications between the Parties and issued or prepared in connection with this Section 25.2.2 shall be deemed prepared and communicated in furtherance, and in the context, of dispute settlement, and shall be exempt from discovery and production, and shall not be admissible in evidence (whether as admission or otherwise) in any litigation or other proceedings for the resolution of the dispute.

(e) All deadlines specified in this Section 25.2.2 may be extended by mutual agreement of the Parties.

25.3 <u>Place of Contract Formation; Choice of Forum</u>. Seller and PacifiCorp acknowledge and agree that this Agreement has been made and entered into as of the date first set forth above in the City of Salt Lake City, Utah. Each Party irrevocably consents and agrees that any legal action or proceeding arising out of this Agreement or the actions of the Parties leading up to the Agreement shall be brought exclusively in the United States District Court for the District of Utah in Salt Lake City, Utah, or if such court does not have jurisdiction, in the 3<sup>rd</sup> Judicial District (Salt Lake County) Court of the State of Utah. By execution and delivery hereof, each Party (a) accepts the exclusive jurisdiction of such court and waives any objection that it may now or hereafter have to the exercise of personal jurisdiction by such court over each Party for the purpose of any proceeding related to this Agreement, (b) irrevocably agrees to be bound by any final judgment (after any and all appeals) of any such court arising out of such

Renewable Resource Contract (Schedule 32)

documents or actions, (c) irrevocably waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceedings arising out of such documents brought in such court (including any claim that any such suit, action or proceeding has been brought in an inconvenient forum) in connection herewith, and, (d) agrees that service of process in any such action may be effected by mailing a copy thereof by registered or certified mail, postage prepaid, to such Party at its address as set forth herein, and (e) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law.

25.4 <u>Settlement Discussions</u>. No statements of position or offers of settlement made in the course of the dispute process described in this section will be offered into evidence for any purpose in any litigation between the Parties, nor will any such statements or offers of settlement be used in any manner against either Party in any such litigation. Further, no such statements or offers of settlement shall constitute an admission or waiver of rights by either Party in connection with any such litigation. At the request of either Party, any such statements and offers of settlement, and all copies thereof, shall be promptly returned to the Party providing the same.

25.5 <u>Waiver of Jury Trial</u>. EACH PARTY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT AND ANY AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO. THIS PROVISION IS A MATERIAL INDUCEMENT TO EACH OF THE PARTIES FOR ENTERING HEREINTO. EACH PARTY HEREBY WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER AGREEMENT EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION WITH THIS AGREEMENT, OR ANY MATTER ARISING HEREUNDER OR THEREUNDER, WITH ANY PROCEEDING IN WHICH A JURY TRIAL HAS NOT OR CANNOT BE WAIVED.

#### SECTION 26 COMMISSION APPROVAL

A condition precedent to the effectiveness of this Agreement is approval without material modification by the Commission of this Agreement and the REC between University and PacifiCorp. Each Party agrees that it will not petition the Commission for or otherwise seek an order of the Commission to cancel, terminate or modify any provisions of this Agreement or the REC without the prior written consent of the other Party. If a Commission order regarding this Agreement or the REC includes any condition or requirement that is materially adverse to either Party, the Party adversely impacted may terminate this Agreement by providing the other Party written notice within 30 days of the entry of the Commission order, in which case the Parties may but are not required to negotiate revisions or an amendment to this Agreement with mutually acceptable rates, terms and conditions, which amendment or revised agreement shall be subject to Commission approval.

#### SECTION 27 MATERIAL TERMS AND CONDITIONS – UNIVERSITY

PacifiCorp and Seller represent that, before entering into this Agreement, they secured University's consent to material terms and conditions included in this Agreement related to resource size, estimated production, expected Delivery Start Date, contract Term, the costs and charges for Output, performance guarantees, operational terms, credit provisions, and default and termination provisions. University is a third-party beneficiary of this Agreement and has the right, but not the obligation, to enforce the Agreement according to its terms. University may, in its sole discretion, cure any default by either Party under this Agreement and recover from the defaulting Party any damages, costs or expenses suffered or incurred by University in enforcing this Agreement or curing a default, including reasonable attorneys' fees. PacifiCorp and Seller each agrees to provide written notice to University of any default by the other Party under this Agreement that could lead to termination as soon as practicable and in all events prior to the expiration of the cure period applicable to such default.

[Signature page(s) to follow]

Rocky Mountain Power Exhibit RMP\_\_\_(MPT-2) Page 57 of 82 Docket No. 18-035-08 Witness: Mark P. Tourangeau

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names as of the date first above written.

#### AMOR IX, LLC

#### PACIFICORP

By: $\underline{\gamma}$	nicholas Gooding	By:
Name:	NICHALAS GOOMAN	Name:
Title:	Ceo	Title:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their respective names as of the date first above written.

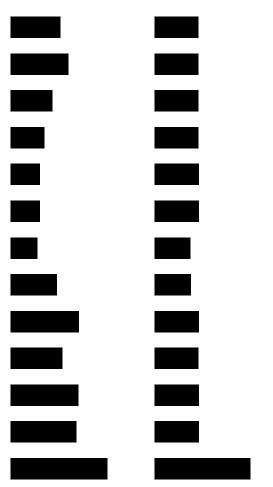
AMOR IX, LLC	PACIFICORP
By:	ву: М-/
Name:	Name: Mark Tourangeau
Title:	Title:Director Commercial Services

Rocky Mountain Power Exhibit RMP\_\_\_(MPT-2) Page 59 of 82 Docket No. 18-035-08 Witness: Mark P. Tourangeau

#### EXHIBIT A

#### **EXPECTED ENERGY**

#### FIRST 12 MONTHS FOLLOWING DELIVERY START DATE, TO BE UPDATED ANNUALLY



Amor will update Exhibit A annually by November 30 of each year for review by University. In no instance will the monthly or annual totals in Exhibit A change by more than plus or minus 3% from the previous year without the written agreement of Amor and University.

#### EXHIBIT B

#### Soda Lake Facility and Premises AMOR IX, LLC

#### **DESCRIPTION OF FACILITY AND PREMISES**

**Generating Facility Description:** The generating Facility consists of one (1) Ormat Energy Convertor (OEC) with a nameplate capacity of 20,000 kW Net Output. The OEC converts heat provided by geothermal fluids into electricity utilizing the Organic Rankin Cycle. The OEC equipment consist of evaporators, condensers, turbines, generators, cycle-pumps, system controls, control valves, and piping.

The generating Facility is supplied with geothermal fluids from a well field developed by Seller. The geothermal fluids are produced and transported from the geothermal production wells to the power plant. The fluids flow under pressure directly into the OEC evaporators. The geothermal fluids heat and vaporizes the working fluid, which expands through the turbines, which are coupled to the generators. The expanding working fluids are condensed by air cooled fans and pumped back into to the heat exchangers in a closed loop. The spent geothermal fluids are returned via pipelines from the generating Facility to the injection wells.

**Surface Facilities:** Soda Lake is located 4 miles northwest of Fallon, Nevada. The geothermal Facility is located within Section 33, T20N, R28E, M.D.M., Churchill County, Nevada. The property owner is Truckee-Carson Irrigation District and the surface areas are leased.

**Wellfield:** Soda Lake's active and standby wells in the geothermal wellfield are situated within the following Sections or portions of Sections. Geothermal resources are leased. The geothermal resource leases—both active leases and buffer leases—are held within the Soda Lake Geothermal Unit.

*Geothermal Well Locations:* N<sup>1</sup>/<sub>2</sub> Sec 28, T20N, R28E (BLM Lease N-11737); S<sup>1</sup>/<sub>2</sub> Sec 28, T20N, R28E (BLM Lease N-53371); Sec 29, T20N, R28E (Powelson Lease); and Sec 33, T20N, R28E (TCID Lease).

**Transmission:** Soda Lake's Transmission Line is situated on 13 different easement parcels. The easement grantors and the easement descriptions are listed below:

Parcel No.	Easement Grantor	Notes	
(Per Title			
<b>Policy</b> )			
Parcel 1	Truckee-Carson Irrigation	Transmission Line Right of Way Grant	
	District	(11/09/1987)	
Section 33, T20N, R28E, M.D.M. Commencing at the E <sup>1</sup> / <sub>4</sub> corner of said Section 33, and			
proceeding thence along the East line of the NE <sup>1</sup> / <sub>4</sub> of said Section 33, N 00°40'39" W 12.50'.			
Thence S 89°19'21" W 250.00' to the true point of beginning, the said point lying on the			
Westerly line	Westerly line of the proposed geothermal plant site. Thence proceeding along the centerline of a		

25 foot wide right-of-way said centerline lying 12.5' North of the East-West center of section line of said Section 33 S 89°19'21" W 5047.71' to the point of ending, said point lying on the West line of said Section 33. The sidelines of said right-of-way shall be prolonged or shortened so as to terminate on the end lines. Together with 5 foot by 45 foot anchor easements as required at each angle point.

U U		
Parcel 2	Truckee-Carson Irrigation	Transmission Line Right of Way Grant
	District	(11/09/1987)

NW ¼ of Section 32, T20N, R28E, M.D.M. Beginning at a point on the East line of the NW ¼ of said Section 32, said point being 12.5' North of the SE corner of said NW ¼ and proceeding thence along the centerline of a 25 foot wide right-of-way S 89°34'31" W 2646.63' to the point of ending, said point lying on the West line of said NW ¼, from which point the West ¼ corner of said Section 32 bears S 12.5'. The sidelines of said right-of-way shall be prolonged or shortened so as to terminate on the end lines. Together with 5 foot by 45 foot anchor easements as required at each angle point.

Parcel 3	Truckee-Carson Irrigation	Transmission Line Right of Way Grant
	District	(11/09/1987)

The N  $\frac{1}{2}$  SW  $\frac{1}{4}$  Section 2, T19N, R27E, M.D.M. Beginning at a point on the North line of the N  $\frac{1}{2}$  of the SW  $\frac{1}{4}$  of said Section 2 from which point the W  $\frac{1}{4}$  corner of said Section 2 bears West 12.5'. Thence proceeding along the centerline of a 25 foot wide right-of-way S 00°27'42'' W 1321.68' to the point of ending, said point lying on the South line of the N  $\frac{1}{2}$  of the SW  $\frac{1}{4}$  of said Section 2. Together with 5 foot by 45 foot anchor easements as required at each angle point.

Parcel 4	Truckee-Carson Irrigation	Transmission Line Right of Way Grant
	District	(11/09/1987)

Section 11, T19N, R27E, M.D.M. Beginning at a point on the North line of the NW ¼ of said Section 11 said point lying 12.5' East of the NW corner of said Section 11 and proceeding thence along the centerline of a 25 foot right-of-way S 05°19'22" W 135.79' to the point of ending, said point lying on the West line of the NW ¼ of said Section 11. The sidelines of said right-of-way shall be prolonged or shortened so as to terminate on the end lines. Together with 5 foot by 45 foot anchor easements as required at each angle point.

Parcel 5	Truckee-Carson Irrigation	Transmission Line Right of Way Grant
	District	(11/09/1987)

Section 10, T19N, R27E, M.D.M. Beginning at a point on the North line of the S  $\frac{1}{2}$  of the SE  $\frac{1}{4}$  of said Section 10, thence along the centerline of a 25 foot right-of-way S 00°06'14" W 1323.54' to the point of ending, said point lying on the South line of the SE  $\frac{1}{4}$  of said Section 10 from which point the SE corner of said Section 10 bears East 12.5'. The sidelines of said right-of-way shall be prolonged or shortened so as to terminate on the end lines. Together with 5 foot by 45 foot anchor easements as required at each angle point.

Parcel 6	Truckee-Carson Irrigation	Transmission Line Right of Way Grant
	District	(11/09/1987)

Section 15, T19N, R27E, M.D.M. Beginning at a point on the North line of the NE ¼ of said Section 15, from which point the NE corner of said Section 15 bears East 12.5'. Thence along the centerline of a 25 foot right of way S 00°06'42" E 822.14'. Thence S 02°21'35" W 1,102.10'. Thence S 00°06'47" E 180.00'. Thence S 57°39'38" W 588.51' to a point on the Northeasterly line of a Southern Pacific Transportation Company right-of-way the point of ending. The sidelines of said right-of-way shall be prolonged or shortened so as to terminate on the end lines. Together with a 5 foot by 45 foot anchor easements as required at each angle point.

Parcel 7	Margaret E. Oser Trustee	<b>Right of Way Grant (09/11/1987)</b>		
		<sup>1</sup> / <sub>4</sub> of Section 31, T20N, R28E, M.D.M., from		
which point the E $\frac{1}{4}$ corner of said Section 31 bears South 12.5'. Thence proceeding along said				
centerline S 89°10'40" W 5,133.60', more or less, to a point on the West line of the NW ¼ of				
	said Section 31, the point of ending, from which point the W $\frac{1}{4}$ corner of said Section 31 bears			
		strip shall be prolonged or shortened so as to		
terminate on t	<b>č</b>	surp shan be protonged of shortened so us to		
Parcel 8	Margaret E. Oser Trustee	<b>Right of Way Grant (09/11/1987)</b>		
		W <sup>1</sup> / <sub>4</sub> of the NW <sup>1</sup> / <sub>4</sub> of Section 1, T19N, R27E,		
	-	id Section 1 bears S 89°48'39" W 140.70';		
		4'39" W, 141.37', to a point on the West line of		
		point of ending, from which point the NW corner		
	· · · ·	es of said right-of-way strip shall be prolonged or		
	as to terminate on the end lines.			
Parcel 9	U.S. Bureau of Reclamation	Right-of-way Agreement for Use of		
		Reclamation Land— Contract No. 0-07-20-		
		L5296 (06/21/1990)		
Section 32, T	20N, R28E, M.D.M. Commencing	g at the E <sup>1</sup> / <sub>4</sub> corner of Section 32, T20N, R28E,		
		line of the NE <sup>1</sup> / <sub>4</sub> of said Section 32, North 12.5'		
to the true point	int of beginning, said point lying of	on the centerline of a 25 foot wide transmission		
-		d centerline S 89°34'31" W 2,662.71', more or		
-		said Section 32, the point of ending; The sideline		
-		tened so as to terminate on the end lines.		
-		nts as required at each angle point.		
Parcel 10	U.S. Bureau of Reclamation	Right-of-way Agreement for Use of		
		Reclamation Land— Contract No. 0-07-20-		
		L5296 (06/21/1990)		
Section 36, T	20N, R27E, M.D.M. Commencing	g at the E <sup>1</sup> / <sub>4</sub> corner of Section 36, T20N, R27E,		
M.D.M., and	proceeding thence North 12.5' to	the true point of beginning; Thence proceeding		
		sion line right-of-way S 89°10'40" W, 13.02';		
		09'38" W, 190.89'; thence S 89°48'39" W,		
4,852.36'; the	ence S 88°44'39" W, 140.99' to a	point on the South line of the SW ¼ of said		
Section 36, the point of ending, from which point, the SW corner of said Section 36 bears S				
		sht-of-way shall be lengthened or shortened so as		
	e e	oot by 45 foot anchor easements as required at		
each angle po		T		
Parcel 11	U.S. Bureau of Reclamation	Right-of-way Agreement for Use of		
		Reclamation Land— Contract No. 0-07-20-		
		L5296 (06/21/1990)		
	-	at the Northeast corner of Section 2, T19N,		
		2.5' to the true point of beginning, said point		
		ission line right-of-way; Thence proceeding		
-	along said centerline N 88°57'15" W, 2,621.43'; Thence continuing along said centerline N			
89°07'45" W, 2,649.33'; Thence S 00°40'15" W, 2,684.47', to a point on the South line of the				
NW <sup>1</sup> / <sub>4</sub> of said Section 2, the point of ending; The sidelines of said right-of-way shall be				
lengthened or shortened so as to terminate on the end lines. Together with 5 foot by 45 foot				

anchor easements as required at each angle point.			
Parcel 12	U.S. Bureau of Reclamation	Right-of-way Agreement for Use of	
		Reclamation Land— Contract No. 0-07-20-	
		L5296 (06/21/1990)	
Section 2, T1	9N, R27E, M.D.M. Commencing	at the NW corner of the S <sup>1</sup> / <sub>2</sub> of the SW <sup>1</sup> / <sub>4</sub> of	
Section 2, T1	9N, R27E, M.D.M., and proceeding	ng thence E 12.5' to the true point of beginning,	
said point lyi	ng on the centerline of a 25 foot w	vide transmission line right-of-way; Thence	
proceeding a	long said centerline S 00°27'42" V	W, 1,321.14' to a point the South line of the SW $\frac{1}{4}$	
of said Section	on 2, the point of ending, from whi	ch point the SW corner of said Section 2 bears W	
	<b>č</b>	be lengthened or shortened so as to terminate on	
the end lines	Together with 5 foot by 45 foot a	nchor easements as required at each angle point.	
Parcel 13	U.S. Bureau of Reclamation	Right-of-way Agreement for Use of	
		Reclamation Land— Contract No. 0-07-20-	
		L5296 (06/21/1990)	
Section 10, 7	19N, R27E, M.D.M. Commencin	g at the NE corner of Section 10, T19N, R27E,	
M.D.M., and proceeding thence S 135.20' to a point on the centerline of a 25 foot wide			
transmission line right-of-way, the point of beginning; Thence along said centerline S 05°19'22"			
W, 135.40'; thence S 00°01'36" W, 2,373.09'; thence S 00°06'14" W, 1,322.27' to a point on			
	the South line of the N <sup>1</sup> / <sub>2</sub> of the SE <sup>1</sup> / <sub>4</sub> of said Section 10, the point of ending; The sidelines of		
said right-of-	way shall be lengthened or shorter	ned so as to terminate on the end lines. Together	
with 5 foot b	y 45 foot anchor easements as requ	uired at each angle point.	

#### EXHIBIT B — Attachments

#### 1. Site map



#### EXHIBIT C

#### NERC EVENT TYPES

Event	Description of Outages
Туре	
U1	<u>Unplanned (Forced) Outage—Immediate</u> – An outage that requires immediate removal of a unit from service, another outage state or a Reserve Shutdown state. This type of outage results from immediate mechanical/electrical/hydraulic control systems trips and operator-initiated trips in response to unit alarms.
U2	<u>Unplanned (Forced) Outage—Delayed</u> – An outage that does not require immediate removal of a unit from the in-service state but requires removal within six (6) hours. This type of outage can only occur while the unit is in service.
U3	<u>Unplanned (Forced) Outage—Postponed</u> – An outage that can be postponed beyond six hours but requires that a unit be removed from the in-service state before the end of the next weekend. This type of outage can only occur while the unit is in service.
SF	<u>Startup Failure</u> – An outage that results from the inability to synchronize a unit within a specified startup time period following an outage or Reserve Shutdown. A startup period begins with the command to start and ends when the unit is synchronized. An SF begins when the problem preventing the unit from synchronizing occurs. The SF ends when the unit is synchronized or another SF occurs.
МО	<u>Maintenance Outage</u> – An outage that can be deferred beyond the end of the next weekend, but requires that the unit be removed from service before the next planned outage. (Characteristically, a MO can occur any time during the year, has a flexible start date, may or may not have a predetermined duration and is usually much shorter than a PO.)
ME	<u>Maintenance Outage Extension</u> – An extension of a maintenance outage (MO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the MO.
РО	<u>Planned Outage</u> – An outage that is scheduled well in advance and is of a predetermined duration, lasts for several weeks and occurs only once or twice a year. (Boiler overhauls, turbine overhauls or inspections are typical planned outages.)
PE	<u>Planned Outage Extension</u> – An extension of a planned outage (PO) beyond its estimated completion date. This is typically used where the original scope of work requires more time to complete than originally scheduled. Do not use this where unexpected problems or delays render the unit out of service beyond the estimated end date of the PO.

Rocky Mountain Power Exhibit RMP\_\_\_(MPT-2) Page 66 of 82 Docket No. 18-035-08 Witness: Mark P. Tourangeau

#### EXHIBIT D

#### CONTRACT PRICE (\$/MWh)

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## <u>Soda Lake Permits</u> <u>AMOR IX, LLC</u>

D		2 F		
rermit Holder	Type of Permit	Permit Number	Purpose	
AMOR IX, LLC	NDEP Underground Injection Control Permit (UIC)	UNEV89037 (05/08/2014)	Operation of injection wells	
AMOR IX, LLC	NV Division of Minerals Geothermal Resource Development Permit	1232 (05/12/2011)	Observation well 44B-34 (not currently in use)	
AMOR IX, LLC	NV Division of Minerals- Geothermal Resource Development Permit	1142 (06/03/2010)	Production well 25A-33	
AMOR IX, LLC	NV Division of Minerals- Geothermal Resource Development Permit	913 (05/15/2009)	Production well 41B-33 (not currently in use)	
AMOR IX, LLC	NV Division of Minerals- Geothermal Resource Development Permit	912 (05/15/2009)	Production well 45A-33 (not currently in use)	
AMOR IX, LLC	NV Department of Minerals- Geothermal Resource Development Permit	369 (09/03/1993)	Production well 32-33	
AMOR IX, LLC	NV Department of Minerals- Geothermal Resource Development Permit	269 (05/29/1991)	Production well 41-33	Witness:
AMOR IX, LLC	NV Department of Minerals- Geothermal Resource Development Permit	271 (06/05/1991)	Production well 41A-33	Mark P. To

Permit Holder	Type of Permit	Permit Number	Purpose	
AMOR IX, LLC	NV Department of Minerals- Geothermal Resource	265 (02/08/199)	Injection well 87-29	
	Development Permit			
AMOR IX, LLC	NV Department of Minerals-	266	Injection well 45-28	
	Geothermal Resource	(02/21/1991)	(currently on standby)	
AMOR IX, LLC	NV Department of Minerals-	263	Observation well 53-28 (not	
	Geothermal Resource	(01/09/1991)	currently in use)	
	Development Permit	~	2	
AMOR IX, LLC	NV Department of Minerals-	268	Injection well 81-33	
	Geothermal Resource	(04/22/1991)		
	Development Permit			
AMOR IX, LLC	NV Department of Minerals-	239	Observation well 64-33 (not	
	Geothermal Resource	(02/13/1990)	currently in use)	
	Development Permit			
AMOR IX, LLC	NV Department of Minerals	247	For well 84-33A (currently on	
	Geothermal Resource	(07/17/1990)	standby)	
	Development Permit			
AMOR IX, LLC	NV Department of Minerals-	250	Production well 84B-33	
	Geothermal Resource	(09/19/1990)		
	Development Permit			
AMOR IX, LLC	NV Department of Minerals-	259	Observation well 55-33 (not	
	Geothermal Resource	(11/29/1990)	currently in use)	
	Development Permit			
AMOR IX, LLC	NV Department of Minerals-	1411	Observation well 58-34 (not	
	Geothermal Resource	(11/04/2016)	currently in use). This well	
	Development Permit		pre-dated NDOM and was initially permitted by DWR	

	r	r			r	Witness: I
				12/19/2014 Email from Lorenzo Trimble verifies that GDPs remain in original permittee's name		12/19/2014 Email from Lorenzo Trimble verifies that GDPs remain in original permittee's name
Purpose	Production well 84-33 (not currently in use). This well pre-dated NDOM and was initially permitted by DWR	Injection well 77-29. This well pre-dated NDOM and was initially permitted by DWR	Statewide Bond	Observation well 44B-34 (not currently in use)	Injection well 45-28 (currently on standby)	Observation well 53-28 (not currently in use)
Permit Number	DWR41931 (04/16/1981)	404 (06/02/1994)	Bond No. RLB0015954 (02/10/2015)	(05/21/2011)	(02/19/1991)	(08/16/1990)
Type of Permit	NV Department of Minerals- Geothermal Resource Development Permit	NV Department of Minerals- Geothermal Resource Development Permit	NV Department of Minerals- Geothermal Statewide Drilling Surety	BLM Geothermal Drilling Permit	BLM Geothermal Drilling Permit	BLM Geothermal Drilling Permit
Permit Holder	AMOR IX, LLC f/k/a AMOR IX Corporation	AMOR IX, LLC	Raser Power Systems and AMOR IX, LLC	SLRP	AMOR IX. LLC	Ormat Energy Systems Inc.

Permit Holder	Type of Permit	Permit Number	Purpose	
Western States Geothermal Co.	BLM Geothermal Drilling Permit	(05/19/1998)	Observation well 58-34 (not currently in use)	12/19/2014 Email from Lorenzo Trimble verifies that GDPs remain in original permittee's name.
Magma Energy	BLM Geothermal Drilling Permit	(07/30/2009)	Production well 41B(88-32)- 33 (directional drilling into federal lands). Not currently in use.	12/19/2014 Email from Lorenzo Trimble verifies that GDPs remain in original permittee's name.
Raser Power Systems and AMOR IX, LLC	BLM Geothermal Statewide Drilling Surety Bond	Bond No. RLB0015955 (03/24/2015)	Statewide Bond	
AMOR IX, LLC	Soda Lake Unit Agreement	N-13204-X (01/01/1996)	Unit Agreement for Soda Lake	
AMOR IX, LLC	Churchill County Special Use Permit	(10/12/2016)	Allows 24 MW Binary Geothermal Power Plant (Repower/ SL-3)	
AMOR IX, LLC	Churchill County Business License	No. 11673 (01/01/2016)		
AMOR IX, LLC	NV Division of Water Resources Certificate of Appropriation of Water	Permit No. 60927 (Certificate No. 15897)	SL1 cooling tower make up water well.	<u>Vitness: Mark P</u>
AMOR IX, LLC	NV Division of Water Resources Permit for Appropriation of Water	Permit No. 60928	SL1 cooling tower make up water well.	_ Lourangea
				L

Permit Holder	Type of Permit	Permit Number	Purpose	
AMOR IX, LLC	NV Division of Water Resources Certificates of Appropriation of Water	Permit# (Certificate#) 41931 (13576) 59592 (14803) 59593 (14804)	For geothermal production wells	
		59594 (14805) 59595 (14806)		
AMOR IX, LLC	NV State Fire Marshall Hazardous Materials Permits	Company ID# 2272	To permit and control safe handling of hazardous	
		Facility ID #s 4796 and 4797	chemicals on site (SL-1 and SL-2)	
AMOR IX, LLC	NV Dept. of Business and	Chain of	Operating permits for all	
	Industry - Boiler and Pressure Vessel Operating Permit	permits to AMOR IX,	pressure vessels on site.	
	)	LLC dated		
		and 00/00/20		
AMOR IX Corporation	NDEP Class II Air Quality	AP4911-	To control fugitive emissions,	This permit has been
n/k/a AMOR IX, LLC	Operating Permit	0464.04	dust, pentane and diesel	amended and
	(Superseded by Amendment Relow)	(12/19/2014)	storage tanks and exhaust. Includes Surface Area	reissued to allow SI -3 Renower
			Disturbance Permits.	

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		1	1	r	· · · · ·	Nitness: Mark P.
Purpose	Required for construction of SL-3; Surface Area Disturbance (SAD) approval has been added to AMOR's prior Class II Permit	This facility pre-dates the CAPP regulations so it has no permit, but still must register and report to NDEP	Original state construction permit for Soda Lake II	Notice of Self Certification of QF Status	Operate hand held radios	Construction of septic system for O&M Building
Permit Number	Revision of Class II Air Quality Operating Permit AP4911- 0464.04, Air Case 9149 (05/08/2017)	Facility Tracking ID# 42 FIN: A0548	UEPA No. 189 Docket No. 89-959	Notice in Docket QF87- 263-005 (11/09/2016)	Call No. WQBC239 (07/31/2014)	GNEV SODS09 S0080 (12/15/2011)
Type of Permit	NDEP Class II Air Quality Operating Permit Amendment	Chemical Accident Prevention Program (CAPP)	NV Public Service Comm'n UEPA Permit to Construct	FERC	FCC Radio Station Authorization	NDEP-BWPC Construction of On-Site Disposal System (OSDS) Permit
Permit Holder	AMOR IX, LLC	AMOR IX, LLC	AMOR IX Corporation n/k/a AMOR IX, LLC	AMOR IX, LLC	AMOR IX, LLC	Lumos and Associates (construction contractor)

Permit Holder	Type of Permit	Permit Number	Purpose
	Chemical Accident Prevention Program (CAPP)	In process	Required prior to the operation of SL-3
	Building and construction permits and related state/local approvals for SL-3	Not applied for (EPC responsibility)	Building and construction

In addition to the Permits listed at Exhibit E, Permits required for SL-3 are:

#### EXHIBIT F

#### **REQUIRED FACILITY DOCUMENTS**

#### 1. <u>Obtained Required Facility Documents</u>:

Licenses, Permits and Authorizations:

As identified on Exhibit E and as contained in the other documents listed on this Exhibit F.

Land Rights:

#### 2. <u>To Be Obtained Required Facility Documents</u>:

Licenses, Permits and Authorizations:

As identified on Exhibit E and as contained in the other documents on this Exhibit F.

**Operation and Maintenance:** 

EPC Agreement was executed by and between Amor IX, LLC and Ormat Nevada Inc., on November 30, 2016.

Once the Facility achieves commercial operation Amor IX, LLC will take control of the Facility and provide all operation and maintenance.

The Large Generator Interconnection Agreement was executed on March 13, 2017 by and between Amor IX, LLC and Sierra Pacific Power Company d/b/a NV Energy.

The Facility has a backup generator on site and there is no retail service agreement required.

Proof of Insurance: (See Exhibit J)

**Operations and Maintenance Agreements:** 

Provided by Ormat

#### SUCH LIST MAY BE UPDATED PURSUANT TO SECTION 3.2.4

**EXHIBIT G** 

# <u>Soda Lake Site and Producing or Injecting Resource Leases</u> <u>AMOR IX, LLC</u>

Original Lessor	Site Lease Description	Property Description	Notes
Truckee-Carson Irrigation District (TCID)	Title Policy Lease Parcel #1 Originally Recorded #233154 (Lease Date 11/09/1987)	Within Section 33, T20N, R28E, M.D.M., Churchill County, Nevada	Site of SL-1
Truckee-Carson Irrigation District (TCID)	Title Policy Lease Parcel #2 Originally Recorded #251452 (Lease Date 03/01/1990)	Within Section 33, T20N, R28E, M.D.M., Churchill County, Nevada	Site of SL-2 and SL-3 Amended on 10/26/2016 to expand the site to include the SL-3 footprint. Recorded #457498
Truckee-Carson Irrigation District (TCID)	No Lease Parcel # Originally Recorded #255132 (Lease Date 03/01/1990)	Within Section 33, T20N, R28E, M.D.M., Churchill County, Nevada	Site of Office, Control Center, and Workshop

Notes	Geothermal Well(s) Present on	Geothermal Well(s) Present on	Geothermal Well(s) Present on	Geothermal Well(s) Present on
	this Lease	this Lease	this Lease	Lease N-53371
Property Description	Lots 1, 2, and S ½ NE ¼, Section 4, T19N, R28E, and N ¼, Section 28, and all of Section 34, T20N, R28E, M.D.M., Churchill County, Nevada	SW <sup>1</sup> / <sub>4</sub> , Section 29, and NW <sup>1</sup> / <sub>4</sub> and E <sup>1</sup> / <sub>2</sub> SW <sup>1</sup> / <sub>4</sub> of Section 32, and All of Section 33, T20N, R28E, M.D.M., Churchill County, Nevada	SE <sup>1</sup> / <sub>4</sub> , Section 29, excepting the W <sup>1</sup> / <sub>2</sub> of the NW <sup>1</sup> / <sub>4</sub> thereof, T20N, R28E, M.D.M., Churchill County, Nevada	S ½, Section 28, and E ½ and W ½ SW ¼, Section 32, T20N, R28E, M.D.M., Churchill County, Nevada
Resource Lease Description	Resource Parcel (Unit Map) #128 Originally Recorded #251633 (Lease Date 10/01/1975)	Resource Parcel (Unit Map) #119 Originally Recorded #159133 (Lease Date 05/01/1978)	Resource Parcel (Unit Map) #120 Originally Recorded #163196 (Lease Date 03/01/1979)	Resource Parcels (Unit Map) #129 and #130 Originally Recorded #251633 (Lease Date 10/01/1975)
Original Lessor	BLM	Truckee-Carson Irrigation	Robert Powelson and	BLM
	(Lease N-11737)	District (TCID)	Suzanne M.L. Henderson	(Leases N-53371 and 53372)

#### EXHIBIT H

#### PACIFICORP'S INITIAL DESIGNATED REPRESENTATIVES

#### Authorized Representatives:

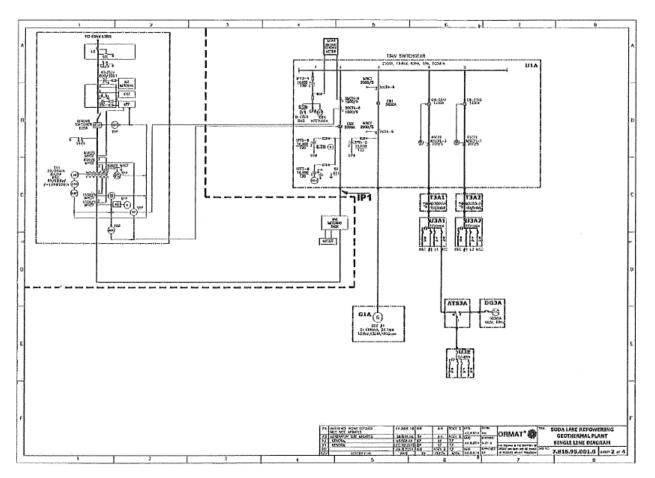
PacifiCorp:	Director, Origination, Energy Supply Management PacifiCorp 825 NE Multnomah St., Suite 600 Portland, OR 97232-2315 Fax 503-813-6271
With a copy to:	Manager, Marketing and Trading Contracts PacifiCorp Energy Supply Management 825 NE Multnomah St., Suite 600 Portland, OR 97232-2315 Fax 503-813-6291 <u>cntadmin@pacificorp.com</u>

#### EXHIBIT I

#### POINT OF DELIVERY/INTERCONNECTION FACILITIES

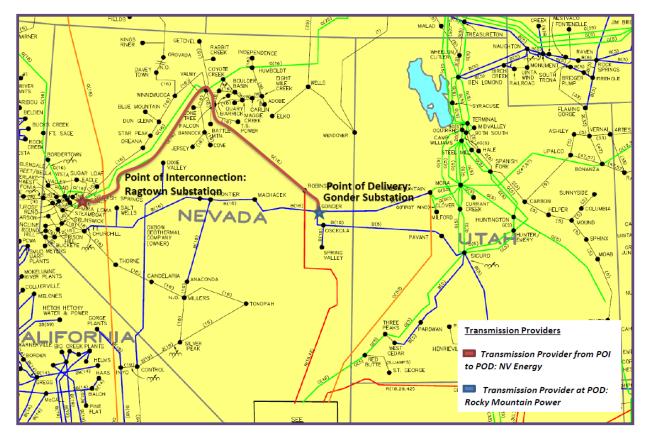
- 1. The point of metering shall be the point where energy and demand meters are located for the purposes of determining the energy generated by the Facility. The point of metering shall occur at the Facility taking into account losses between Facility and Point of Interconnection.
- 2. The Point of Interconnection shall be the Ragtown Substation on the NV Energy transmission system.
- 3. Point of Delivery: Gon.PAV located near Utah/Nevada border.
- 4. Single-line diagram is attached.
- 5. See attached path one-line. Transmission Service is contracted from the Ragtown Substation to Gon.PAV. Transmission Service Agreement is by and between Amor IX, LLC and NV Energy.
- 6. All Station Service on site is served by the Generating Facility.
- 7. Maximum Transmission Rate 20MW.

#### EXHIBIT I – Attachments



#### 1. Substation Metering One-Line Diagram

#### 2. Transmission Path



#### **Transmission Path**

#### EXHIBIT J

#### **REQUIRED INSURANCE**

1.1 <u>Required Policies and Coverages</u>. Without limiting any liabilities or any other obligations of Seller under this Agreement, Seller shall secure and continuously carry with an insurance company or companies rated not lower than "A-/VII" by the A.M. Best Company the insurance coverage specified below:

1.1.1 Workers' Compensation. Seller shall comply with any applicable laws or statutes, state or federal jurisdiction, where Seller performs work.

1.1.2 Employers' Liability. Seller shall maintain employers' liability insurance covering bodily injury with limits of not less than: \$500,000 – for each accident, \$500,000 for disease – each employee, and \$500,000 for disease – policy limit.

1.1.3 Commercial General Liability. Seller shall maintain insurance to include premises and operations, contractual liability, with a single limit of not less than \$1,000,000 each occurrence to protect against and from loss by reason of injury to persons or damage to property based upon and arising out of the activity under this Agreement in accordance with Seller's obligations in Section 12. Indemnification and Liability.

1.1.4 Business Automobile Liability. Seller shall secure and continuously carry business automobile liability insurance with a single limit of not less than \$1,000,000 each accident covering bodily injury and property damage with respect to Seller's vehicles whether owned, hired or non-owned.

1.1.5 Umbrella/excess Liability. Seller shall maintain umbrella or excess liability insurance on an occurrence and following form basis with a with limits not less than (a) or (b) as follows:

- (a) Facility Capacity Rating under 200 KW \$1,000,000
- (b) Facility Capacity Rating at or above 200 KW \$5,000,000

1.1.6 Property Insurance. Seller shall maintain property insurance covering equipment and structures in an amount at least equal to the Maximum Foreseeable Loss value of Seller's Facility for "all risks" of physical loss or damage, including coverage for earth movement, flood, boiler and machinery. The policy may contain separate sub-limits and deductibles subject to insurance company underwriting guidelines. Property insurance will be maintained in accordance with terms available in the insurance market for similar facilities.

1.2 Additional Provisions or Endorsements:

1.2.1 Except for workers' compensation and property insurance, the polices required herein shall include provisions or endorsements as follows:

(a) PacifiCorp, parent, divisions, officers, directors and employees shall be included as additional insureds;

(b) include provisions that such insurance is primary insurance with respect to the interests of PacifiCorp and that any other insurance maintained by PacifiCorp is excess and not contributory insurance with the insurance required hereunder, and

(c) cross liability coverage or severability of interest.

1.2.2 Unless prohibited by applicable law, all required insurance policies shall contain provisions that the insurer will have no right of recovery or subrogation against PacifiCorp.

1.3 <u>Certificates</u>. Prior to connection of the Facility to PacifiCorp's electric system, or another utility's electric system if delivery to PacifiCorp is to be accomplished by wheeling, Seller shall secure and continuously carry insurance in compliance with the requirements of this Section. Seller shall provide PacifiCorp insurance certificate(s) confirming Seller's compliance with the insurance requirements hereunder. Insurance certificate confirming compliance shall be provided to PacifiCorp by Seller at least annually and each time a new insurance policy is issued or becomes effective. In the event Seller receives notice of cancellation of any insurance required herein for any reason, Seller agrees to notify PacifiCorp within five (5) days of receipt of such notice, and will provide proof of reinstatement or replacement of coverage prior to the effective date of cancellation.

1.4 Commercial General Liability coverage written on a "claims-made" basis, if any, shall be specifically identified on the certificate, and Seller shall be maintained by Seller for a minimum period of five (5) years after the completion of this Agreement and for such other length of time necessary to cover liabilities arising out of the activities under this Agreement.

1.5 <u>Periodic Review</u>. PacifiCorp may review this schedule of insurance as often as once every two (2) years. PacifiCorp may in its discretion require Seller to make reasonable changes to the policies and coverages described in this Exhibit to the extent reasonably necessary to cause such policies and coverages to conform to the insurance policies and coverages typically obtained or required for power generation facilities comparable to the Facility at the time PacifiCorp's review takes place.

#### REDACTED

Rocky Mountain Power Exhibit RMP\_\_\_(MPT-3) Docket No. 18-035-08 Witness: Mark P. Tourangeau

#### BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF UTAH

#### ROCKY MOUNTAIN POWER

#### **REDACTED**

Exhibit Accompanying Direct Testimony of Mark P. Tourangeau

University and Amor Renewable Energy Supply Contract

March 2018

### THIS EXHIBIT IS CONFIDENTIAL IN ITS ENTIRETY AND IS PROVIDED UNDER SEPARATE COVER

#### **CERTIFICATE OF SERVICE**

I hereby certify that on March 23, 2018, a true and correct copy of the foregoing was served by electronic mail and/or overnight delivery to the following:

Utah Office of Consumer Services	
Cheryl Murray	Michele Beck
cmurray@utah.gov	mbeck@utah.gov
Division of Public Utilities	
Erika Tedder	
etedder@utah.gov	
Assistant Attorney General	
Patricia Schmid	Robert Moore
Assistant Attorney General	Assistant Attorney General
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Justin Jetter	Steven Snarr
Assistant Attorney General	Assistant Attorney General
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Katie Savarin Coordinator, Regulatory Operations