

**GOBIERNO DE PUERTO RICO
JUNTA REGLAMENTADORA DE SERVICIO PÚBLICO
NEGOCIADO DE ENERGÍA DE PUERTO RICO**

NEPR

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IN RE: ENMIENDAS A CONTRATO DE
COMPRVENTA DE ENERGIA:
PROYECTO NO-OPERACIONAL (CIRO
ONE SALINAS, LLC)

CASO NÚM.: NEPR-AP-2021-0001

ASUNTO: Respuesta a Orden para Mostrar
Causa y para Presentar Informes Mensuales
Correspondientes a Octubre 2021 y Enero
2022

**RESPUESTA A ORDEN PARA MOSTRAR CAUSA Y PARA
PRESENTAR INFORMES MENSUALES DE PROGRESO
CORRESPONDIENTES A OCTUBRE 2021 Y ENERO 2022**

AL HONORABLE NEGOCIADO DE ENERGÍA:

COMPARECE la Autoridad de Energía Eléctrica de Puerto Rico (la “Autoridad”) a través de la representación legal que suscribe y muy respetuosamente expone y solicita:

1. El 10 de junio de 2021, el Negociado de Energía de la Junta Reglamentadora de Servicio Público (el “Negociado” o “Negociado de Energía”) notificó *Resolución Final y Orden* (la “Resolución Final”) mediante la cual aprobó, sujeto a algunas condiciones, la *Petición de Aprobación de Enmienda a Contrato de Compraventa de Energía Renovable con CIRO One Salinas, LLC* (la “Petición”) radicada por la Autoridad el 17 de marzo de 2021.

2. La Resolución Final ordena a que, entre otras cosas, la Autoridad y CIRO One Salinas LLC (“CIRO”) presenten ante el Negociado de Energía informes mensuales de progreso sobre el estatus del Proyecto (el “Informe Mensual”). La Autoridad ha cumplido con presentar los informes mensuales correspondientes a septiembre, noviembre y diciembre de 2021.

3. El 9 de febrero de 2022, el Negociado emitió una *Resolución y Orden* (“Orden del 9 de febrero”) mediante la cual reseñó, entre otras cosas que la Autoridad y CIRO debían mostrar

causa por lo cual no se presentó oportunamente el informe de progreso correspondiente al mes de octubre de 2021.

4. En cumplimiento con la Resolución Final y la Orden del 9 de febrero de 2022, la Autoridad incluye el Informe Mensual correspondiente octubre de 2021 (Exhibit A) y el Acuerdo Enmendado según firmado (Exhibit B). En relación con la orden para mostrar causa por incumplir con presentar el informe correspondiente a octubre de 2021, la Autoridad informa que CIRO remitió el informe a la Autoridad para su radicación. Sin embargo, por error e inadvertencia debido a error humano de la suscribiente desafortunadamente se omitió la radicación.

5. Los Informes Mensuales se presentan aquí según CIRO los remite a la Autoridad. La Autoridad se encuentra en el proceso de identificar un funcionario que funja como el punto de contacto del proyecto y sea el encargado de incluir su nombre y firma en los informes futuros. Tal certificación será provista por la Autoridad en el próximo Informe Mensual.

6. La Autoridad, respetuosamente solicita que el Negociado no le imponga la multa ya que imponer la misma iría contra el interés público. Esto así ya que la implementación del Acuerdo Enmendado no se vio afectada por no presentar el informe de progreso correspondiente a un solo mes, cuando el negociado tuvo el beneficio de ver el progreso a través de los informes de noviembre y diciembre de 2021. Además, el no presentar los mismos al Negociado de Energía no causó ninguna dilación a los procesos que se siguen para implementar el Acuerdo Enmendado.

7. Además, en cumplimiento con la Resolución Final, la Autoridad presenta el *Project Monthly Status Report* correspondiente a enero 2022. Exhibit C.

8. Finalmente, la Autoridad aprovecha la oportunidad para solicitar respetuosamente al Honorable Negociado de Energía que emita una orden incluyendo a LUMA en el proceso de epígrafe para que participe del proceso de reportar al Negociado el progreso del proyecto e

implementación del Acuerdo Enmendado. Esto así ya que según el contrato de operación y mantenimiento que suscribiera la Autoridad con LUMA el 22 de junio de 2020, es LUMA el encargado de los procesos de interconexión de proyectos de energía renovable y administra los PPOAs.¹

POR TODO LO CUAL, la Autoridad solicita respetuosamente al Negociado de Energía que tome conocimiento de lo aquí informado, resuelva que la Autoridad ha cumplido con la Orden de Mostrar Causa y acepte los Informes Mensuales correspondientes a Octubre 2021 y Enero 2022.

RESPETUOSAMENTE SOMETIDO.

En San Juan, Puerto Rico, este 14 de febrero de 2022.

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¹ Ver, Anejo I, Sec. I (A) (“Operator shall be responsible for all electric transmission, distribution, load serving and related activities for the safe and reliable operation and maintenance of the T&D System, subject to the terms and conditions of the main body of the Agreement, including” ... “compliance with interconnection of renewables in accordance with Applicable Law”). Puerto Rico Transmission and Distribution System Operation and Maintenance Agreement suscrito el 22 de junio de 2020 entre la Autoridad, la Autoridad para las Alianzas Publico-Privadas, LUMA Energy, LLC y LUMA Energy ServCo, LLC.

Exhibit A

Project Monthly Status Report

Project: CIRO One Salinas, LLC.

Date: October 2021

Recipients: Puerto Rico Electric Power Authority (PREPA)
Puerto Rico Energy Bureau (PREB)

Brief: Project Team Monthly Status Report - As required on Section (d) of Article 4.1 of the Power Purchase and Operating Agreement (PPOA) between Puerto Rico Electric Power Authority and Ciro One Salinas, LLC. dated as of July 14, 2021.

Reference: Report Content Overview

1. Review the status of each significant element of the Project Schedule

- I. Permitting
- II. Engineering
- III. Procurement
- IV. Construction
- V. Project Milestones & Notice Requirements

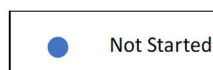
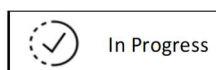
2. Corporate Responsibility / Community Involvement

- I. Local Vendors / Services
- II. Domestic Content (Corporate Wide)

3. Next Steps: Action Items

Status Report:

Tasks and Milestones Table Legend



1. Review the status of each significant element of the Project Schedule:

I. Permitting:

- Overview:

The CIRO One Salinas, LLC. project was fully permitted and considered shovel ready. All permits, studies and endorsements are being evaluated to ensure compliance with all new laws, applicable code changes, and regulations. The process is guided by the engineering review being performed by the Project Team (*see section II. Engineering*).

- Table: Tasks and Milestones include (but are not limited to):

Permit/Approval	Permit Authority	Status	Comments
Location Approval	Planning Board	✓	
Environmental Approval	ARPE, OGPE, DNER	✓	
Nationwide Permit (NWP) 14	USACOE	✓	
Endorsements	<ul style="list-style-type: none">• Municipality of Salinas,• Hwy and Transportation Authority,• OGPE,• ICP,• PREPA,• Puerto Rico Telecommunications Regulatory Board,• PRASA,• Dept of Agriculture	✓	Endorsements will be revised after engineering review has been completed.
NPDES General Permit	US EPA	✓	
Construction Related Permits	OGPE	✓	<ul style="list-style-type: none">• Includes General Consolidated Permits,• Incidental Soil Movement Permits, and• Construction Permits

II. Engineering:

- Overview:

The engineering that was previously completed and approved by PREPA is being revised. The engineering package is being modified to ensure compliance with (among other):

- Changes in any laws and regulations.
- New local code guidelines.
- Updates in technology selection.
- New Minimum Technical Requirements (MTRs).

The Primary Contractor, DEPCOM Power, is working with the Project Team to define and approve new equipment requirements and bill of materials to advance procurement tasks (*see section III. Procurement*)

The table below provides information on all engineering areas previously completed that are under review/validation only.

- Tasks and Milestones include (but are not limited to):

Design / Study	Engineer of Record	Status	Comment
Floodplain Map/Review	CSA Architects & Engineers, LLP	✓	
Hydrology and Drainage Study	GLM Engineering-COOP Timmons Group	●	Target 11/11/2021
ALTA Survey	JAMS Land Surveying Services	✓	
Civil Design (PV Plant)	Timmons	⊙	Target 11/29/2021
Topo / LiDAR	Timmons Group	✓	Target 10/29/2021
Geotech / Pile Testing (PV Plant)	Suelos, Inc GMTS, PSC	⊙	Target 11/26/2021
Corrosion Study	[EOR]	●	Target 11/17/2021
Cultural Study	AM Group	✓	
Environmental Site Assessment	NAYE Group/Kyros LLC	✓	
Structural Design (PV Plant – Racking)	Gamechange	●	Target 12/10/2021
Structural Design (PV Plant – Miscellaneous Foundations)	Buehler and Buehler Engineering	●	Target 12/10/2021
Electrical Design (PV Plant)	Hugo R. Durand Schettini, PE	⊙	Target 11/18/2021

III. Procurement:

- Overview:

The CIRO One Salinas Team decommissioned all equipment previously procured for the project to ensure compliance with new PREPA requirements for interconnection and adapt to new available technology. Project team will be placing purchase orders after the engineering review has been completed (please refer to table below for timelines).

- Tasks and Milestones include (but are not limited to):

Description	Vendor	Order Status	Delivery Status	Notes
Posts	GameChange	0%	0%	GameChange E/W Fixed Tilt System
Racking	GameChange	0%	0%	GameChange E/W Fixed Tilt System
MVAC Cable	TBD	0%	0%	
Combiner Boxes	TBD	0%	0%	
DC Cable	TBD	0%	0%	
Modules	HT-SAAE	100%	0%	HT-SAAE 450W Bifacial Module
BESS Equipment	TBD	0%	0%	
Power Conversion Stations	Ingeteam	0%	0%	Ingeteam Power Conversion Stations

IV. Construction:

-Overview:

Agreements related to general contractors, subcontractors, engineering, and consultants with various entities are in process.

Minimal site work is in process. No major construction activities have yet begun on the site. Once they do, key metrics on activities within civil/site preparation, mechanical installations and electrical installations will be reported on a monthly basis (as required).

- Key companies / Personnel include (but are not limited to):

Contractor	H/Q Location	Scope	Current Headcount	Peak Headcount	Local Hire Target	Veteran / Minority Target
DEPCOM	Arizona*	Site Oversight and Management	14	TBD	50%	30%
Lord Construction Puerto Rico	Puerto Rico	All Major Site Construction	9	TBD	100%	30%
Other - Various	Puerto Rico	Development, Finance, Engineering, Logistics, Adm., Owners Engineer and Reps, Legal,	29	TBD	75%	30%

*Supervision is from Arizona; all labor is hired locally.

V. Project Milestones & Notice Requirements:

Below find critical milestone dates and related Notice requirements:

Milestones	Target Date	Actual Date	Progress	Comments
Kick off meeting between PREPA and project proponent	9/27/21	9/27/21	✓	
Mechanical Completion	1/20/23		●	
Commercial Operation Date	2/10/23*	5/31/24**	●	
Substantial Completion	3/10/23		●	
Final Completion	8/25/23		●	

*Target date based on DEPCOM construction schedule.

**Based on forecast Assumption Order Date of 10/04/21.

2. Corporate Responsibility / Community Involvement

Once the project has begun, DEPCOM's Director of Philanthropy will travel to the region and engage with local organizations and entities in an effort to provide some level of community support.

As of yet, no organizations have been engaged with – but DEPCOM is willing to take recommendations from PREPA or Ciro.

I. Local Vendors / Services:

Although no local vendors have been engaged to date, once the project has begun there will be a number of local vendors that DEPCOM will engage with for various support roles. The names of these businesses will be reported on a monthly basis.

II. Domestic Content (Corporate Wide)

Component	% US	% ROW
Cable	100	0
Posts	65	35
Combiner Boxes	89	11
Racking	59	41
PCS	20	80
Modules	7	93
Balance of System	100	0
Labor / Management	100	0
Total	76	24

3. Next Steps: Action Items

- COS team to provide feedback to LUMA and PREPA responses to the PPOA Preliminary deliverables.
- Follow-up meeting with LUMA personnel (Technical).
- Continue the project reengineering.
- Complete major equipment selection in order to place orders.
- Finalize BESS selection and spec.
- COS will pay for the LUMA interconnection assessment.

CIRO One Salinas Project Team thanks you for your time and attention to the project initiatives. Please let us know if there is anything we can do to improve!


Exhibit B

AMENDED AND RESTATED
POWER PURCHASE AND OPERATING AGREEMENT
BETWEEN
PUERTO RICO ELECTRIC POWER AUTHORITY
AND
CIRO ONE SALINAS, LLC

THIS AMENDED AND RESTATED POWER PURCHASE AND OPERATING AGREEMENT (the "**Agreement**") is entered into and effective as of this 14 day of July 21 (the "**Effective Date**") by and between the **PUERTO RICO ELECTRIC POWER AUTHORITY** (including any successor thereto, "**PREPA**"), a public corporation and governmental instrumentality of the Commonwealth of Puerto Rico, created by Act of May 2, 1941, No. 83, as amended, represented in this act by its Executive Director, Mr. Efran Paredes Maisonet, of legal age, married and resident of Bayamón, Puerto Rico; and **CIRO ONE SALINAS, LLC** ("**SELLER**"), a Delaware limited liability company, authorized to do business in Puerto Rico, with its principal office at 12667 Alcosta Blvd, Suite 400, San Ramon, CA 94583, and represented in this act by its Authorized Representative, Mario Tomasini, of legal age, single and resident of San Juan, Puerto Rico, who is authorized to sign this Agreement on behalf of SELLER as certified by the Resolution dated June 29, 2021. PREPA and SELLER are herein individually referred to as a "**Party**" and collectively referred to as "**Parties**."

RECITALS

WHEREAS,

- 
- (A) PREPA and SELLER are parties to that certain Power Purchase and Operating Agreement, dated as of October 25, 2010 (the "**Original Effective Date**"), as amended, supplemented, and modified from time to time (the "**Pre-Restatement PPOA**");
 - (B) SELLER proposes to develop a 90 MW Facility at the Site, and sell the Net Electrical Output exclusively to PREPA;
 - (C) PREPA is the electric utility engaged in the generation, transmission, distribution, and sale of electric energy within the Commonwealth of Puerto Rico and desires to purchase all of the Net Electrical Output and Green Credits produced by the Facility;
 - (D) On July 2, 2017, PREPA commenced proceedings under Title III of the Puerto Rico Oversight, Management and Economic Stability Act before the District Court for the District of Puerto Rico (the "**PROMESA Court**"), which is being administered under Case No. 17-4780 (LTS); and
 - (E) The Parties desire to amend and restate the Pre-Restatement PPOA in its entirety and to extend the Term of the Pre-Restatement PPOA as so amended and restated, as set forth in this Agreement, and acknowledge that (i) this Agreement contains terms that are substantially similar to those of the Pre-Restatement PPOA and (ii) the modifications to the Pre-Restatement PPOA set forth in this Agreement do not render this Agreement a new agreement between the Parties.

NOW THEREFORE, in consideration of these premises and of the mutual covenants and agreements set forth herein, SELLER and PREPA, intending to be legally bound, hereby agree to the following:

ARTICLE 1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Whenever the following terms appear in this Agreement, they shall have the meaning stated below:

"AAA" means the American Arbitration Association.

"AC" means alternating electrical current.

"Additional Interconnection Facilities" means all equipment and facilities, located on SELLER's side of the Interconnection Point (including the Facility's meter and SELLER's back-up meters and metering devices, if any), constructed and installed for the purpose of interconnecting the remainder of the Facility with the Grid System, as further described in Appendix B.

"Affected Party" has the meaning set forth in Article 15.1.

"Affiliate" means, with respect to a Person, each such other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person, where, for purposes of this definition, "controls" (including "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or otherwise.

"Agreement" has the meaning set forth in the first paragraph of this Agreement.

"Agreement Year" means the period, which begins on the Commercial Operation Date of the Facility and ends on the first anniversary thereof, and each one (1) year period thereafter commencing on each anniversary date; provided that the last Agreement Year shall expire on the expiration of the Term or early termination of this Agreement.

"Ambient Conditions" has the meaning set forth in paragraph I(a) of Appendix F.

"Ancillary Services" means any services capable of being made available to the Grid System by the Facility (other than the delivery of Net Electrical Output from time to time), including automatic generation control, energy storage or spinning reserve, synchronous condenser mode, reactive power support, operating reserve, frequency control, ramp rate control, voltage control, black start capability, voltage support, emergency stand-by support, or others.

"Applicable Law" means, with respect to any Person, any constitution, treaty, statute, law, rule, regulation, ordinance, judgment, order, decree, governmental consent or approval or any published directive, guideline, requirement or other governmental restriction, which has the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, binding on such Person or its property whether in effect as of the Effective Date or thereafter.

"Applicable Standards" means the PREPA Transmission and Distribution Standards and any other codes, standards or requirements set forth in any Applicable Law, including any applicable federal, state or local code, the latest rules and regulations of the Institute of Electronic and

Electrical Engineers (IEEE), National Electrical Manufacturer's Assoc. (NEMA), American Concrete Institute (ACI), American National Standards Institute (ANSI), the National Electrical Code, the National Electric Safety Code (NESC) National Fire Protection Association Code (NFPA), International Code Council Code (ICC), and the North American Electric Reliability Corporation (NERC) to the extent not in consistent with the foregoing, in each case as modified from time to time.

"Approved Design" has the meaning set forth in Article 9.4(b).

"Assumption Order" means an order of the PROMESA Court that approves of and authorizes the assumption by PREPA of this Agreement.

"Assumption Order Date" means the date that the PROMESA Court has issued the Assumption Order.

"Average Net Derating" means, for each Event Interval, the average volume of energy by which (i) the Expected NEO for such period exceeds (ii) the Net Electrical Output during such period, provided that if clause (ii) exceeds clause (i), then the Average Net Derating shall equal zero (0).

"Balance" has the meaning set forth in Article 18.2(b).

"Base Design Capacity" means the lesser of (i) the Nominal Capacity and (ii) the total installed solar field AC electrical generating capacity, constructed at the Site in accordance with the Approved Design, and made available at the Interconnection Point on the Commercial Operation Date, as evidenced by the results of the Performance Tests (adjusted for Ambient Conditions at the time of testing in accordance with the Testing Protocol and without exceeding the limits of the Approved Design) used to establish the Commercial Operation Date pursuant to Article 12.2.

"Base Period" means the period beginning with the Initial Synchronization Date and ending on the last Day of the last Billing Period of the Term.

"Base Tariff" has the meaning set forth in Appendix C.

"Base Volume" has the meaning set forth in Appendix C.

"Billing Period" has the meaning set forth in Article 10.4.

"Breach" has the meaning set forth in Article 17.1.

"Bulk-Power System EO" means E.O. 13920 of May 1, 2020, as supplemented by and including the rules and regulations published by the Department of Energy in connection therewith, as such may be modified from time to time.

"Business Day" means a Day other than (a) a Saturday, a Sunday or a Day on which commercial banks in San Juan, Puerto Rico are required or authorized to close, or (b) any other Day recognized as a holiday by PREPA, which, as of the date of this Agreement, are those Days listed on Appendix A hereto. PREPA will promptly notify SELLER in writing of any changes to the holidays recognized by PREPA.

"Changes" has the meaning set forth in Article 18.1(b).

"Claims" means liabilities, judgments, losses, costs (including court costs, reasonable attorneys' fees and costs of investigation), fines, penalties, expenses, damages, claims, suits and demands, of whatsoever kind or nature.

"Commercial Operation Date" means the first Day following the date on which SELLER has certified to PREPA, in accordance with Article 12.2(d), that (a) the Facility (i) has been installed, completed, tested, and commissioned, together with the PREPA Interconnection Facilities, (ii) has demonstrated a Generating Capacity (as adjusted for Ambient Conditions at the time of testing in accordance with the Testing Protocol and without exceeding the limits of the Approved Design) that meets no less than eighty-five percent (85%) of the Nominal Capacity (or, to the extent that the Generating Capacity is less than eighty-five percent (85%) of the Nominal Capacity, the Parties have amended the Nominal Capacity in accordance with Article 12.2(c)), (iii) is capable of providing Net Electrical Output to PREPA at the Interconnection Point, and (iv) is available for continuous operation by SELLER, in each case, in accordance with Prudent Electrical Practices and this Agreement, including the provisions of Article 4, Article 9, and Article 12, and (b) SELLER has obtained, and maintains in force, all material Permits required for the construction and operation of the Facility.

"Consulting Technical Expert" means a Person or Persons mutually agreed by the Parties to review the Energy Yield Assessment Report or other technical matters, assist in the resolution of technical issues, and/or issue a technical recommendation in connection with Technical Disputes, as specified at the time of such Consulting Technical Expert's appointment, which Person shall be selected within sixty (60) Days after the Effective Date, or, if not so selected, shall be selected by the AAA upon the request of either Party. For the avoidance of doubt, the Parties may agree on different Consulting Technical Experts for different purposes under this Agreement.

"Contract Rate" has the meaning set forth in Appendix C.

"COR3" means the Puerto Rico Central Office for Reconstruction, Recovery and Resiliency.

"Day" means the 24-hour period beginning and ending at 12:00 midnight Puerto Rico Time.

"DC" means direct electrical current.

"Deemed NEO" means, for any Deemed NEO Period, the volume of energy deemed available at the Interconnection Point (up to the Expected NEO for such period), but not taken by PREPA as a result of a PREPA Risk Event, in each case as determined in accordance with Appendix F.

"Deemed NEO Period" has the meaning set forth in Article 8.4.

"Defects Liability Period" has the meaning set forth in Article 12.3(b).

"Development Abandonment" means that SELLER permanently ceases the development and construction of the Facility or the PREPA Interconnection Facilities prior to the Commercial Operation Date, which abandonment shall be deemed to have occurred only after all of SELLER's or its construction contractors' personnel have failed to be present on the Site and SELLER has otherwise ceased development and construction activities related to the Facility for more than one hundred and twenty (120) consecutive Days (other than as a result of a Force Majeure, a Legal Challenge or any act or omission by PREPA, including a Breach by PREPA of its obligations hereunder).

"Direct Costs" means the demonstrated, out-of-pocket, actual costs and charges reasonably incurred by SELLER or its subcontractors for equipment, materials, services and labor (including payroll burden and expenses) which are directly attributable to the performance of PIF Construction

Power Purchase and Operating Agreement - PREPA and CIRO One Salinas, LLC

Works; provided that such costs and charges shall not include corporate or administrative overhead costs attributable to SELLER in excess of two percent (2%) of the Reimbursement Amount.

"Disclosing Party" has the meaning set forth in Article 6.8(a).

"Dispute" has the meaning set forth in Article 22.12(a).

"Dispute Notice" has the meaning set forth in Article 22.12(a).

"dollars" and **"\$"** means United States dollars.

"Effective Date" has the meaning set forth in the first paragraph of this Agreement.

"Emergency" means an operational condition or situation affecting the Grid System (including system security and reliability or a declaration of an emergency event under Applicable Law or by any Governmental Authority) that, in the sole and reasonable judgment of PREPA, is likely to result in imminent significant disruption of service to a significant number of customers or is imminently likely to endanger life or property.

"Energy Yield Assessment Report" means a report, prepared by SELLER and approved by the Consulting Technical Expert, that sets out an estimate of the energy (kWh) expected to be delivered by the Facility (daily, Monthly, and annually) to the Interconnection Point and specifically defines the Facility's P90 Energy Yield and P50 Energy Yield applicable to each Agreement Year during the Term.

"Environmental Costs" has the meaning set forth in Article 18.1.

"Equivalent Force Majeure Derated Hours" means, for any Agreement Year, the number of hours equal to (a) the sum of the fractions obtained by dividing the Average Net Deratings for each Force Majeure Event Interval to date during such Agreement Year by the Expected NEO applicable to such Force Majeure Event Interval *divided by* (b) six (6).

"Equivalent Grid System Derated Hours" means, for any Agreement Year, the number of hours equal to (a) the sum of the fractions obtained by dividing the Average Net Deratings for each Grid System Event Interval to date during such Agreement Year by the Expected NEO applicable to such Grid System Event Interval *divided by* (b) six (6).

"Event Day" has the meaning set forth in Appendix F.

"Event Interval" means any Time Interval (without double counting) in which (a) the Facility has the capability (technically and with sufficient solar irradiation) of generating and delivering electrical output during such Time Interval to the Interconnection Point, (b) SELLER has provided PREPA with written notice (including via e-mail) of such capability in accordance with Article 7.3, and (c) a PREPA Risk Event occurs.

"Expected Annual NEO" means, for each Agreement Year, the sum of the Expected NEO (calculated to assume full Facility Availability of the Base Design Capacity by setting the factor "FA" equal to 1.0 in the calculation of Expected NEO set forth in Appendix F) for each Time Interval of each hour of such year, other than any Permitted Outage Hour.

"Expected Losses" means the aggregate, reasonably estimated (i) incidence angle irradiance losses, (ii) irradiance losses due to module soiling, (iii) conversion losses due irradiance level, (iv) conversion losses due to cell temperature above STP efficiency, (v) conversion losses due to module quality, (vi) conversion losses due to light induced module degradation, (vii) conversion losses due to mismatched modules and strings, (viii) DC ohmic wiring and combiner losses, (ix) DC to AC inverter conversion losses, (x) step-up field transformer losses, (xi) inverter nighttime power consumption, (xii) AC ohmic wiring field collection losses, (xiii) collector substation losses, (xiv) battery in charger losses, (xv) battery global losses, (xvi) battery out inverter losses, (xvii) Facility and auxiliaries power consumption, and (xviii) Interconnection Facilities and main step-up transformer losses.

"Expected NEO" has the meaning set forth in Appendix F.

"Facility" means the photovoltaic solar energy system located at the Site, capable of delivering Net Electrical Output at the Interconnection Point, including the Additional Interconnection Facilities and any energy storage system, approved capacity expansion or other upgrades to such solar energy system from time to time.

"Facility Availability" has the meaning defined in Part II of Appendix F.

"Facility Construction Contract" means the primary contract for the construction of the Facility to be entered into between SELLER and one or more contractors.

"Facility Performance Model" has the meaning set forth in Appendix F.

"Facility Study" means an engineering study conducted by PREPA (or its designated advisor) to determine required modifications to PREPA's transmission and distribution system, including the cost and scheduled completion date for such modifications, required to provide needed grid support services to integrate the Facility.

"Federal Funding Date" means the date prior to the FNTF Date when a Governmental Authority first makes available (a) equity, debt, grants, funds, insurance, performance bonds, guarantees, additional Tax Credits or other tax benefits or another form of support to SELLER or the Project Lenders; or (b) grants, funds or another form of credit support to PREPA (other than funding designated for construction of the Grid System), which in either case improves the credit profile of PREPA, reduces cost to SELLER to develop, construct, own or operate the project or otherwise reduces the risk to Project Lenders of financing the development and construction of the Facility, during the Term.

"Final Design" has the meaning set forth in Article 9.4(a).

"First Party" has the meaning set forth in Article 4.5.

"FNTF Date" or "Full Notice To Proceed Date" means the first date on which SELLER has (a) obtained all Permits, authorizations and real property rights needed to start construction of the Facility and the PREPA Interconnection Facilities, (b) secured the necessary financing and equity for the construction of the Facility and the PREPA Interconnection Facilities (including execution of documents between SELLER and the Project Lenders that provide binding commitments for funding for the construction of the Facility) and satisfied all conditions associated with, and made, the initial draw of funds for such construction, (c) entered into the Facility Construction Contract and the Interconnection Construction Contract, (d) provided the Operation Security required

pursuant to Article 17.3, (e) received PREPA's confirmation of the Approved Design, and (f) given each of its primary contractor(s) under the Facility Construction Contract and the Interconnection Construction Contract a full, unconditional notice to proceed with construction of the Facility and PREPA Interconnection Facilities, respectively, in each case as evidenced by a certificate issued by SELLER to PREPA in a form reasonably acceptable to PREPA.

"FOMB" means the Financial Oversight and Management Board of Puerto Rico, or any successor thereto.

"Force Majeure" has the meaning set forth in Article 15.1.

"Force Majeure Event Interval" means, for any Agreement Year, an Event Interval in which a PREPA Risk Event occurs pursuant to paragraph (a) of such definition.

"Force Majeure Waiting Period" means, for each Agreement Year, two hundred (200) hours.

"GAAP" means Generally Accepted Accounting Principles, as promulgated by the Financial Accounting Standards Board or its predecessors or successors.

"Generating Capacity" means, at any given time, the instantaneous net AC electrical generating capacity of the photovoltaic solar field (expressed in kW and exclusive of battery capacity) made available from the Facility at the Interconnection Point based on the prevailing Ambient Conditions at such time.

"Governmental Authority" means any court, tribunal or governmental or quasi-governmental body, regulatory body, agency, authority, office, department, commission, board, bureau, public corporation, municipality or instrumentality, in each case at any federal, state, Commonwealth of Puerto Rico, county, municipal, or local level, having jurisdiction over a Party, the Facility or the Site, and includes the FOMB, COR3, P3A and the PREB.

"Green Credits" has the meaning set forth in Article 22.17(c).

"Grid System" means the interconnected network of high voltage transmission lines, low voltage distribution lines, and associated electric substations owned by PREPA (including, after handover on the Commercial Operation Date in accordance with Article 12, the PREPA Interconnection Facilities), which transmit and distribute electricity to users of electricity in the Commonwealth of Puerto Rico.

"Grid System Event" means, for any Time Interval, any condition in the Grid System that prevents or impairs PREPA from taking a volume of energy available at the Interconnection Point, up to the Expected NEO for such Time Interval, or any action or inaction by PREPA having the same effect, including (a) a curtailment, disconnection or other dispatch instruction issued by PREPA (or lack thereof), regardless of whether or not the Grid System is operating normally, or (b) any condition in the Grid System (including an Emergency) that causes or may cause physical damage to the Facility or life endangerment, which includes any damage to, or tripping of, the protection relays installed in the Facility with settings as instructed by PREPA, but in each case excluding any such event resulting from a Force Majeure affecting PREPA or a breach by PREPA of this Agreement.

"Grid System Event Interval" means, for any Agreement Year, an Event Interval in which a PREPA Risk Event occurs pursuant to paragraph (b) of such definition.

"Grid System Waiting Period" means, for each Agreement Year, forty (40) hours.

"Guaranteed Commercial Operation Date" means the date that occurs twenty-four (24) Months after the FNTF Date, as extended in accordance with Article 4.5.

"Guaranteed FNTF Date" means the date that occurs two hundred forty (240) Days after the Assumption Order Date, as such period may be extended in accordance with Article 4.5.

"Guaranteed Interconnection Date" means the date that occurs eighteen (18) Months after the FNTF Date, as extended in accordance with Article 4.5.

"hour" means each period of sixty (60) minutes, with the first such period for any Day beginning at 12:00 midnight (Puerto Rico Time) and including each 60-minute interval thereafter.

"IF Completion Notice" has the meaning set forth in Article 9.5(c).

"Indemnifying Party" has the meaning set forth in Article 14.1.

"Indemnitees" means, with respect to either PREPA or SELLER, (i) permitted successors and assigns, and (ii) as to both the Party and its permitted successors and assigns, their respective lenders, Affiliates, directors, officers, equity-holders, partners, employees, representatives, agents and contractors, and each of their respective heirs, successors and assigns.

"Initial Synchronization Date" means the first date when SELLER's electricity generating equipment is synchronized with the Grid System.

"Interconnection Construction Contract" means the primary contract for the construction of the PREPA Interconnection Facilities to be entered into between SELLER and one or more contractors, which shall include provisions with respect to the requirements set forth in Part IV of Appendix B.

"Interconnection Facilities" means the PREPA Interconnection Facilities and the Additional Interconnection Facilities.

"Interconnection Facility Requirements" means the interconnection facility requirements (other than MTRs) set forth in paragraph II(b) of Appendix B, as PREPA may modify or replace from time to time after the Effective Date.

"Interconnection Point" means the physical point where the Facility connects to the Grid System, as specified in Part II of Appendix B.

"Interconnection Study" means a study conducted by PREPA in accordance with Article 4.2.

"Interest" means the compensation for the accrual of monetary obligations under this Agreement computed Monthly and prorated daily from the time each such obligation is past due based on an annual interest rate equal to the lesser of: (a) (1) (x) for payments due under Article 18 and (y) for payments due under Article 11 during the first five (5) Days after such a payment is due, in each case, the Prime Commercial Lending Rate as set by Citibank NA., New York, New York or any other bank as mutually agreed by the Parties or any other equivalent rate as mutually agreed by the Parties (for the purposes of this definition, the **"Prime Rate"**), and (2) for payments due under Article 11 beginning on the sixth (6th) Day after such a payment is due, the Prime Rate plus five percent (5%); and (b) the maximum rate allowable under Article 1649 of the Puerto Rico Civil

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Code or successor statute applicable to past due amounts. The provisions of this definition shall not be construed to limit the applicable rate of interest on the project debt.

“kW” means kilowatt.

“kWh” means kilowatt hour.

“**Legal Challenge**” means any action, suit or proceeding brought or commenced by a third party (excluding any Affiliate of a Party) seeking to contest the validity of this Agreement, any Permits or the development, construction or operation of the Facility or PREPA Interconnection Facilities which materially impairs the ability of the Parties to perform their respective obligations hereunder or delays the development, construction or operation of the Facility or PREPA Interconnection Facilities.

“**Long-Stop Date**” means the date that occurs one hundred eighty (180) Days after the Guaranteed Commercial Operation Date, as extended in accordance with Article 4.5.

“**Modification Limit**” means the lesser of (i) one percent (1%) of the total cost as of the Commercial Operation Date of the modules, inverters and racking system at the Facility, and any substation equipment on SELLER’s side of the Interconnection Point, and (ii) one million five hundred thousand dollars (\$1,500,000).

“**Month**” means a calendar month which shall begin at 12:00 midnight on the last Day of the preceding calendar month and end at 12:00 midnight on the last Day of the current calendar month.

“**Monthly Payment**” has the meaning set forth in Appendix C.

“**MTRs**” means the minimum technical requirements applicable to the Facility for connection of the Facility to the Grid System, set forth in Appendix I, as PREPA may modify or replace from time to time after the Effective Date.

“m²” means square meter.

“**Net Electrical Output**” or “**NEO**” means the net electrical energy output (expressed in kWh) delivered to PREPA from the Facility, as measured in accordance with Article 10.2.

“**Net Power Output**” means, at any given time, the instantaneous net electrical power output (expressed in kW) made available from the Facility at the Interconnection Point.

“**Nominal Capacity**” means 90,000 kW.

“**Non-Scheduled Outage**” means an interruption of all or a portion of the electrical output of the Facility that is required for any purpose including inspection, preventive maintenance, or corrective maintenance and which has not been included in the Scheduled Outage Program.

“**Operating Procedures**” has the meaning set forth in Article 4.8.

“**Operation Security**” has the meaning set forth in Article 17.3.

“**Original Effective Date**” has the meaning set forth in Recital A.

"P3A" means the Public-Private Partnership Authority of Puerto Rico, any successor thereto, as administrator of the agreement with the T&D Operator.

"P50 Energy Yield" means, for each Agreement Year, an estimate of the Net Electrical Output, which the Facility can deliver to the Interconnection Point with a probability of occurrence of fifty percent (50%), based on forecasted Ambient Conditions, for such year, other than any period of Scheduled Outages, expressed as kWh, and based on the assumption that the Facility can make available Generating Capacity up to the Nominal Capacity, net of Expected Losses, as established by the Energy Yield Assessment Report.

"P90 Energy Yield" means, for each Agreement Year, an estimate of the Net Electrical Output, which the Facility can deliver to the Interconnection Point with a probability of occurrence of ninety percent (90%), based on forecasted Ambient Conditions, for such year, other than any period of Scheduled Outages, expressed as kWh, and based on the assumption that the Facility can make available Generating Capacity up to the Nominal Capacity, net of Expected Losses, as established by the Energy Yield Assessment Report.

"Party" and **"Parties"** has the meaning set forth in the first paragraph of this Agreement.

"Pending Permit Delay" means, for any Permit for which SELLER has duly and properly applied for and is exercising diligent efforts to obtain, the denial of or delay in granting such Permit by the relevant Governmental Authority, without justifiable cause and through no fault of SELLER, impairs the ability of SELLER to perform a material obligation under this Agreement.

"Performance Tests" has the meaning set forth in Article 12.2(a).

"Permanent Closing" means, after the Commercial Operation Date, (a) the available hours for the Facility equal zero (0) for any period of twenty-four (24) consecutive Months, excluding periods of outages due to Force Majeure, Legal Challenge or any action or omission of PREPA, including a Breach of this Agreement, or (b) the available hours for the Facility equal zero (0) for any period of forty-two (42) consecutive Months whether or not a Force Majeure event has been claimed by SELLER, excluding periods of outages due to any action or omission of PREPA.

"Permits" means all permits, licenses, approvals, authorizations, consents, variances or waivers issued by federal, Commonwealth of Puerto Rico and local agencies, commissions, authorities, and regulatory bodies with jurisdiction over SELLER and the Facility which are necessary for the development, construction, ownership, operation, maintenance or financing of the Facility and the Interconnection Facilities.

"Permitted Outage Hour" means, for any Agreement Year, (a) any hour in which a Scheduled Outage, PREPA Risk Event or Force Majeure affecting SELLER occurs and (b) any of the first forty (40) hours of Non-Scheduled Outages, in each case, during such year (without double counting).

"Person" means an individual, partnership, corporation, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"PIF Construction Works" has the meaning set forth in Article 4.6.

"PIF Land Rights" has the meaning set forth in Article 4.4(b).

"Post-Effective Date Taxes" has the meaning set forth in Article 18.

"Post-Effective Date Environmental Costs" has the meaning set forth in Article 18.

"Pre-Restatement PPOA" has the meaning set forth in Recital A.

"PREB" means the Puerto Rico Energy Bureau, or any successor thereto.

"PREPA" has the meaning set forth in the first paragraph of this Agreement.

"PREPA Delay LDs" has the meaning set forth in Article 14.4(a).

"PREPA Interconnection Facilities" or **"PIF"** means all equipment and facilities, located on PREPA's side of the Interconnection Point, constructed and installed or upgraded for the purpose of interconnecting the Facility with the remainder of the Grid System, as further described in Appendix B, and not to include communication, control and protection equipment for which this Agreement assigns responsibility to SELLER.

"PREPA Risk Event" means, for any Time Interval of any Agreement Year, the inability or failure of PREPA to take a volume of net electrical energy made available at, but not delivered to, the Interconnection Point, up to the Expected NEO for such Time Interval, as a result of any of any of the following events:

- (a) a Force Majeure affecting PREPA;
- (b) a Grid System Event; or
- (c) a breach by PREPA of this Agreement,

which, in each case, did not result from an act or omission of SELLER, a Force Majeure affecting SELLER, or the circumstances described in Article 7.2.

"PREPA Transmission and Distribution Standards" means the rules, regulations, codes and/or standards that have been made available to SELLER, as such may be modified from time to time.

"Production" means all energy generated by the Facility (including any Net Electrical Output) and all Ancillary Services and Green Credits from the output of or otherwise in connection with the Facility.

"Project Lenders" means any Person providing, arranging, insuring or guaranteeing all or part of the construction or permanent financing or other funding, including any tax equity financing, for the Facility or any portion thereof, or any agent, trustee or other Person representing or acting on behalf of any such Person.

"PROMESA Court" has the meaning set forth in Recital D.

"Proposed Initial Synchronization Date" has the meaning set forth in Article 4.7.

"Prudent Electrical Practices" means those practices, methods, conduct and actions (including the practices, methods, conduct and acts engaged in or approved by a significant portion of the utility scale solar electric power industry in the United States and Puerto Rico) that, at a particular time, in the exercise of reasonable discretion at the time a decision was made, could reasonably

have been used in electrical engineering and operations to operate equipment for the generation, transmission, distribution and delivery of electricity, in a manner consistent with Applicable Law and Applicable Standards for reliability, safety and economy. Prudent Electrical Practices are not limited to the optimum practice, method or act to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which can fall within this description.

"Prudent Utility Practices" means those practices, methods, conduct and actions (including the practices, methods, conduct and acts engaged in or approved by a significant portion of the power industry in the United States and Puerto Rico) that, at a particular time, in the exercise of reasonable discretion at the time a decision was made, could have been expected to accomplish the desired result in a manner consistent with Applicable Laws and Applicable Standards for reliability, safety and economy. Prudent Utility Practices are not limited to the optimum practice, method or act to the exclusion of all others, but rather is a spectrum of possible practices, methods or acts which can fall within this description.

"PSS/E" means power system simulation for engineering, a commercial software developed by Siemens PTI Inc.

"Qualified Bank" means a commercial bank or other financial institution located within Puerto Rico, the United States or a country (or other jurisdiction) reasonably acceptable to PREPA, which has, as of the date of issuance or renewal of such guarantee, a long-term counterparty credit rating of at least "A" by Standard & Poor's Ratings Services, a long-term foreign currency deposit rating of "A2" by Moody's Investors Services Inc., or, if either such rating agency is no longer in business or no longer rating the obligations in question, an equivalent rating from another internationally recognized rating agency selected by SELLER with the written consent of PREPA; provided that, if such financial institution's ratings match such minimum ratings, no other credit rating agency shall have placed such financial institution on credit watch with negative implications.

"Qualified Operator" means SELLER, an Affiliate of SELLER, or, if a third party, an entity with at least three (3) years' experience operating solar energy facilities of a similar type and size as the Facility or another qualified and experienced operator reasonably acceptable to PREPA.

"Receiving Party" has the meaning set forth in Article 6.8(a).

"Reference Pyranometers" has the meaning set forth in Part I of Appendix F.

"Registry" has the meaning set forth in Article 22.17(b).

"Reimbursement Amount" has the meaning set forth in Article 4.6.

"Reimbursement Installment" has the meaning set forth in Article 4.6.

"RTU" has the meaning set forth in Article 8.8(a).

"SCADA" means supervisory control and data acquisition system, as installed by SELLER in accordance with PREPA requirements.

"Scheduled Outage" means a planned interruption of the delivery by the Facility of Net Electrical Output that has been coordinated in advance between PREPA and SELLER with a mutually agreed commencement and duration, and set out in the Scheduled Outage Program pursuant to Article 8.

"Scheduled Outage Program" has the meaning set forth in Article 8.1.

"SELLER" has the meaning set forth in the first paragraph of this Agreement.

"SELLER Delay LDs" has the meaning set forth in Article 14.4(b).

"SELLER Liability Cap" has the meaning set forth in Article 13.5.

"Shareholder" means, for any time of determination, any direct holder of capital stock in SELLER at such time.

"Site" means the approximately 649 Cuerdas of land located in Aguirre, Salinas, Puerto Rico, as further described in Appendix G.

"Sponsor" means GCL-CIRO Holdings, LLC, a Delaware limited liability company, or any successor thereto permitted under Article 20.4.

"T&D Operator" means any future operator of Puerto Rico's electric power transmission and distribution system or any of its Affiliates, including PREPA's assignee under the circumstances described in Article 20.2.

"Tax Credits" means the production or investment tax credits (including any grants or payment in lieu thereof) and any tax deductions or other benefits under the Internal Revenue Code or other Applicable Law available as a result of the ownership and operation of the Facility or the output generated by the Facility (including, without limitation, tax credits (including any grants or payments in lieu thereof) and accelerated and/or bonus depreciation).

"Taxes" has the meaning set forth in Article 18.

"Technical Dispute" has the meaning set forth in Article 22.12(b).

"Technical Input" has the meaning set forth in Article 9.4(b).

"Technical Recommendation" has the meaning set forth in Article 22.12(b).

"Technical Standards" means, collectively, the MTRs, the Interconnection Facilities Requirements and the PREPA Transmission and Design Standards, in each case, as such may be modified from time to time.

"Term" has the meaning set forth in Article 5.1.

"Termination Balance" has the meaning set forth in Article 18.2.

"Termination Date" has the meaning set forth in Article 16.1.

"Testing Protocols" means PREPA's standard protocols for testing and commissioning of photovoltaic solar projects, comprising steps for establishing (a) an indication of the mutually agreed dates during which such tests will be conducted, and the time and duration thereof, (b) the procedure for specific tests, including tests related to MTR compliance and reliable operation; (c) the success or failure criteria for the tests; and (d) the system for documenting the results of the tests.

"Time Interval" means, with respect to each of the six (6) consecutive, full ten (10) minute periods during each hour of each Agreement Year, any one (1) of such periods.

"Transfer" has the meaning set forth in Article 20.2.

"Year" means a calendar year, which shall be the twelve (12) Month period beginning 12:00 midnight on December 31 and ending at 12:00 midnight on the subsequent December 31.

1.2 Rules of Interpretation

The rules of interpretation listed below shall be followed when interpreting this Agreement:

- (a) Words importing the singular also include the plural and vice versa.
- (b) References to natural persons or parties include any person having legal capacity.
- (c) References to a Person include such Person's successors and assigns; provided, however, that with respect to a Party and its rights and obligations under this Agreement, references to a Party shall only include such Party's successors and assigns if such successors and assigns are permitted by this Agreement.
- (d) Words importing one gender include the other gender.
- (e) The words "include" and "including" mean "including, but not limited to" and corresponding grammatical variants.
- (f) Except as otherwise expressly stated herein, all references in this Agreement to this Agreement (including the Appendices hereto) or to contracts, agreements, or other documents shall be deemed to mean this Agreement (including the Appendices hereto) and such contracts, agreements or other documents, as the same may be modified, supplemented, or amended from time to time.
- (g) Except as otherwise expressly stated herein, all references to Preambles, Recitals, Sections, Articles, and Appendices in this Agreement are references to the Preamble, Recitals, Sections, Articles, and Appendices of this Agreement.
- (h) Words and abbreviations not defined in this Agreement which have generally accepted technical or design, engineering, or construction industry meanings are used in this Agreement in accordance with such recognized meanings.
- (i) The terms "hereof," "herein," "hereto," "hereunder" and words of similar or like import, refer to this entire Agreement, together with its Appendices, and not any one particular Article, Section, Appendix, or other subdivision of this Agreement.
- (j) The headings contained in this Agreement are used solely for convenience and do not constitute a part of this Agreement between the Parties hereto, nor should they be used to aid in any manner in the construction of this Agreement.
- (k) References to PREPA in the definition of Grid System Event and Articles 6.1, 7.1, 7.2, 7.3, 8.3, and 8.8 include its dispatching center(s) and the T&D Operator, as applicable.

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- (l) Terms used in the present tense may be interpreted as referring to the past tense and vice versa.
- (m) Nothing contained in this Agreement shall be construed or interpreted to limit in any way the PREB's power and authority under the laws of the Commonwealth of Puerto Rico.

ARTICLE 2. SALE AND PURCHASE OF ENERGY

SELLER agrees to sell and make available to PREPA all of the Production of the Facility, and PREPA agrees to purchase all of the Production of the Facility, based on Monthly Payments determined in accordance with Appendix C, as of and following the Initial Synchronization Date, in each case subject to the terms and conditions of this Agreement.

ARTICLE 3. NOTICES

3.1 General

All notices and other communications hereunder shall be in writing, other than dispatch, curtailment or disconnect orders, which may be oral and immediately confirmed via e-mail, and shall be deemed duly given upon receipt after being delivered by hand or sent by e-mail with read receipt confirmation, registered or certified mail, return receipt requested, postage prepaid or by recognized overnight courier service, addressed as follows:

If to SELLER to:

PO Box 41202
San Juan, PR 00940
Attention: Mario Tomasini
E-mail: mario.tomasini@ciroenergygroup.com
general@ciroenergygroup.com

with a copy to:

GCL New Energy
12667 Alcosta Blvd, STE 400,
San Ramon, CA 94583

If to PREPA:

Puerto Rico Electric Power Authority
Attention: Director of Planning and Environmental Protection
1110 Ponce de Leon Avenue
Office #809
San Juan, Puerto Rico
Facsimile: 787-521-4880
E-mail: ppoa_renovables@prepa.com

3.2 Change of Address or Persons


Either Party hereto may change, by notice as above provided, the Persons or addresses to which all such notices are to be sent.

ARTICLE 4. PRE-OPERATION PERIOD

4.1 Preliminary Information

SELLER shall submit to PREPA (a) an Energy Yield Assessment Report, (b) SELLER's preliminary and non-binding Facility's licensing and milestone construction schedules, (c) a preliminary engineering design of the Facility and the PREPA Interconnection Facilities, consistent with Prudent Electrical Practices, the Interconnection Facility Requirements and the MTRs, (d) a proposed relay protection scheme (to include the PREPA Interconnection Facilities and the Additional Interconnection Facilities), and (e) the data required in Part III of Appendix B, including a certified PSS/E mathematical model of the specific photovoltaic facility, the manufacturer's performance data and expected output curves, as reasonably required to perform the Interconnection Study, in each case within ninety (90) Days after the Effective Date. SELLER shall notify PREPA of any material changes to SELLER's licensing and construction milestone schedules, energy estimates and other data so provided. SELLER shall submit progress reports on the development, construction, permitting, third-party contracting and financing of the Facility (along with other matters relating thereto and reasonably requested by PREPA) to PREPA, with a copy to the PREB, by the fifth (5th) Business Day of every Month commencing on the first Month following the Effective Date and until the Commercial Operation Date.

4.2 Interconnection Study and Facility Study


 No later than sixty (60) Days after receiving all of the information provided by SELLER under Article 4.1, PREPA shall perform the evaluations and studies required for the integration of the Facility's anticipated Net Electrical Output into the Grid System (not to exceed the Nominal Capacity), including an Interconnection Study and Facility Study in accordance with Prudent Utility Practices, and provide the results of such studies to SELLER for preparation of the Final Design in accordance with Article 9.4. The Interconnection Study and Facility Study shall, at a minimum, (a) determine the power capabilities of the major interconnection equipment required to complete the Interconnection Facilities, (b) specify the maximum fault currents necessary to specify short circuit duty and interrupting ratings, (c) approve or disapprove generator step-up (GSU) transformer impedance and transformer tap ranges necessary for proper control of voltage and reactive power flow, (d) quantify impact to PREPA's system and the actions and costs required to mitigate such impact for inclusion in the Reimbursement Amount, (e) designate the PREPA dispatching centers that will coordinate the operation of the Facility, and (f) specify the final design requirements for the Facility and the PREPA Interconnection Facilities. At the time PREPA delivers to SELLER such Interconnection Study and Facility Study, PREPA shall also deliver to SELLER such other information required by SELLER to design the Interconnection Facilities in accordance with the Grid System requirements and to protect the Facility from damage that may result from the Grid System performance, including (but not limited to) voltage and frequency fluctuations.

4.3 Changes to Nominal Capacity

SELLER shall design and operate the Facility and associated protection schemes such that at no time shall Net Power Output at the Interconnection Point exceed the Nominal Capacity unless

required by the MTRs. SELLER shall have the right to request that PREPA accept an increase to the Nominal Capacity and, if approved by PREPA, pay to PREPA the amount resulting from the product of (a) \$5.00/kW, *multiplied by* (b) such increase (expressed in kW) of the Nominal Capacity, to account for PREPA's costs incurred to repeat the evaluations and studies as contemplated by Article 4.2 in respect of such increase. PREPA shall have the right to approve or reject such request in its sole discretion, and if PREPA approves such request, then the Parties shall amend the Nominal Capacity, the Energy Yield Assessment Report and the Guaranteed FNTF Date as reasonably necessary to accommodate such increase and respective evaluations and studies.

4.4 Performance

- 
- (a) SELLER shall exercise reasonable efforts to ensure that the FNTF Date occurs by the Guaranteed FNTF Date. SELLER shall, by itself or through qualified and licensed firms, as may be applicable, (i) develop, design, finance, permit, obtain land rights (including all rights-of-way, easements, Permits, consents, development rights and other real property rights) necessary for, acquire all materials and equipment necessary for, construct, install, test, and commission the Facility and the PREPA Interconnection Facilities, (ii) transfer the PREPA Interconnection Facilities to PREPA, and (iii) otherwise ensure that the Commercial Operation Date occurs, in each case no later than the Guaranteed Commercial Operation Date, in accordance with this Agreement (including Article 9, Article 12, and Appendix B), the MTRs, the Approved Design, the Interconnection Facility Requirements, Prudent Electrical Practices, and Applicable Law. SELLER agrees that the works required as part of the Interconnection Facilities that will be performed within PREPA's active system (including, for example, works conducted at a PREPA substation or to interconnect such facilities) may, at PREPA's election, be executed by PREPA and its contractor (at SELLER's expense), or by SELLER (as described in the Facility Study). If PREPA elects to perform, or have its contractor perform, such work inside PREPA's active system, then SELLER shall provide the equipment and materials required by PREPA, or its contractor, to complete such work; provided that the deadlines under this Agreement applicable to SELLER shall be extended to the extent PREPA or its contractor fails to timely complete such work and such failure prevents SELLER from meeting such deadline.
- (b) The transfer by SELLER to PREPA of the PREPA Interconnection Facilities shall include, to the fullest extent allowed by Applicable Law, the underlying equipment supply contracts, the Interconnection Construction Contract and other contracts, all remaining equipment-supplier warranties in respect of PREPA's Interconnection Facilities and SELLER's rights-of-way, easements, permits, consents, development rights and other real property rights for such facilities (the "**PIF Land Rights**"), and SELLER shall make such transfer on the Commercial Operation Date in accordance with Article 12.3.
- (c) If SELLER is unable or fails to perform the obligations in paragraphs (a) and (b) of this Article 4.4 in respect of the PREPA Interconnection Facilities, then PREPA shall have the right to perform, or cause to be performed, such obligations, and in the case of obtaining the PIF Land Rights only, SELLER shall reimburse PREPA for any costs that PREPA incurs to acquire such rights.

4.5 Extensions of Time

Each Party (the "**First Party**") shall have the right to an extension of the time for completion or occurrence of any obligation under this Agreement where (a) the failure of the other Party to comply with any of the timetables provided under the relevant provision of this Agreement, (b) a breach of a material obligation under this Agreement by the other Party, (c) any unreasonable delay by the other Party in the performance of a material obligation under this Agreement, (d) any Force Majeure (as determined in accordance with Article 15) or (e) a Legal Challenge, in each case directly delays the First Party from achieving such completion or occurrence, but only to the extent that (i) such delay would not have occurred but for the occurrence of the relevant event described in Paragraphs (a) through (e) above, and (ii) the First Party exercises its best efforts to mitigate the effects of such delay. If the First Party exercises the foregoing right, then the time for completion or occurrence of such obligation shall extend by the number of Days equal to the time during which the event giving rise to the delay prevented the First Party from performing such obligation; provided that, notwithstanding any other provision of this Agreement to the contrary, with respect to any extension of the Guaranteed Commercial Operation Date (including any extensions on the Guaranteed FNTF Date that would reasonably be expected to extend the same), (A) PREPA shall not have any authority to voluntarily grant any extension of time for the period allocated for completion without the prior written approval of PREB, and (B) SELLER shall have no right to rely on any unauthorized extension that may be erroneously provided by PREPA.

4.6 Remuneration

As sole, full and final remuneration for the development, design, financing, permitting, procurement of materials and equipment in respect, construction, installation, testing, commissioning and completion of the PREPA Interconnection Facilities in accordance with this Agreement (the "**PIF Construction Works**"), PREPA shall reimburse SELLER for the Direct Costs reasonably incurred in completing such PIF Construction Works (in the aggregate, the "**Reimbursement Amount**"), as determined and approved by PREPA in consultation with a Consulting Technical Expert up to a maximum amount not to exceed eight million one hundred thousand dollars (\$8,100,000). PREPA shall pay the Reimbursement Amount in three hundred (300) equal installments (each, a "**Reimbursement Installment**") during each Billing Period of the initial twenty-five (25) Agreement Years amortized at an annual rate of eight and a half percent (8.5%). PREPA may elect to pre-pay the Reimbursement Amount at any time by providing thirty (30) Days' written notice to SELLER of such election and paying such amount. PREPA shall have the right to appoint, and SELLER shall grant access and provide reasonable documentation to, a Consulting Technical Expert for the purpose of monitoring and verifying SELLER's performance of, and costs incurred for, the PIF Construction Works; provided that the Consulting Technical Expert shall be subject to applicable safety and security procedures generally applied by SELLER to individuals given access to the site of such works and shall not materially impede, hinder, interfere with or otherwise delay the execution of the PIF Construction Works unless reasonably required. SELLER shall transfer all of the PIF Land Rights to PREPA, in accordance with Article 12.3, at no cost and such amounts shall not, for the avoidance of doubt, be included in the Reimbursement Amount.

4.7 Synchronization

SELLER shall notify PREPA in writing of the proposed Initial Synchronization Date (the "**Proposed Initial Synchronization Date**") and the start-up and testing schedule for the Facility and the PREPA Interconnection Facilities not later than sixty (60) Days prior to such Proposed Initial Synchronization Date. SELLER shall have the right to postpone or accelerate such date with

at least two (2) weeks' advance notice to PREPA. PREPA and SELLER shall agree on the actual Initial Synchronization Date, subject to compliance with Article 9, and PREPA shall have the right to have a representative present at the Facility on the Initial Synchronization Date.

4.8 Protocols and Procedures

No later than sixty (60) Days after the Effective Date, PREPA shall deliver to SELLER standard (a) Testing Protocols and (b) Operating Procedures (as defined herein) for the integration of the photovoltaic solar projects with the Grid System. The "**Operating Procedures**" shall be the procedures as to how to integrate the Net Electrical Output into the Grid System. Topics covered shall include, but not necessarily be limited to method of day-to-day communications, key personnel lists for both SELLER and PREPA's dispatching centers, clearances and switching practices, outage scheduling, daily available capacity and energy reports, a redacted and otherwise scaled down version of the Facility's complex operations log, reactive power support and Emergency procedures, including policies for the delivery by PREPA to SELLER of prompt written notice of the occurrence of all Emergency and follow-up and frequent status reports on any ongoing Emergency. No later than one hundred eighty (180) Days prior to the Initial Synchronization Date, the Parties shall mutually agree to any adjustments or additions to such Testing Protocol (including in respect of the Performance Tests) and Operating Procedures applicable to the Facility, taking into consideration Prudent Electrical Practices, Prudent Utility Practices, the MTRs, and the design of the Facility and its interconnection to the Grid System, and the terms and conditions of this Agreement. The Testing Protocol and Operating Procedures shall each align with this Agreement and may only be modified with the written consent of the Parties. In the event of any conflict between the terms and conditions of this Agreement and the Testing Protocol or Operating Procedures, the terms and conditions of this Agreement shall prevail.

4.9 Exchange of Information

For purposes of conducting any investigations and evaluations as the Parties may deem reasonable and necessary to determine the feasibility of the Facility, the PREPA Interconnection Facilities and the technical aspects related to the sale of Net Electric Output of the Facility, the Parties agree to cooperate reasonably and in good faith and provide each other and their respective Representatives reasonable and timely access to relevant personnel, advisors (including environmental consultants), properties, and books and records, provided the information is not privileged, confidential or protected under other agreements with third parties or by law or regulation. Subject to the conditions stated in the previous sentence, each Party hereby agrees to cooperate and exchange information necessary to permit, finance, construct and operate the Facility. Notwithstanding anything in this Agreement to the contrary, SELLER shall remain solely responsible for permitting, financing, constructing and operating the Facility.

4.10 Cooperation

To the extent legally permitted, the Parties agree to cooperate reasonably and in good faith in the mutually beneficial endeavor to obtain (i) control of, or other required access and rights to, the real property upon which the Facility and the PREPA Interconnection Facilities will be located, (ii) financing for the Facility and the PREPA Interconnection Facilities, and (iii) all necessary Permits, endorsements and approvals for siting and construction of the Facility and the PREPA Interconnection Facilities. Notwithstanding anything in this Agreement to the contrary, SELLER shall remain solely responsible for obtaining the items set out in subparagraphs (i) through (iii).

ARTICLE 5. TERM

5.1 Initial Term

The term of this Agreement (the "**Term**") shall begin with the Original Effective Date and shall continue for a period of twenty-five (25) Agreement Years after the Commercial Operation Date, unless extended or earlier terminated in accordance with the terms hereof. If the Term is extended, the word "Term" shall thereafter be deemed to mean the original Term so extended.

5.2 Extension


The Term of this Agreement may be extended by mutual agreement of the Parties for up to two (2) consecutive periods of five (5) Agreement Years each, following the expiration of the initial twenty-five (25) Agreement Years of the Term. Either Party may notify its desire to extend the Term to the other Party in writing as provided for under this Article 5.2 not less than eighteen (18) Months prior to the expiration of the initial Term or extended Term, as the case may be. During any extension, all provisions contained herein remain in effects unless otherwise agreed.

ARTICLE 6. REPRESENTATIONS, WARRANTIES, AND COVENANTS

6.1 Operations

SELLER covenants and warrants to operate and maintain the Facility or ensure that the Facility shall be operated and maintained by a Qualified Operator, in each case, in accordance with (a) the Operating Procedures, (b) the instructions of PREPA, (c) Prudent Electrical Practices, and (d) Prudent Utility Practices, including synchronizing, voltage and reactive power control.

6.2 Compliance with Law

 SELLER shall, at all times and in all material respects, comply with Applicable Law, including such laws applicable to (i) the use, occupancy, and operation of the Facility, and (ii) SELLER as an Electric Power Company or Electric Power Generation Company (each, as defined under Act 57-2014), as the case may be. SELLER shall give all required notices, shall procure and maintain all Permits and other permits for the development and construction of the PREPA Interconnection Facilities, and shall pay all charges and fees required in connection therewith. SELLER shall complete all environmental impact studies necessary for the design, construction, operation and maintenance of the Facility and the PREPA Interconnection Facilities. Once obtained, SELLER shall submit to PREPA copies of all material Permits and permits contemplated by this Article 6.2. Furthermore, pursuant to Section 5(f) of Act 120-2018 and subject to the provisions of this Agreement, SELLER shall at all times comply with the public policy and regulatory framework applicable to the Facility.

6.3 Fines and Penalties

Each Party shall have sole responsibility for the payment of any and all fines or other penalties incurred or imposed upon such Party or its agents, suppliers, employees or subcontractors for noncompliance by such Party, its agents, employees, suppliers, or subcontractors with Applicable Law to or in connection with, (a) in the case of SELLER, the development and construction of the PREPA Interconnection Facilities, and the development, construction, ownership and/or the proper operation of the Facility, except to the extent such noncompliance is due to any act or omission of PREPA, and (b) in the case of PREPA, the proper operation of the Grid System, except to the extent

such noncompliance is due to any act or omission of SELLER, in each case as determined by applicable Governmental Authority having jurisdiction over the Facility, subject to the indemnification provisions of Article 14.

6.4 SELLER Representations and Warranties

SELLER represents and warrants as of the Effective Date as follows:

- (a) SELLER is a limited liability company, duly organized, validly existing under the laws of Delaware; SELLER has all requisite power and authority to conduct its business, to own its properties, and to execute, to deliver, and to perform its obligations under this Agreement;
- (b) The execution, delivery, and performance by SELLER of this Agreement have been duly authorized, and do not and will not (i) require any additional internal consent or approval of SELLER; or (ii) violate any provision of SELLER's certificate of formation or operating agreement, or any material indenture, contract or agreement to which it is a party or by which it or its properties may be bound, or any Applicable Law, determination or award presently in effect;
- (c) SELLER is not in default under any document or instrument referred to in clause (ii) of Article 6.4(b) above, which default could reasonably be expected to have a material adverse effect on the ability of SELLER to perform its obligations under this Agreement;
- (d) This Agreement is a legal, valid and binding obligation of SELLER, enforceable against SELLER in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of rights generally; and
- (e) Except as previously disclosed in writing, there is no pending action or proceeding in which SELLER is a party before any court, governmental agency or arbitrator that could reasonably be expected to affect materially and adversely the financial condition or operations of SELLER or the ability of SELLER to perform its obligations under, or which purports to affect the legality, validity or enforceability of, this Agreement as in effect on the date hereof.

6.5 Restrictions on Asset Transfers

- (a) Prior to the Commercial Operation Date, SELLER shall not sell or transfer, directly or indirectly, the Facility, or any material portion thereof. From and after the Commercial Operation Date, SELLER shall not sell or transfer, directly or indirectly, the Facility, or any material portion thereof without PREPA's prior express written consent. The foregoing prohibitions shall not apply to transfers of SELLER's assets that either (i) occur after the Initial Synchronization Date but prior to the Commercial Operation Date, solely in connection with a financing transaction involving Tax Credits under Section 48 of the U.S. Internal Revenue Code and that do not result in the control of the Facility being transferred to a third party other than SELLER, or (ii) form part of any foreclosure on any mortgage, lien, pledge, charge or other encumbrance granted to the lenders under any non-recourse project financing related to such assets, or are otherwise in accordance with Article 20.3, and such lenders or their agent has entered into a direct agreement with PREPA in respect of the collateral assignment of this Agreement. For purposes of the preceding sentence, "control" means the possession, directly or indirectly, of the power to direct or cause the

direction of the management and policies of SELLER or the Facility, whether through the ownership of voting securities or otherwise.

- (b) If SELLER intends to sell or transfer the Facility, or any portion of the Facility pursuant to PREPA's consent under the second sentence of Article 6.5(a), it shall notify PREPA of its intention to sell sixty (60) Days in advance of the intended date of such sale. PREPA shall not unreasonably withhold, its consent to such sale or transfer, and shall inform SELLER of its decision in writing no later than thirty (30) Days after SELLER's notice under the preceding sentence, provided that the failure of PREPA to respond to any request by SELLER for consent to such a sale or transfer shall not be deemed or construed as an acceptance or consent to such proposed sale or transfer. It is understood and agreed that PREPA will not have any obligation to consider approving any proposed transfer unless and until SELLER causes the proposed new owner to provide to PREPA (i) its audited financial statements as per GAAP, demonstrating that such new owner has a tangible net worth of at least twenty-five million dollars (\$25,000,000) (or its direct or indirect parent has a tangible net worth of at least seventy-five million dollars (\$75,000,000)), (ii) evidence reasonably acceptable to PREPA that such new owner is or has engaged a Qualified Operator, and (iii) the certifications and other documentation required by Appendix H, but construing references to SELLER therein as references to such new owner. In each case, (1) SELLER shall ensure that any regulatory approvals required have been obtained in respect of such transfer and such transfer otherwise complies with Applicable Law and (2) if requested by PREPA, the Parties and such new owner shall enter into an agreement under which (A) SELLER assigns and transfers all of its rights and obligations under this Agreement to such new owner, and (B) such new owner expressly assumes all liabilities of SELLER arising under this Agreement prior to the date of such assignment.

6.6 SELLER's Financial Statements

SELLER agrees that, following the FNTF Date, and thereafter during the Term of this Agreement, it will cause to be delivered to PREPA its audited financial statements for the most-recently completed fiscal year, prepared in accordance with GAAP, no later than ninety (90) Days following the completion of such fiscal year.

 6.7 SELLER's Officers

SELLER agrees that it will cause to be delivered to PREPA an annual certification of the names of its corporate officers.

6.8 Confidentiality

- (a) Each Party (the "Receiving Party") agrees that all Agreement terms and information obtained from the other Party (the "Disclosing Party"), which is not otherwise generally available to the public (but without limitation of any liability the Receiving Party may have to the Disclosing Party for information having become generally available to the public through the negligence or willful misconduct of any of the Receiving Party, its Affiliates or their respective employees, agents and representatives), shall be kept confidential and used solely by the Receiving Party in connection with the performance of its obligations under this Agreement. Disclosure of such information may be made only within the Receiving Party's organization to key personnel, and to third parties serving as the Receiving Party's legal, financial or technical advisors, whose duties justify their need to review and know such material. The Receiving Party shall require each Person (and

personnel thereof) to agree in writing for the benefit of the Disclosing Party to maintain the confidentiality of such information.

- (b) To the extent a Receiving Party is required to disclose such information by any court, governmental agency or to the extent necessary to secure governmental approval or authorization, such Receiving Party shall promptly notify the Disclosing Party and use its commercially reasonable efforts to seek a confidentiality agreement that assures confidential treatment of the information consistent with the terms of this Article 6.8(b). In the event the Receiving Party is not successful in obtaining a confidentiality agreement, such Receiving Party shall use commercially reasonable efforts to obtain through court action the appropriate protective order. Notwithstanding the foregoing, PREPA may disclose the terms and conditions of this Agreement to (a) the FOMB, PREB, COR3, P3A, the PROMESA Court, and any Governmental Authority for the purposes of obtaining the consents and approvals, together with such additional information as may be required to obtain such consents and approvals, (b) the COR3 or P3A, any owner of the Grid System, and any potential or then-existing T&D Operator and their respective advisors and lenders, and (c) the Puerto Rico Comptroller's Office through the filings required by Applicable Law, which will make this Agreement subject to the open records requirement.

6.9 PREPA's Current Expenses

PREPA hereby represents and warrants that, throughout the Term for so long as (i) the Trust Indenture dated January 1, 1974, as amended, between PREPA and The Chase Manhattan Bank (National Association) as successor trustee remains in effect, or (ii) in any agreements subsequently entered into by PREPA for similar purposes in connection with or related to the restructuring of PREPA's debts, all payments by PREPA to SELLER under this Agreement shall be treated as current expenses as defined by the terms of the Trust Agreement dated as of January 1, 1974, as amended, between PREPA and State Street Bank and Trust Company, as successor trustee, and any successor indentures or agreement, including any amendments, supplements or modifications thereto, or will be afforded no less beneficial treatment than current expenses in any such new agreements.

6.10 Local Content


- (a) SELLER agrees to use its commercially reasonable efforts, when soliciting and obtaining personnel to perform services for the Facility in Puerto Rico, to achieve a goal that is not less than thirty percent (30%) of the total personnel hours expended in the construction of the Facility prior to the Commercial Operation Date and not less than fifty percent (50%) expended in SELLER's performance of the services pursuant to this Agreement following the Commercial Operation Date shall be performed by individuals who are *bona fide* residents of Puerto Rico as defined in Article 6.10(c).
- (b) SELLER agrees to use its commercially reasonable efforts, when soliciting and selecting subcontractors and vendors to perform services for the Facility in Puerto Rico, to achieve a goal that not less than thirty percent (30%) of the total personnel hours expended in the construction of the Facility prior to the Commercial Operation Date, as measured by person-hours on an annual basis, shall be performed by business concerns that are owned and controlled by one or more individuals who are *bona fide* residents of Puerto Rico as defined in Article 6.10(c). For purposes of the preceding sentence, "**owned and controlled**" means a business: (i) which is at least fifty-one percent (51%) owned by one or more of such individuals (e.g., in the case of a corporate form of organization such

individuals must hold at least fifty-one percent (51%) of all voting stock of the corporation; in the case of a partnership or other form of business concern such individuals must hold at least fifty-one percent (51%) of the beneficial interests in the partnership or business concern); and (ii) whose management and daily business operations are controlled by one or more of such Persons (who need not be owners of the business).

- (c) For purposes of this Article 6.10(c), an individual shall be considered a *bona fide* resident of Puerto Rico, if said individual has been a resident of Puerto Rico immediately prior to commencing work on the Facility. To the extent that despite SELLER's reasonable efforts SELLER has failed to achieve the goals set forth in Article 6.10(a) or Article 6.10(b), SELLER may for purposes of calculating satisfaction of said goals include the services of individuals who at some time prior to commencing work on the Facility, but not necessarily including the period of time immediately prior to commencing work on the Facility, were residents of Puerto Rico for at least five (5) consecutive years and who relocated to Puerto Rico in order to perform work on the Facility. SELLER shall, in good faith, be entitled to rely on the representation of each individual applicant and of each subcontractor or vendor as to whether such individual, subcontractor or vendor meets the criteria set forth herein. SELLER shall require equivalent undertakings from its subcontractors.
- (d) Nothing contained herein shall be interpreted as obligating SELLER to take any action which would be in violation of the Applicable Law or any affirmative action program or equal opportunity obligation to which SELLER or its Affiliates are or may be bound under Applicable Law.

6.11 PREPA Representations and Warranties

PREPA represents and warrants as of the Effective Date as follows:

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- (a) Pursuant to Act No. 83 of May 2, 1941, as amended, PREPA is a public corporation duly organized and validly existing under the laws of the Commonwealth of Puerto Rico and has all requisite power and authority to conduct its business as now conducted, to own its properties, and to execute, to deliver, and to perform its obligations under this Agreement;
 - (b) The execution, delivery and performance by PREPA of this Agreement have been duly authorized by PREPA's Governing Board in accordance with Applicable Law, and (i) do not and will not require any additional internal consent or approval of PREPA; and (ii) do not and will not violate any provision of Act No. 83 of May 2, 1941, as amended, or its regulations, or any material indenture, contract or agreement to which it is a party or by which its properties may be bound;
 - (c) PREPA is not in default under any document or instrument referred to in clause (ii) of Article 6.11(b) above, which default could reasonably be expected to have a material adverse effect on the ability of PREPA to perform its obligations under this Agreement; and
 - (d) This Agreement is a legal, valid, and binding obligation of PREPA, enforceable against PREPA in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency or similar laws affecting the enforcement of rights generally.

6.12 Subcontracting

Neither Party shall be relieved of its obligations under this Agreement as a result of subcontracting any of its obligations to a third party.

ARTICLE 7. DISPATCHING

7.1 General

PREPA may require SELLER to curtail, reduce or increase (subject to Facility limitations) the Net Power Output, or to disconnect or connect the Facility, for any reason in accordance with Prudent Utility Practices, subject to Article 8.3 and payment for Deemed NEO as required under Article 8.4. Some of these situations may include, but are not limited to, operating problems that may affect safety margins or reliability levels in the Grid System, power quality problems as well as outages and disconnections ("vías libres") of the transmission center or line due to disturbances, maintenance, and/or improvement, and any Emergency.

7.2 SELLER Non-Compliance

Notwithstanding Articles 7.1 and 8.3, PREPA may curtail or reduce the Net Power Output, or disconnect the Facility, without liability for Deemed NEO or otherwise, when the following conditions are present:

- (a) the Facility fails to comply with Article 12.1 or the MTRs, which include but are not limited to power factor, low/high voltage ride through, low/high frequency ride through, voltage control requirements, power quality requirements, ramp rate control, and frequency response, as set forth on the Effective Date or, if PREPA has amended the MTRs, then only if such amendment is applicable to the Facility pursuant to Article 9.6;
- (b) SELLER fails to perform tests for compliance with the MTRs as required in Article 12.2(a); and
- (c) subject to Article 9.8, SELLER fails to keep the Facility PSS/E mathematical models current with the future versions of the PSS/E program thirty (30) Days after a PSS/E version upgrade is notified in writing by PREPA to SELLER (provided, however, that (i) the notice includes all the necessary technical information to update the models, and (ii) the upgrade of these models is feasible in that time period).

For the avoidance of doubt, any curtailment, reduction or disconnection due to (a) and (b) above may be of an extended or permanent nature if not cured by SELLER in a timely manner, and shall end, as instructed by PREPA, promptly after SELLER cures such non-compliance.

7.3 Availability Estimates

For each Day following the Commercial Operation Date, SELLER shall provide to PREPA, via e-mail, written estimates of short term, next Day and next week Expected NEO and expected average and peak Net Power Output for expected operating hours (expressed in kW over each such hour of each Day), based on (a) the previous Day NEO and average and maximum Net Power Output for expected operating hours, (b) the estimated strength of the solar irradiation and other expected Ambient Conditions for the next Day and week according to the meteorological forecast for the

region and site, and (c) the results of the Facility Performance Model. The Parties shall include in the Operating Procedures the procedures and protocols necessary for providing said estimates.

7.4 Acknowledgment

PREPA acknowledges no intent to reduce Net Electrical Output by curtailment or disconnection under this Agreement outside of those circumstances described in this Article 7 and Article 8.

ARTICLE 8. CONTROL AND OPERATION OF THE FACILITY

8.1 Scheduled Outage Program

SELLER shall, at least sixty (60) Days prior to the Commercial Operation Date, submit a written schedule of Scheduled Outages ("**Scheduled Outage Program**") for the remaining portion of the first Year of the Facility's operations and, if the Commercial Operation Date occurs after September 1, for the following one (1) Year, setting forth the proposed Scheduled Outage periods. Thereafter, SELLER shall submit to PREPA, in writing, by September 1 of each Year, its proposed Scheduled Outage Program for the next Year.

8.2 Notice of Non-Scheduled Outages

SELLER shall use commercially reasonable efforts to notify PREPA of any Non-Scheduled Outages at least twenty-four (24) hours in advance and coordinate all Non-Scheduled Outages with PREPA.

8.3 Restrictions on Curtailment and Disconnection

If PREPA requires SELLER to curtail or reduce the Net Power Output, or disconnect the Facility, under Article 7.1, then (a) the Facility will remain in such state until SELLER has received permission to reconnect or resume production from PREPA; (b) to the extent caused by an Emergency or operating problem, (i) any such curtailment, reduction or disconnection shall be of no greater scope and of no longer duration than as required consistent with Prudent Utility Practices, and (ii) PREPA shall diligently use all commercially reasonable efforts to remedy the Emergency or operating problem; and (c) PREPA shall treat the Facility no less favorably than other similarly situated facilities connected to the Grid System (including PREPA's own facilities, if any), consistent with Prudent Utility Practices (taking into account project size, location, operating conditions, and other circumstances). PREPA shall, as soon as practicable after the occurrence of the curtailment, reduction or disconnection, provide written notice to SELLER describing the particulars of the occurrence and its estimated duration. If SELLER disputes the causes of the curtailment, reduction or disconnection included in the aforementioned report, then such dispute shall be resolved in accordance with the dispute resolution process provided for in Article 22.12.

8.4 Deemed NEO

PREPA shall have no liability to SELLER in connection with any disconnection, curtailment or other reduction in, or failure by PREPA to take, net electrical output at the Interconnection Point, during any Billing Period, for any reason whatsoever, other than payment for Deemed NEO in accordance with this Article 8.4. PREPA shall pay for Deemed NEO in respect of:

- (a) any Force Majeure Event Interval that occurs during an Agreement Year if and only if, at the start of such interval, the Equivalent Force Majeure Derated Hours accumulated to date in such year exceed the Force Majeure Waiting Period applicable to such year;
- (b) any Grid System Event Interval that occurs during an Agreement Year if and only if, at the start of such interval, the Equivalent Grid System Derated Hours accumulated to date in such year exceed the Grid System Waiting Period applicable to such year; and
- (c) any Event Interval in which a PREPA Risk Event occurs pursuant to paragraph (c) of such definition,

(each such interval, a "**Deemed NEO Period**"). As set forth in Appendix C, PREPA's liability pursuant to this Article 8.4 for any single disconnection, curtailment or other reduction resulting in a Deemed NEO Period shall be offset by any insurance proceeds actually received by SELLER from any insurance policy that SELLER may obtain in respect of PREPA Risk Events.

8.5 Obligation to Cooperate

Each Party shall cooperate with the other in establishing Emergency plans, including recovery from a local or widespread electrical blackout; voltage reduction in order to effect load curtailment; and other plans which may arise. SELLER shall make technical information and data available to PREPA concerning start-up times and black-start capabilities.

8.6 Rescheduling

If the Facility has a Scheduled Outage or a Non-Scheduled Outage, and such Scheduled Outage or Non-Scheduled Outage occurs or would occur coincident with an Emergency, PREPA may request that SELLER shall make commercially reasonable efforts, consistent with Prudent Utility Practices and with PREPA's approval, to reschedule the Scheduled Outage or Non-Scheduled Outage or if the Scheduled Outage or Non-Scheduled Outage has begun, to expedite the completion thereof.

8.7 Production Shortfall

If for any two (2) consecutive Agreement Years, the aggregate Net Electrical Output for such period falls below eighty-five percent (85%) of the aggregate Expected Annual NEO for such period, then SELLER shall grant PREPA a credit of an amount equal to the product of (a) \$0.005/kWh multiplied by (b) the total shortfall volume (expressed in kWh) described above that falls below eighty-five percent (85%) of the aggregate Expected Annual NEO for such period. PREPA shall have the right to use such credit to offset its payment obligations hereunder to SELLER beginning with the first invoice of the subsequent Agreement Year and continuing until PREPA has received full value for such credit. In the event that any such unapplied credit exists as of the end of the Term, SELLER shall pay PREPA an amount equal to such unapplied credit no later than ninety (90) Days after the Termination Date.

8.8 Communication


SELLER shall provide, install, wire, commission, repair, and replace (as necessary) as a minimum at its expense the following communication facilities linking the Facility with PREPA:

- (a) One Remote Terminal Unit ("**RTU**"), including setup installation and configuration, which shall be specified by PREPA;

- (b) Two independent telecommunication circuits, including one voice grade to link the SCADA system to the Facility's RTU using DNP protocol through a designated PREPA communication node, and a second fiber optic circuit to link PREPA's network to the Facility in order to access protection equipment, revenue meters and the dynamic system monitor through the ruggedcom security device as specified by PREPA;
- (c) A voice telephone extension for the purpose of communicating with the Monacillos Transmission Center and Ponce Transmission Center;
- (d) A telephone line and equipment to transmit and receive e-mail messages to confirm the oral communication between PREPA and SELLER; and
- (e) Dynamic system monitor equipment, components, and system in accordance with Appendix D, for recording the power disturbance caused by electro-mechanic swings and to measure the system response to the swing disturbance.

Items provided by SELLER in accordance with this Article 8.8 shall be subject to the approval of PREPA, which approval shall not be unreasonably withheld or delayed, and which decision PREPA shall inform SELLER no later than thirty (30) Days after SELLER's notice to PREPA of the proposed communication facilities.

8.9 Record Keeping

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- (a) Each Party shall keep complete and accurate books, accounts, records and other data required for the proper administration of all transactions with respect to the matters which are the subject of or in connection with this Agreement.
 - (b) All such records shall be maintained for a minimum of five (5) years after the preparation of such records or data and for any additional length of time required by regulatory agencies with jurisdiction over the Parties; provided, however, that neither Party shall dispose of or destroy any records without thirty (30) Days' prior notice to the other Party. Within ten (10) Days after receipt of the notice of intention to destroy or dispose, the other Party shall have the right to require the notifying Party in writing to retain and deliver to it certain records at its sole cost and expense. Any records so notified shall be delivered to the Party requesting their return in no more than ten (10) Days.
 - (c) SELLER shall maintain an accurate and up-to-date operating log at the Facility with records of (i) real and reactive power for each hour, (ii) changes in operating status and Scheduled Outages, (iii) any unusual conditions found during inspections, (iv) any safety incident, accident or other occurrence at the Site that results in injury to persons or damage to property, (v) data and other inputs for, and outputs from, the Facility Performance Model, and (vi) all other data in relation to testing, metering, invoicing, payments, Claims, Changes, reimbursements, credits and any other charges to PREPA.
 - (d) Either Party shall have the right from time to time, upon fourteen (14) Days' written notice to the other Party and during regular business hours, to examine the records and data of the other Party relating to the proper administration of this Agreement any time during the period the records are required to be maintained.

8.10 Certification of Testing

At PREPA's request upon fifteen (15) Days' written notice, SELLER shall provide certifications of tests and inspections of the electric and protection equipment, which may impact the Grid System. PREPA shall have the right to visit and visually monitor the Facility during operation and testing, including any Performance Tests.

ARTICLE 9. FACILITIES DESIGN AND INTERCONNECTION

9.1 General

PREPA agrees to allow the Facility to interconnect to the Grid System at the Interconnection Point in accordance with the terms of this Agreement, including Article 9.5. Appendix B sets forth: (a) a description of the Interconnection Facilities; (b) a specification of the Interconnection Point; and (c) the information required for the Interconnection Study needed to interconnect the Facility to the Grid System.

9.2 Protection Relays and Control

- (a) SELLER shall provide PREPA with complete protection systems (including relay devices and relay settings), in accordance with Appendix E, for review and inspection by PREPA not later than ninety (90) Days prior to the Proposed Initial Synchronization Date. SELLER shall submit the protection requirements in three stages: (1) design; (2) protection report, *i.e.*, the settings that shall be performed according to the Approved Design as per Article 9.4; and (3) the tests that shall be performed with the approved settings.
- (b) If these are not found to be acceptable to PREPA, SELLER agrees to comply with any reasonable request made by PREPA to provide the protection requirements, including relay settings, prior to the Initial Synchronization Date. PREPA agrees to give any comments or suggested changes pursuant to this Article 9.2 within thirty (30) Days after SELLER submits the protection requirements at each stage to PREPA; provided that, PREPA has at least ten (10) Days to evaluate after receipt of each individual submission. If the Parties are unable to reach an agreement within ninety (90) Days after PREPA's receipt of the complete set of protection requirements, including relay settings, then the dispute will be resolved in accordance with Article 22.12.

9.3 Voltage Schedule

PREPA shall prepare and submit to SELLER a written voltage schedule for the Facility, no later than thirty (30) Days prior to the Proposed Initial Synchronization Date. From and after the Commercial Operation Date, PREPA may change such voltage schedule upon thirty (30) Days' prior written notice, or in accordance with the Operating Procedures, provided that such voltage schedule is in accordance with the MTRs. SELLER shall use such voltage schedule in the operation of its Facility. This voltage schedule shall be based on the normally expected operating conditions for the Facility and the reactive power requirements of the Grid System.

9.4 Final Design

- (a) No later than sixty (60) Days after SELLER's receipt of the Interconnection Study, Facility Study, and the other information required to be delivered to SELLER by PREPA under Article 4.2, SELLER shall submit to PREPA the final engineering design of the Facility

and the PREPA Interconnection Facilities (the "**Final Design**"). SELLER agrees to ensure that the Final Design will be consistent with Prudent Utility Practices and in all material respects with the Facility Study, the Interconnection Study, and the Technical Standards. SELLER agrees to install the equipment necessary to comply with the MTRs, which include but are not limited to power factor, low/high voltage ride through, low/high frequency ride through, voltage control requirements, power quality requirements, ramp rate control, and frequency response to the extent set forth in the MTRs on the Effective Date or, if PREPA has amended the MTRs, then to the extent that such amendment is applicable to the Facility pursuant to Article 9.6.

- (b) No later than thirty (30) Days following SELLER's delivery to PREPA of the Final Design, PREPA shall complete its review of the Final Design and deliver to SELLER written notice that PREPA either (i) accepts the Final Design (the "**Approved Design**") and confirms that the PREPA Interconnection Facilities will, if constructed in accordance with such design, be in compliance with PREPA's interconnection requirements and that the Facility and such PREPA Interconnection Facilities will be allowed to interconnect with the Grid System in accordance with this Agreement or (ii) does not accept such design, in which case PREPA shall simultaneously deliver to SELLER a written and detailed description of PREPA's objections to such design and PREPA's required modifications thereto, which modifications shall be made in good faith and be reasonable and consistent with Prudent Electrical Practices (the "**Technical Input**").
- (c) If PREPA has provided Technical Input to SELLER in accordance with the foregoing, then no later than ten (10) Days following SELLER's delivery to PREPA of SELLER's revised Final Design, which revised Final Design shall be consistent with the Technical Standards and Technical Input, PREPA shall review such revised Final Design and notify SELLER in writing either that (i) such revised design constitutes the Approved Design or (ii) PREPA does not accept such design, in which case PREPA shall simultaneously deliver to SELLER further Technical Input. The foregoing process shall be repeated until an Approved Design is achieved.
- (d) The Parties shall use good faith efforts to agree upon an Approved Design within sixty (60) Days of SELLER's submission of the revised Final Design, after SELLER has received PREPA's Technical Input for the first time. SELLER shall not, without PREPA's written consent, commence construction of the Facility or the PREPA Interconnection Facilities until the Approved Design is achieved; provided that SELLER may, at its risk, order long-lead equipment prior to achievement of the Approved Design.

9.5 Interconnection Facilities

- (a) Prior to the initial interconnection of the Facility with the Grid System on the Initial Synchronization Date, SELLER shall retain a contractor, approved in writing by PREPA (such approval not to be unreasonably withheld, delayed or conditioned no later than fifteen (15) Days after SELLER has submitted to PREPA information about the experience of the contractor), to perform the acceptance testing of the Interconnection Facilities, which testing shall be performed pursuant to the Testing Protocols provided by PREPA under Article 4.8. To facilitate this process, upon request from SELLER, PREPA shall provide SELLER with a list of pre-approved acceptance testing contractors, any of which SELLER may use in its sole discretion. SELLER shall provide to PREPA no less than ten (10) Days' written notice of such testing and PREPA shall have a representative witness and evaluate the testing.

- (b) No later than thirty (30) Days following completion of such testing and submission to PREPA of the testing book to be generated by the testing contractor, PREPA shall review such testing book and notify SELLER in writing that PREPA either (i) accepts such testing book or (ii) does not accept such testing book, in which case PREPA shall simultaneously deliver to SELLER a written and detailed description of PREPA's objections to such testing book and PREPA's required modifications thereto, which modifications shall be made in good faith and be reasonable and consistent with Prudent Electrical Practices. If PREPA has provided required modifications to the testing book, then no later than five (5) Days following SELLER's delivery to PREPA of a revised testing book consistent with such modifications, PREPA shall review such revised testing book and notify SELLER in writing either that the same is approved or that PREPA continues to have required modifications thereto. The foregoing process shall be repeated until the testing book is approved by PREPA, such approval not to be unreasonably withheld, delayed or conditioned. PREPA shall have the right to finally determine whether the Interconnection Facilities have been adequately designed, constructed and tested and that the same comply with PREPA's requirements. PREPA shall use good faith efforts to accept SELLER's testing book within fifteen (15) Days after SELLER's delivery to PREPA of a revised testing book, after SELLER has received PREPA's objections to the testing book for the first time. PREPA acknowledges and agrees that SELLER is not providing design, engineering or testing services or advice to PREPA in respect of the Facility or the Additional Interconnection Facilities.
- (c) As conditions to SELLER's right to interconnect with the Grid System, the following provisions shall apply:
1. SELLER shall provide written notice (which shall include a copy of the red line drawing used for the construction of the Interconnection Facilities) to PREPA that the Interconnection Facilities have been substantially completed and tested in accordance with Articles 9.5(a) and 9.5(b) (the "**IF Completion Notice**").
 2. PREPA shall inspect (or the Parties shall appoint a Consulting Technical Expert to inspect) such Interconnection Facilities and the remainder of the Facility to confirm they were constructed in accordance with the Approved Design, which inspection and confirmation shall be completed promptly but, in any case, within five (5) Business Days following PREPA's receipt of SELLER's IF Completion Notice.
 3. If PREPA (or the Consulting Technical Expert, as applicable) determines in good faith that the Interconnection Facilities or remainder of the Facility have not been constructed in accordance with the Approved Design and that such deviation would, if the Facility is synchronized with the Grid System, adversely affect the operations of the Grid System, PREPA shall so advise SELLER in writing within five (5) Days following PREPA's inspection of the Interconnection Facilities and Facility and SELLER shall be required to correct or mitigate any such deviation prior to interconnecting the Facility to the Grid System and resubmit the IF Completion Notice (in which case the first sentence of this Article 9.5(c) shall again apply). If PREPA and SELLER are unable to reach an agreement as to whether the Interconnection Facilities have been constructed in accordance with the Approved Design after two (2) submissions of the IF Completion Notice by SELLER that have been found deficient by PREPA, the matter may be referred to dispute resolution pursuant to Article 22.12(b).

4. If PREPA determines that the Interconnection Facilities and the Facility have been constructed in accordance with the Approved Design, then the Parties shall proceed with testing and initial synchronization pursuant to Article 12.
- (d) SELLER shall provide PREPA with as-built drawings of the Interconnection Facilities and the Facility within ninety (90) Days after the Commercial Operation Date and within ninety (90) Days after any material modification of the Interconnection Facilities or remainder of the Facility to the extent the information in such as-built drawings are affected.
- (e) SELLER agrees to comply with any reasonable request made by PREPA to provide acceptable relay settings and protection scheme prior to the Initial Synchronization Date in accordance with Article 9.2. SELLER further agrees that control and protection scheme parameters such as: ramp rates, higher frequency fluctuations, low voltage ride-through, voltage support and dynamic power factor will be consistent in all material respects with the MTRs. SELLER shall procure equipment with electrical capabilities to comply with the above-mentioned parameters.
- (f) SELLER shall own and be responsible for (at its own cost and expense) the safe and adequate operation and maintenance of all Additional Interconnection Facilities. After transfer from SELLER, PREPA shall own and, subject to Article 12.3(b), be responsible for the safe and adequate operation and maintenance of the PREPA Interconnection Facilities, and all risk of loss and ownership in respect thereof shall be borne exclusively by PREPA. If PREPA implements any change in the protection system relay settings, equipment, or studies due to any improvement at the Interconnection Facilities not required by PREPA, SELLER shall bear all reasonable costs and expenses incurred by PREPA.

9.6 Changes to Technical Standards

SELLER acknowledges and agrees that it has reviewed and accepted the document entitled "Minimum Technical Requirements for Interconnection of Photovoltaic (PV) Facilities", dated February 28, 2020, as the MTRs for this Agreement, subject to the remainder of this Article 9.6. PREPA reserves the right to change the MTRs and other Technical Standards in conformance with Prudent Utility Practices from time to time; provided, however, that SELLER shall not be obligated to implement any such change unless (a) SELLER has received written notice thereof, and (b) PREPA can demonstrate that, were it not for such change, imminent and substantial harm to human life or property, or material issues with Grid System reliability or safety margins, would result. In the event that SELLER is obligated to implement any such change, SELLER shall assume the cost of any required modifications to the Facility, up to a total cost which, when added to any costs for changes to Technical Standards previously required by PREPA and incurred by SELLER including pursuant to this Article 9.6, Article 9.7, or Article 9.8, does not exceed the Modification Limit. In the event that such change reduces the Facility's ability to make available Net Electrical Output, the Parties shall treat that portion of SELLER's reasonably projected lost revenue under this Agreement arising out of such reduction as a cost of such change. If SELLER's costs from such change (as reasonably determined and evidenced in writing to PREPA), when added to any costs previously incurred by SELLER pursuant to Article 9.6, Article 9.7, or Article 9.8, exceed the Modification Limit, then PREPA shall increase the Base Tariff to allow SELLER to recover that portion of the cost in excess of the Modification Limit in Monthly invoice payments (x) in respect of modifications to the Facility, over a term of eighteen (18) Months or (y) for a reduction of NEO, over the remaining Term. If PREPA has changed the any Technical Standards, and such change applies to the Facility in accordance with this Article 9.6, such change shall not become effective until SELLER has had a reasonable period of time to comply with any such amended

requirement. If required to address future changes in demand or to comply with the requirements of the Applicable Law or PREPA's Integrated Resource Plan, PREPA shall have the right to (i) subject to the remainder of this Article 9.6, amend any of the Technical Standards and this Agreement to require SELLER to install battery energy storage facilities upon mutually agreeable terms (in addition to any battery energy storage system required to comply with applicable Technical Standards as of the Effective Date) and provide for the sale of additional Ancillary Services from such facilities, including for capacity in excess of Nominal Capacity, at rates to be agreed between the Parties, or (ii) at PREPA's own cost, construct battery energy storage facilities (and SELLER shall grant PREPA the necessary real property access, subject to the availability of space at the Site, and the execution of the corresponding mutually agreed lease, sublease or other real property contract), in each case as part of the Facility or at the Site in accordance with Prudent Utility Practices and the technical limitations of the Facility.

9.7 Changes to Protection Scheme

PREPA reserves the right to modify or expand its requirements for protective devices in the Interconnection Facilities in conformance with Prudent Electrical Practices. Each Party shall notify the other in advance of any changes to its system, and the reasons for those changes, that would affect the proper coordination of protective devices on the two (2) interconnected systems or that would otherwise affect either Party's Interconnection Facilities. If PREPA desires to change its requirements for protective devices in consideration of imminent and substantial harm to human life, property, or PREPA's system or as those changes relate to reliability and safety margins, then SELLER shall implement such change. In the event that SELLER is obligated to implement any such change, SELLER shall assume the cost of any required modifications to the Facility, up to a total cost which, when added to any costs previously required by PREPA and incurred by SELLER including pursuant to Article 9.6, this Article 9.7, or Article 9.8, does not exceed the Modification Limit. In the event that such change reduces the Facility's ability to make available Net Electrical Output, the Parties shall treat that portion of SELLER's reasonably projected lost revenue under this Agreement arising out of such reduction as a cost of such change. If SELLER's costs (as reasonably determined and evidenced in writing to PREPA) when added to any costs previously incurred by SELLER pursuant to Article 9.6, this Article 9.7, Article 9.8, or any other modifications to the Technical Standards, exceed the Modification Limit, then PREPA shall increase the Base Tariff to allow SELLER to recover that portion of the cost in excess of the Modification Limit in Monthly invoice payments (a) for modifications to the Facility, over a term of eighteen (18) Months or (b) for a reduction of NEO, over the remaining Term. In the event that PREPA is obligated to implement any change in the protection system relay settings, equipment, and studies due to any improvement at the Interconnection Facilities not required by PREPA, SELLER will assume the total cost without reimbursement.

9.8 Modeling

SELLER agrees to keep the Facility PSS/E mathematical model current with the future versions of the PSS/E program and the Facility Performance Model up to date. Current PSS/E mathematical models shall be provided to PREPA not later than ninety (90) Days after a PSS/E version upgrade is notified. If a future version of the PSS/E utilizes a standard or generic model to represent solar photovoltaic facilities in the PSS/E model library and a validation of such version proves that a standard or generic model appropriately represents the Facility, then PREPA shall utilize such models and SELLER will have no obligation to provide or revise the Facility PSS/E mathematical model. If providing a "user written" model, SELLER shall submit to PREPA a report from Siemens PTI or another third-party engineering firm that validates and certifies the Facility PSS/E mathematical model, including the subsequent revisions performed to keep the mathematical model

current with the future version of the PSS/E program. Costs incurred by SELLER in excess of the Modification Limit in connection with changes to the PSS/E mathematical model resulting from changes to the MTRs or the protection relays after the Effective Date as per Article 9.6 or Article 9.7, respectively, shall be borne by PREPA as provided for under said Articles. Disputes will be referred directly by either Party to resolution pursuant to Article 22.12.

ARTICLE 10. METERING


10.1 Meter Ownership and Maintenance

PREPA shall own and maintain all meters and metering devices used to measure the delivery and receipt of Net Electrical Output for payment purposes. SELLER shall install primary and back-up meters and metering devices, subject to Article 10.3, as part of the Additional Interconnection Facilities; provided that such meters and metering devices shall be subject to PREPA's approval, which approval shall not be unreasonably withheld, conditioned or delayed, and which decision PREPA shall inform SELLER no later than fifteen (15) Days after SELLER's notice to PREPA regarding the installation of the proposed meters.

10.2 Meter Location and Inspection

All meters and metering equipment used to determine the Net Electrical Output delivered to PREPA shall be located at the point identified in Part I of Appendix B and sealed. The seals may only be broken by PREPA personnel when the meters are to be inspected, tested or adjusted. PREPA shall give SELLER ten (10) Days' prior notice thereof and SELLER shall have the right to have a representative present during the meter inspection, testing or adjustment. If either Party believes that there has been a meter failure or stoppage, it shall immediately notify the other Party to coordinate an inspection or test at the earliest convenient date.

10.3 Meter Testing and Calibration

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- (a) At least annually, at PREPA's cost and, in addition from time to time upon two (2) weeks' prior written notice by either Party at its cost (unless the results demonstrate that meters for which PREPA has operation and maintenance responsibility are outside the limits established in American National Standard Institute Code for Electricity Metering (ANSI C12.16, latest version: "ANSI C12.16"), in which case such additional tests shall be at PREPA's cost), PREPA will test and calibrate the meter(s), including backup meters, in accordance with the provisions for meter testing as established by ANSI C12.16. When, as a result of such a test, a meter is found to be within the range specified by the standard, no adjustment will be made to the amount paid to SELLER for Net Electrical Output delivered to PREPA. If the meter is found to be outside the range specified by the standard, (a) the meter shall be adjusted, repaired, replaced, and/or recalibrated as near as practicable to a condition of zero (0) error by the Party owning such defective or inaccurate device at that Party's expense; and (b) PREPA will use the backup meters to calculate the correct amount of Net Electrical Output delivered to PREPA for the actual period during which inaccurate measurements were made.
 - (b) If the actual period cannot be determined to the mutual satisfaction of the Parties, a period equal to the time elapsed since the most recent test, but in no case for a period in excess of six (6) Months will be used. If the backup meters are not available, or if the testing of the backup meters demonstrates that those meters are out of calibration, the meter readings shall be adjusted based on the corrected meter readings of the most accurate meter for the

actual period during which inaccurate measurements were made. If the actual period cannot be determined to the mutual satisfaction of the Parties, for a period equal to one half of the time elapsed since the most recent test, but in no case for a period in excess of six (6) Months will be used.


- (c) To the extent that the adjustment period covers a period of deliveries for which payment has already been made by PREPA, PREPA shall use the corrected measurements as determined in accordance with this Article 10.3 to recalculate the amount due for the period of the inaccuracy and shall subtract the previous payments by PREPA for this period from such recomputed amount. If the difference is a positive number, the difference shall be paid by PREPA to SELLER; if the difference is a negative number, that difference shall be paid by SELLER to PREPA or PREPA may offset such amounts against payments due to SELLER by PREPA hereunder. Payment of such difference by the owing Party shall be made not later than thirty (30) Days after the owing Party receives notice of the amount due, unless PREPA elects payment via an offset. Each Party shall comply with any reasonable request of the other Party concerning the sealing of meters, the presence of a representative of the other Party when the seals are broken and the test is made, and other matters affecting the accuracy of the measurement of electricity delivered from the Facility.

10.4 Meter Reading

For purposes of this Agreement, "**Billing Period**" shall be defined as a Month during the Base Period, provided that (a) the first such period shall begin on first Day of the Base Period and end on the final Day of the Month in which such Day occurs, and (b) the last such period shall begin on the first Day of the Month in which such Day occurs and end on final Day of the Base Period. During each one (1) Year period following the Initial Synchronization Date, PREPA shall read the meters at least twelve (12) times (prorated for any partial Year) to determine the amount of Net Electrical Output delivered to PREPA from the Facility for each Billing Period. At PREPA's option, PREPA may choose to read the meters more frequently and total such readings in accordance with the applicable Billing Periods. PREPA shall provide SELLER with a written statement containing the reading details and totals within ten (10) Days following the end of each Billing Period. SELLER shall be notified of any site meter readings and may, at its option, be present for such reading.

ARTICLE 11. PAYMENT AND BILLINGS

11.1 Invoicing

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- (a) On or before the fifteenth (15th) Day following the end of each Billing Period (or if later, within five (5) Days after SELLER receives the meter reading data pursuant to Article 10.4), SELLER shall provide PREPA with a written invoice for the Monthly Payment for such Billing Period, including the details of the applicable Net Electrical Output delivered to PREPA, any Deemed NEO, Expected NEO, Green Credits, Base Tariff, Contract Rate, Ancillary Services, Base Volume, information necessary to determine Facility performance versus Expected Annual NEO (including the sum of Expected NEO and NEO for each Time Interval to date in the relevant Agreement Year, as well as projections of Expected NEO and NEO based on forecasted Ambient Conditions through the end of such year), insurance payments, credits owing to PREPA and an itemized statement of all other charges under this Agreement, including any Reimbursement Installment, in each case as applicable to such Billing Period.

- (b) The undisputed portion of such invoice shall be paid by PREPA within forty-seven (47) Days after the end of the Billing Period. Interest shall accrue on the payments due to SELLER commencing on the Day after the date on which PREPA is required to make any such payment pursuant to the preceding sentence.
- (c) PREPA will charge all payments that it owes under this Agreement to PREPA's budget account number 01-2321-23235-000-000, and estimates that its costs under this Agreement will not exceed six hundred six million five hundred thousand (\$606,500,000) dollars. For the avoidance of doubt, the Parties have set out the expected account number and estimate of costs for informational purposes to satisfy the requirements of the Puerto Rico Office of the Comptroller. This paragraph does not bind the Parties or modify any other provision of this Agreement.

11.2 Payment Set-Off


Notwithstanding the payment requirements set forth in this Article 11.2, any amounts owed to a Party by the other Party pursuant to this Agreement that are not paid when due to the Party to whom they are owed, may, at the discretion of such obligee Party, be offset against the amounts due to the other Party from such obligee Party; provided that such amounts are undisputed or have been determined to be owed to the obligee Party by a final determination pursuant to Article 22.12; and provided, further, that the obligee Party shall provide the other Party with five (5) Business Days' advance written notice describing in reasonable detail the amounts to be set off before effecting any such set off.

11.3 Payment Method

Payments to a Party shall be made by wire transfer to an account with a bank to be specified by such Party in writing, which specification shall be notified to the other Party at least thirty (30) Days prior to the Initial Synchronization Date, or with such other banks as may thereafter be specified by a Party in writing at least ten (10) Days prior to the date in which payment is due. Either Party may, by written notice to the other, change the address to which such payments to the notifying Party are to be sent.

ARTICLE 12. TESTING AND INITIAL SYNCHRONIZATION

12.1 Capacity Limit



Subject to Article 4.3 and the following sentence, SELLER declares (but does not represent, warrant or covenant) that the maximum Generating Capacity of the Facility at commencement of commercial operations is expected to be approximately equal to the Nominal Capacity under reasonably expected Ambient Conditions. SELLER acknowledges and agrees that, to remain interconnected to the Grid System, the Net Power Output of the Facility at the Interconnection Point shall not exceed the Nominal Capacity at any time under any Ambient Conditions, unless required by the MTRs.

12.2 Testing

- (a) On or promptly after the Initial Synchronization Date, SELLER shall perform tests to verify that the Facility complies with each of the MTRs and other criteria set out in the Testing Protocol, establish the Generating Capacity and power curve of the Facility under various Ambient Conditions, and confirm that the maximum Net Power Output under any

such conditions does not exceed the Nominal Capacity (unless required by the MTRs), in each case in accordance with Testing Protocol (the "Performance Tests"). SELLER shall submit to PREPA, for evaluation and approval, such test reports certified by an experienced and duly qualified independent laboratory or company (which laboratory or company shall be subject to PREPA's approval, such approval not to be unreasonably withheld, conditioned or delayed, and which decision PREPA shall inform SELLER no later than thirty (30) Days after SELLER's notice to PREPA regarding the proposed laboratory or company) with expertise specialized in acceptance and other relevant tests of renewable power generating facilities (but not a manufacturer's test report) evidencing that the Facility meets each of the MTRs. The Performance Tests shall be monitored by and coordinated with PREPA's personnel, and the Parties may resolve disputes regarding Performance Tests by referral to a Consulting Technical Expert under Article 22.12(b). These tests shall be repeated whenever PREPA has a reasonable basis to conclude that the Facility is not in compliance with the MTRs. For the avoidance of doubt, manufacturer's test reports shall not be accepted as a means to comply with this requirement. SELLER shall provide PREPA with at least thirty (30) Days' advance written notice of all Performance Tests, field tests or other matters that PREPA is entitled to monitor hereunder. The Parties shall cooperate in good faith to determine mutually acceptable dates for such testing, and PREPA may monitor the performance of the tests.

- (b) If the Performance Tests of the Facility pursuant to paragraph (a) above establishes that the maximum Generating Capacity of the Facility (as adjusted for Ambient Conditions at the time of testing in accordance with the Testing Protocol and without exceeding the limits of the Approved Design) falls more than fifteen percent (15%) below the Nominal Capacity, or otherwise fails to comply with the MTRs or criteria set out in the Testing Protocol, then SELLER shall exercise its best efforts to improve the performance of the Facility, and the Parties shall repeat such tests as soon practicable until satisfying the MTRs and criteria set out in Testing Protocol.
- (c) If upon retesting the maximum Generating Capacity of the Facility demonstrated by Performance Tests (as adjusted for Ambient Conditions at the time of testing in accordance with the Testing Protocol and without exceeding the limits of the Approved Design) remains more than fifteen percent (15%) below the Nominal Capacity, then, as a condition to the occurrence of the Commercial Operation Date, PREPA shall receive a credit of \$200/kW for each kW of such Generating Capacity shortfall below eighty-five percent (85%) of the Nominal Capacity, as a liquidated damage, that PREPA can use to offset future payments under this Agreement, and the Parties shall amend the Nominal Capacity under this Agreement (and the Energy Yield Assessment Report) to reflect the results of such testing. SELLER acknowledges and agrees that such liquidated damage represents a fair and reasonable estimate of the loss which PREPA will suffer if such a Generating Capacity shortfall occurs, and accordingly hereby waives its right to dispute the validity of this Article 12.2(c).
- (d) Following the successful completion of the initial set of Performance Tests of the Facility:
1. SELLER shall notify PREPA in writing of the test results, the Base Design Capacity and the Commercial Operation Date by issuing a certificate thereof, signed by SELLER and the Consulting Technical Expert, confirming that (i) the Performances Tests demonstrate that the Facility meets all technical requirements for the Commercial Operation Date, and (ii) SELLER has obtained, and maintains in force, all material Permits required for the construction and operation of the

Facility. PREPA shall confirm and countersign such notification, such confirmation not to be unreasonably withheld, and if the demonstrated Base Design Capacity falls below the Nominal Capacity, then subject to Article 12.2(c) above, the Parties shall amend this Agreement to reduce the Nominal Capacity accordingly. PREPA shall issue its decision or confirmation and countersignature no later than fifteen (15) Business Days after SELLER's notification to PREPA of the certificate regarding the test results, Base Design Capacity and Commercial Operation Date.

2. SELLER shall submit to PREPA a revised PSS/E mathematical model that represents the as-built Facility. This PSS/E model shall include all necessary functionality to properly model the Facility for both steady-state and dynamic simulations. SELLER shall also submit a Facility PSS/E validation report. This report shall be focused on PSS/E simulation results that show the model MTR compliance and performance, based on final adjustment and parameter settings of MTR and commissioning field tests as required in this Agreement.

12.3 Completion of PREPA Interconnection Facilities

(a) On the Commercial Operation Date, SELLER:

1. shall execute and deliver to PREPA a deed, in a form reasonably acceptable to PREPA, under which, and hereby confirms that, it (i) transfers good and valid legal title to the PREPA Interconnection Facilities and PIF Land Rights to PREPA free and clear of all liens (other than those liens established in connection with the financing of the Facility) and any other Claims by third parties (including, where applicable, with respect to the PIF Land Rights, a Constitución de Servidumbre de Paso de Líneas Eléctricas y Otros Fines, Cesión Traspaso y Garantía or deed by notary public, as applicable, in each case in a form reasonably acceptable to PREPA), (ii) agrees that PREPA shall take over such facilities, (iii) releases, and forever discharges, PREPA and its respective officers, directors, agents, and employees, and all lands, PIF Land Rights, chattels and other real and personal property connected with or a part of the site of the PREPA Interconnection Facilities from any and all contractual liens and any other liens arising by operation of Applicable Law or otherwise in connection with, or arising out of, the performance of SELLER's obligations under this Agreement, and (iv) specifically waives and releases any lien, right, security interest or encumbrance of any kind in connection with this Agreement, the Interconnection Construction Contract or Applicable Law, established by SELLER, its contractors at any tier, materialmen, laborers and all other persons or entities furnishing services, labor or materials in connection with SELLER's obligations under this Agreement and all other interests therein and all improvements and materials placed on such site or machinery furnished in connection with such work; and
2. hereby represents and warrants to PREPA that (i) the design, engineering, procurement, construction and completion of the PREPA Interconnection Facilities conform in all material respects with this Agreement, the Approved Design and all Applicable Law; (ii) the PREPA Interconnection Facilities are fit for their intended purpose and free from material defects and deficiencies of any kind, and designed, engineered and constructed in accordance with those practices, methods, techniques, standards and procedures which are generally accepted and

followed by prudent, diligent, skilled and experienced contractors with respect to the procurement, erection and installation of equipment at, and the engineering, design and construction of, electrical transmission lines of a similar nature and magnitude; (iii) PREPA owns good and valid title to the entirety of the PREPA Interconnection Facilities and PIF Land Rights free and clear of any lien (other than those liens established in connection with the financing of the Facility) or Claim and SELLER has not received nor become aware of any notice of intention to claim a lien, or proceeding to establish a lien, arising out of or in connection with such facilities or SELLER's work related thereto; and (iv) SELLER has complied with the requirements of Part IV of Appendix B.

- (b) From the Commercial Operation Date until seven hundred thirty (730) Days thereafter (the "**Defects Liability Period**"), SELLER shall repair or replace any defect of any part of the PREPA Interconnection Facilities (and any physical damage to any other part caused thereby), which may appear during the Defects Liability Period, excluding any defects resulting from PREPA's errors, omissions, negligence, violation of Applicable Law or of the terms of this Agreement. For any portion of such facilities which SELLER repairs or replaces during the Defects Liability Period, the Defects Liability Period for such portion shall extend until the later of (i) the end of the applicable manufacturer's warranty period corresponding to the equipment that is repaired or replaced, if any, (ii) one hundred eighty (180) Days after the date on which SELLER completes such repair or replacement and (iii) the end of the initial Defects Liability Period. If any defect or damage appears during the Defects Liability Period, PREPA shall, promptly after becoming aware thereof, notify SELLER thereof. As soon as reasonably practicable after receiving notice of such defect or damage from PREPA, SELLER shall commence all repair or replacement work required to rectify such defect and/or damage. In the event that SELLER fails to carry out, or commence, such repair or replacement work, PREPA shall have the right to engage and pay other persons to carry out the same and all reasonable, documented costs incurred by PREPA in connection therewith shall be recoverable from SELLER and may, at the election of PREPA, be deducted from any monies due or that become due to SELLER under this Agreement or drawn on the Operation Security. SELLER shall procure that the contractor under the Interconnection Construction Contract obtains warranties for equipment used in such construction works from the respective manufacturers. Unless agreed with PREPA, SELLER shall ensure that such warranties extend for at least the Defects Liability Period with respect thereto and shall obligate any such manufacturer to rebuild, remove and replace any equipment supplied by such manufacturer which has a defect or deficiency, in each case in a manner and on terms and conditions substantially similar to those contained herein. The installation of all materials used in the construction of the PREPA Interconnection Facilities shall be in strict accordance with any relevant manufacturer's requirements. In the event that a manufacturer fails to honor its warranty based in whole or in part on a claim of defective installation, SELLER shall be liable for the cost of the associated removal, replacement, rebuilding and repair. SELLER shall perform all work contemplated by this paragraph (b) at its own cost.

ARTICLE 13. LIABILITY

13.1 General

From and after the Commercial Operation Date, each Party shall be responsible for the energy and facilities, located on its respective side of the Interconnection Point. The Net Electrical Output made available by SELLER to PREPA under this Agreement shall become the property of PREPA

at the Interconnection Point at which point title to the Net Electrical Output and all risk of loss associated to such energy is transferred to PREPA, and, except as provided in Article 13.2 below, SELLER shall not be liable to PREPA for loss or damage to PREPA's generation, transmission, and distribution system, resulting directly or indirectly from the use, misuse or presence of said energy once it passes the Interconnection Point.

13.2 Foreseeable Damages

Each Party shall be liable for all foreseeable damages suffered by the other as a necessary consequence of SELLER or PREPA's respective negligent performance or omissions or failure to perform its respective obligations under this Agreement, including during any cure period in accordance with Article 16, as stated under Article 1060 of the Puerto Rico Civil Code, subject to the terms of Article 13.3 below.


13.3 No Liability

Notwithstanding anything to the contrary in this Agreement, neither Party nor its officers, directors, agents, employees and representatives shall in any event be liable to the other Party or its officers, directors, agents, employees or representatives for Claims for incidental, consequential or indirect damages to persons or property, whether arising in tort, contract or otherwise, connected with or resulting from performance or non-performance under this Agreement including without limitation, Claims made by either Party's customers or suppliers, or Claims made by third parties, or Claims made by either Party for lost profits (except payments specifically provided for in Article 11), provided, however, that the payments described in Article 8.4, 8.7, 12.2, 14.3, and 14.4, shall not be subject to the restrictions set forth in this Article 13.3.

13.4 Obligation to Pay

Nothing in this Article 13 shall relieve either Party of its obligation to make payments that become due pursuant to Article 11.

13.5 Liability Cap



SELLER's liability to PREPA under this Agreement, whether based on contract, warranty or tort, including errors or omissions, negligence, indemnity (including without limitation the indemnity provisions set forth in Article 14 hereof), strict liability or otherwise, or any other claim or cause of action, with respect to any and all Claims or causes of action shall not exceed the amount (the "**SELLER Liability Cap**") equal to (a) prior to the expiration of the Defects Liability Period, the Reimbursement Amount, and (b) after the expiration of the Defects Liability Period, the amount of the Operation Security; provided, however, that SELLER's liability for payment of any amounts under Article 8.7, Article 12.2(c), Article 14.3, Article 14.4(b) and Article 16.2, or for which SELLER receives (or would have received had it complied with the terms of this Agreement) insurance proceeds, shall not be subject to the SELLER Liability Cap.

ARTICLE 14. INDEMNIFICATION

14.1 General

Subject to the provisions of this Article 14, each Party (the "**Indemnifying Party**") shall indemnify and hold harmless the other Party and each of its Indemnitees from and against any and all damages, Claims, losses, liabilities, actions, causes of action, costs, expenses and obligations (including all

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attorneys' fees) whether arising in contract, tort or otherwise to third parties for or on account of injury, bodily or otherwise, or death of persons or for damage to or destruction of third party property, in each case to the extent resulting from or arising out of the Indemnifying Party's violation of law, negligence, willful misconduct or failure to perform under this Agreement.

14.2 Notice of Claim

In the event any Party to this Agreement receives notice of any Claim or cause of action for which such Party elects to assert a right of indemnification and of being held harmless from the other Party, the Party receiving such notice must give prompt written notice to the other Party of the claim. The Party required to give the indemnification and hold harmless under the terms and provisions of this Agreement will have control of the defense of any such Claim or cause of action (except to the extent prevented by any legal conflict of interest) including the selection of counsel to handle same. In addition to the counsel so selected, the Party being indemnified and held harmless shall be entitled to be represented by counsel of his or its own choosing but, in such event, the cost and expense of said additional counsel shall be borne by the indemnitee.

14.3 Claims Arising from Environmental Harm

As of the Effective Date and for the Term, SELLER shall indemnify and hold harmless PREPA for any and all judgments (including expenses such as reasonable costs and attorneys' fees) required to be incurred by PREPA as a result of Claims of any nature whatsoever resulting from any environmental harm due to the actions of SELLER or SELLER's agents or employees in the design, planning, construction or operation of the Facility or the PREPA Interconnection Facilities or arising as a result of the presence at the Facility of pollutants, hazardous substances, materials or wastes in excess of amounts and concentrations permitted by Applicable Law then in effect. In the event SELLER fails to reimburse PREPA for such expenses within thirty (30) Days of receipt of written notice from PREPA stating that such expenses were incurred, PREPA may offset the amount of such expenses against amounts due SELLER from PREPA under this Agreement. In the event SELLER disputes that claimed expenses are due to the actions of SELLER or SELLER's agents, such dispute shall be resolved pursuant to Article 22.12.

14.4 Delay Liquidated Damages

If the Commercial Operation Date does not occur by the Guaranteed Commercial Operation Date, then:

(a) if the Commercial Operation Date would have occurred by the Guaranteed Commercial Operation Date but for PREPA's failure to complete one or more of its obligations under Article 4 or Article 9 by the required time, without giving effect to any extension otherwise permitted under Article 4.5 with respect to a PREPA act or omission, then PREPA shall pay to SELLER, as SELLER's sole and exclusive remedy in respect of such delay, an amount equal to:

1. for each Day of delay after the Guaranteed Commercial Operation Date until the earlier to occur of (i) the Day that PREPA completes such obligation(s), and (ii) the Long-Stop Date, the product of (A) \$0.125/kW *multiplied by* (B) the Nominal Capacity; and
2. for each Day of delay after the Long-Stop Date until the earlier to occur of (i) the Day that PREPA completes such obligation(s), and (ii) the Termination Date, the

product of (A) the Base Tariff *multiplied by* (B) the Expected NEO for such Day, determined in accordance with Appendix F;

in each case, as liquidated damages (the "**PREPA Delay LDs**"); provided that (x) upon the occurrence of Commercial Operation Date, if the Base Design Capacity established by the initial Performance Tests falls below Nominal Capacity, as applicable thereof, then the Parties shall reduce the PREPA Delay LDs, and SELLER shall credit PREPA's account for any overpayment, according to the ratio that such Base Design Capacity bears to the Nominal Capacity; and (y) the Term shall be reduced by one (1) Day for each Day that PREPA pays PREPA Delay LDs under Article 14.4(a) (2); and

- (b) other than in respect of any Day for which PREPA owes PREPA Delay LDs in accordance with Article 14.4(a), for each Day of delay after the Guaranteed Commercial Operation Date until the earlier of (i) the Commercial Operation Date, and (ii) the Long-Stop Date, SELLER shall pay to PREPA, as PREPA's sole and exclusive remedy in respect of such delay, an amount equal to the product of (i) \$0.125/kW *multiplied by* (ii) the Nominal Capacity, as liquidated damages (the "**SELLER Delay LDs**").

Each Party acknowledges and agrees that the PREPA Delay LDs and SELLER Delay LDs set forth in this Article 14.4 represent a fair and reasonable estimate of the losses which SELLER and PREPA will respectively suffer if the Commercial Operation Date does not occur by the Guaranteed Commercial Operation Date, and accordingly hereby waives its right to dispute the validity of this Article 14.4.

ARTICLE 15. FORCE MAJEURE

15.1 Definition

"Force Majeure" means any event beyond the reasonable control of the affected Party (the "**Affected Party**") not resulting from the fault or negligence of the Affected Party claiming the Force Majeure. Except as provided in Article 15.4, the Affected Party claiming the Force Majeure shall be excused from performing hereunder and shall not be liable for damages or otherwise to the extent the non-performance or inability to perform is due to a Force Majeure event. The burden of proof as to whether a Force Majeure event has occurred and caused a non-performance or inability to perform shall be on the Affected Party claiming the Force Majeure. The suspension of performance shall be of no greater scope and of no longer duration than is required by the Force Majeure event, consistent with Prudent Utility Practices. Notwithstanding anything to the contrary in this Article 15.1 or Article 15.2, Force Majeure shall not include any promulgation by the Department of Energy of implementation rules for the Bulk-Power System EO after the Effective Date.

15.2 Instances of Force Majeure

Provided that the provisions of Article 15.1 are met, Force Majeure events may include the following: acts of God, strikes, industrial disturbances, acts of public or foreign enemy, war, blockades, boycotts, riots, insurrections, epidemics, earthquakes, storms, sabotage, works to rule, go-slows and other public agitation, other than by employees of the Affected Party or its contractors or suppliers; invasion, terrorism, rebellion, plague, lightning, hurricane, natural calamity, floods, civil disturbances, lockouts, fires, serial defects, explosions, interruptions of services due to the act or failure to act of any Governmental Authority (other than PREPA); Pending Permit Delays (provided that the Affected Party's performance may be excused for no more than three hundred sixty-five (365) Days); and failure of any subcontractor or supplier of the Affected Party to perform

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as a result of an event that would constitute a Force Majeure hereunder. Notwithstanding the foregoing, for so long as PREPA or the transferee pursuant to a Transfer under Article 20.2 is controlled by a Governmental Authority of the Commonwealth of Puerto Rico, PREPA or such transferee shall not be able to claim directly, or by or through a contractor or subcontractor, Force Majeure for acts or failures to act by any Governmental Authority of the Commonwealth of Puerto Rico or any subsidiary thereof except to the extent that the act or omission of such Governmental Authority is caused by, arises in connection with or is related to an independent Force Majeure.

15.3 Notice

A Party claiming excuse due to Force Majeure shall, within ten (10) Days after the occurrence of the Force Majeure, give the other Party written notice describing the particulars of the occurrence and, if possible, its estimated duration and shall diligently use all commercially reasonable efforts, consistent with Prudent Utility Practices, to remedy its inability to perform and resume its performance under this Agreement; provided that this obligation shall not require the settlement of any strike, walkout or other labor dispute on terms which, in the sole judgment of the Party involved in the dispute are contrary to its best interest.

15.4 Consequences

Subject to Article 8.4(a), neither Party shall be excused by reason of Force Majeure from the obligation to make any payments, when due, to the other Party.


15.5 Disputes

If a Party Disputes the other Party's claim of Force Majeure, such Dispute shall be resolved pursuant to Article 22.12.

ARTICLE 16. TERMINATION

16.1 Termination Date

Subject to Article 16.3, this Agreement shall terminate on the earliest date (the "**Termination Date**") to occur of the following:

- 
- (a) expiration of the Term of this Agreement as provided in Article 5;
 - (b) the date of mutual written consent of the Parties;
 - (c) the date identified in a written notice by the non-defaulting Party following the occurrence of a Breach under Article 17, provided that (i) such date shall occur no earlier than thirty (30) Days after the issuance of such notice, and (ii) if such Breach is curable, (A) it remains uncured on the identified date and (B) such date shall be extended by up to ninety (90) Days after the issuance of such notice so long as the Party in Breach diligently pursues a cure;
 - (d) the date identified by PREPA in a written notice following any failure by SELLER to achieve the FNTP Date by the Guaranteed FNTP Date; or
 - (e) the date that SELLER's liability to PREPA under this Agreement with respect to any and all Claims or causes of action equals or exceeds the SELLER Liability Cap, unless

SELLER agrees to increase the SELLER Liability Cap and the amount of the Operation Security, if applicable, by the same amount to avoid termination.

The deadlines in sub-paragraphs (c) and (d) shall each be extended on a day-for-day basis for any delay in achieving such deadline due to a Force Majeure event, Legal Challenge or any delay caused by any act or omission of the Party seeking to terminate this Agreement, but in no event longer than forty-eight (48) Months (notwithstanding Article 4.5), as extended by any delay caused by any act or omission of the Party seeking to terminate this Agreement. With the exception of item (c) dealing with termination following the occurrence of a Breach, the termination of this Agreement pursuant to the above items shall not give rise to liability or other obligation against either Party.

16.2 Reimbursement to PREPA

If PREPA terminates this Agreement in accordance with Article 16.1 as a result of a Breach under Article 17.1(b)1, 17.1(b)2, 17.1(b)3 or 17.1(b)4, then SELLER shall, within thirty (30) Days following such termination, reimburse PREPA for any and all costs and expenses incurred by PREPA in connection with the PREPA Interconnection Facilities pursuant to Article 4.4(c) and Article 4.6, failing which PREPA shall have the right to draw on the Operation Security for such amount.

16.3 No Discharge of Obligations

Cancellation, expiration or earlier termination of this Agreement shall not relieve the Parties of obligations incurred prior to, or as a result of, such cancellation, expiration or earlier termination of this Agreement, which by their nature should survive such events, including this Article 16.3. Articles 6.8, 8.7, 8.9, 13, 14, 15, 16, 17.3, 19.1, and 22 shall survive the Terminate Date, provided that Articles 6.8 and 14 shall expire one (1) year and two (2) years after the Termination Date, respectively. Without limiting the foregoing, termination of this Agreement shall not discharge either Party hereto from any Claim or obligation it owes to the other Party under this Agreement by reason of any transaction, loss, cost, damage, expense or liability which shall occur or arise (or the circumstances, events, or basis of which shall occur or arise) prior to the Termination Date. It is the intent of the Parties hereby that any such Claim or obligation owed (whether the same shall be known or unknown at termination or whether the circumstances, events or basis of the same shall be known or unknown at termination) shall survive the Termination Date. Except as otherwise expressly contemplated by this Agreement, any indebtedness by either Party to the other shall be considered payable within ninety (90) Days after the Termination Date.



16.4 Removal of Facility and Related Equipment

Following the Termination Date, SELLER shall be entirely responsible (at its sole cost, risk and expense) for owning, operating, maintaining and ultimately removing the Facility and related equipment at the end of their useful life in accordance with all Applicable Laws.

ARTICLE 17. BREACH OF AGREEMENT, DELAYS AND SECURITY

17.1 Definition

A "**Breach**" of this Agreement shall be deemed to exist upon any of the following events:

- (a) A default by a Party in the due and punctual payment of any monetary amount to be paid to the other Party when and as the same becomes due and payable, and the same is not

cured within ten (10) Days after the date on which the defaulting Party receives written notice from the other Party of such failure, other than disputed amounts, which shall be subject to determination under Article 22.12;

- (b) for SELLER only as the defaulting Party,
 - 1. failure to complete and test the Interconnection Facilities by the Guaranteed Interconnection Date, as evidenced by issuance of the IF Completion Notice;
 - 2. the non-occurrence of the Commercial Operation Date by the Long-Stop Date;
 - 3. the occurrence of a Development Abandonment;
 - 4. the occurrence of a Permanent Closing;
 - 5. the aggregate Net Electrical Output during any three (3) consecutive Agreement Years falls below seventy percent (70%) of the aggregate Expected Annual NEO for such years; or
 - 6. failure to deliver or maintain the Operation Security in accordance with Article 17.3; and
- (c) a default in any material respect by a Party in the performance of, or in compliance with, any of the other material terms, covenants, or conditions contained in this Agreement, and the same is not cured within one hundred twenty (120) Days after the date on which the defaulting Party receives written notice from the non-defaulting Party of such failure, or such longer period (not to exceed an additional cure period of one hundred fifty (150) Days if the default is capable of being cured and the defaulting Party is diligently pursuing such cure),

provided in each case that such event shall not become a Breach if it results from (i) other than in respect of a Permanent Closing under paragraph (b)4 of this Article 17.1, the occurrence of a Force Majeure, or (ii) a breach by the non-defaulting Party of the provisions of this Agreement.

17.2 Remedies and Disputes

Upon the occurrence of a Breach, the non-defaulting Party shall be entitled to invoke its remedies under this Agreement and/or under Applicable Law. Any Disputes in connection with the existence of a Breach shall be resolved the matter in the manner prescribed in Article 22.12.

17.3 Operation Security

- (a) No later than the FNTF Date, SELLER shall provide to PREPA, at SELLER's sole expense, an irrevocable direct pay letter or letters of credit issued by a Qualified Bank, or a guaranty provided by a guarantor with an investment grade credit rating as determined by Moody's or Standard and Poor's, which such issuing bank or guarantor and forms of letter of credit or guaranty shall be subject to PREPA's approval, such approval not to be unreasonably withheld, conditioned or delayed (which decision PREPA shall provide SELLER no later than fifteen (15) Business Days after SELLER's notification to PREPA of the proposed letter of credit or guaranty), in each case in the amount of:

1. prior to the Commercial Operation Date, the sum of (i) the maximum amount of SELLER Delay LDs under Article 14.4(b) (i.e., the product of \$0.125/kW *multiplied by* the Nominal Capacity *multiplied by* one hundred eighty (180) Days) and (ii) the product of \$30.00/kW *multiplied by* the Nominal Capacity of the Facility (expressed in kW); and
2. from and after the Commercial Operation Date, the product of \$30.00/kW *multiplied by* the Nominal Capacity of the Facility (expressed in kW),

(the "Operation Security").

- (b) If the Nominal Capacity is increased in accordance with the terms of this Agreement, SELLER agrees to increase the Operation Security by the amount equal to (i) prior to the Commercial Operation Date, PREPA's additional cost to construct the PREPA Interconnection Facilities resulting from such increase, and (ii) from and after the Commercial Operation Date, the product of \$30.00/kW *multiplied by* the incremental increase to the Nominal Capacity of the Facility.
- (c) The Operation Security shall be maintained until sixty (60) Days after the Term of this Agreement, provided that (i) if the Operation Security will expire or cease to exist prior to the end of the Term, then SELLER shall provide a replacement Operation Security in compliance with Article 17.3(a) above at least thirty (30) Days prior to such expiration, and (ii) if the issuer of the Operation Security ceases to meet the requirements of Article 17.3(a) above, then SELLER shall provide a replacement Operation Security from a Qualified Bank or qualifying guarantor, as applicable, at least twenty (20) Days after becoming aware of such event.
- (d) Upon a Breach under Article 17 by SELLER, PREPA may draw from the Operation Security required above to offset any damages PREPA may be entitled to under this Agreement; provided that, other than a Breach under Articles 17.1(b)2 or 17.1(b)6, PREPA either obtains (a) the written agreement of SELLER to the level of such damages (after giving effect to the deduction of any amounts which SELLER asserts are due and payable to it from PREPA but remain unpaid), or (b) obtains a judgment pursuant to the Dispute resolution mechanism provided in Article 22.12 requiring that SELLER pay such amount to PREPA free of any escrow or similar security arrangement. If the Operation Security will expire or cease to exist prior to such agreement or judgment, or if SELLER fails to provide a replacement Operation Security in accordance with Article 17.3(c) above, then PREPA may draw from the Operation Security an amount equal to the lesser of (i) PREPA's Claim, and (ii) the remaining undrawn face amount of the Operation Security (after giving effect to the deduction of any amounts which SELLER has asserted to PREPA, on or before the date of such drawing, are due and payable to it from PREPA but remain unpaid); provided that PREPA places the amount so drawn in an escrow account in a bank, and pursuant to escrow arrangements reasonably acceptable to SELLER, until the appropriate amount of damages due to PREPA (after giving effect to the aforesaid deductions, if any) is determined or, if earlier, until a replacement Operation Security is provided to PREPA (upon which issuance of a replacement Operation Security, the amounts deposited in the escrow account shall immediately be released to SELLER). Following such agreement or determination, PREPA may draw from the escrow account (or from any replacement Operation Security) and retain amounts equal to the amount of damages, if any, determined in the aforesaid manner to be due to PREPA, and PREPA shall deliver to SELLER all amounts remaining in the escrow account, if any. The costs of such

escrow account shall be borne by PREPA. Drawing under the Operation Security shall not be the exclusive remedy available to PREPA.

ARTICLE 18. TAXES AND ENVIRONMENTAL COSTS

18.1 Costs Arising from Changes

- (a) For purposes of this Agreement, "**Taxes**" shall mean any and all taxes, fees or other charges of any nature, excluding income taxes and repatriation (tollgate) taxes, that are imposed or assessed on or as a result of the ownership or operations of the Facility by a Governmental Authority responsible for implementing tax laws, rules, regulations or orders. "**Environmental Costs**" shall mean any and all fixed and variable costs incurred by SELLER resulting from the imposition or assessment on or as a result of the ownership or operations of the Facility by Applicable Law relating to the environment issued by a Governmental Authority. "**Post-Effective Date Taxes**" shall mean all Taxes resulting from Applicable Law enacted, approved or issued after the Effective Date. "**Post-Effective Date Environmental Costs**" shall mean all Environmental Costs resulting from Applicable Law enacted, approved or issued after the Effective Date.
- (b) SELLER shall be responsible for all income taxes, repatriation (tollgate) taxes, Taxes and Environmental Costs applicable to the construction and operation of the Facility; provided that, subject to Article 18.2, PREPA shall reimburse SELLER for all additional costs (net of cost reductions) resulting from changes in the payments of Taxes by SELLER that are the result of the enactment of Post-Effective Date Taxes and for all changes in SELLER's Environmental Costs that are the result of the enactment of Post-Effective Date Environmental Costs, all applicable to SELLER by reason of the ownership or operation of Facility for the purpose of the sale by SELLER to PREPA of Net Electrical Output (collectively called "**Changes**"). Such Changes payable by PREPA according to the foregoing shall be paid to SELLER by an equitable adjustment to the Base Tariff on a per kWh basis over the remainder of the Term.

18.2 Tracking Account

- (a) All such Changes paid by PREPA according to the preceding Article 18.1, shall be recorded in an unfunded tracking account to be maintained by PREPA. SELLER shall be entitled, upon reasonable notice and during business hours, to audit PREPA's records reflecting the balance in the tracking account and to identify and object to any error in such calculations. If the Parties are unable to agree on an adjustment to the balance in the tracking account within thirty (30) Days of PREPA's receipt of SELLER's objection, then such matter may be referred to dispute resolution by either Party pursuant to Article 22.12.
- (b) If there is a balance in the tracking account at the end of the twenty second (22nd) Agreement Year ("**Balance**"), SELLER agrees that PREPA may withhold up to fifty percent (50%) of the amounts due in each Billing Period thereafter. The retained amount shall be subtracted from the Balance provided such amount is undisputed or determined to be owed pursuant to a final determination pursuant to Article 22.12. This Monthly retention shall be eliminated when the Balance equals zero; provided that if any portion of the Balance has not been repaid at the end of the twenty-fifth (25th) Agreement Year plus any extension as per Article 5, PREPA shall have the option to extend the Term for up to an additional two (2) Agreement Years as necessary to repay the Balance plus Interest by applying such Monthly retention as set forth above. If there is a deficit in the tracking

account at the end of the twenty-fifth (25th) Agreement Year, an amount sufficient to compensate SELLER for such deficit shall be paid by PREPA to SELLER within forty-seven (47) Days provided such amount is undisputed or determined to be owed pursuant to a final determination pursuant to Article 22.12. In the event this Agreement is terminated according to Article 16, and there is a balance in the tracking account ("**Termination Balance**"), such Termination Balance plus Interest shall be paid to PREPA within thirty (30) Days of the Termination Date provided such amounts are undisputed or determined to be owed pursuant to a final determination pursuant to Article 22.12. Notwithstanding, during the Term of this Agreement and before any termination of this Agreement takes place, SELLER shall have the option to prepay all or any portion of the Balance or the anticipated Termination Balance, if applicable, at any time or from time to time.

- (c) The Parties agree that payments or credits by PREPA for Changes as a result of a Post-Effective Date Tax or a Post-Effective Date Environmental Cost shall be subject to an annual Fiscal Year audit and shall be properly adjusted if applicable. Both Parties shall be entitled to participate in such audit.

18.3 Other Fees

SELLER will promptly pay and discharge all lawful Taxes, assessments and governmental charges or levies imposed upon it or in respect of all or any part of its property or business, all trade accounts payable in accordance with usual and customary business terms, and all Claims for work, labor or materials which, if unpaid, might become a lien or charge upon any of its property; provided, however, that SELLER shall not be required to pay any such tax, assessment, charge, levy, account payable or Claim if: (a) the validity, applicability or amount thereof is being contested in good faith by appropriate actions or proceedings which will prevent the forfeiture or sale of any property of SELLER or any material interference with the use thereof by SELLER, and (b) SELLER shall set aside on its books reserves deemed by it to be adequate with respect thereto. PREPA shall pay or cause to be paid all taxes, fees and other charges of any nature on or with respect to the Net Electrical Output at and from the PREPA Interconnection Facilities, including, without limitation, taxes, fees or other charges of any nature assessed on or with respect to the purchase and sale of the Net Electrical Output at the Interconnection Point (including, without limitation, sales tax, excise tax, municipal license tax and value-added tax).

ARTICLE 19. INSURANCE

19.1 Insurance Requirements

SELLER shall, directly or through the contractors under the Facility Construction Contract and the Interconnection Construction Contract, obtain and maintain in full force and effect from, unless otherwise expressly stated, the FNTP Date and during the Term of this Agreement and thereafter as provided herein policies of insurance covering all operations engaged in by this Agreement, which shall be formally agreed with an insurance company authorized to do business in Puerto Rico, and to that effect it shall provide in original certificates of insurance and endorsements as follows:

- (a) Workman's Compensation Insurance as required by the Workmen's Compensation Act of the Commonwealth of Puerto Rico. SELLER and its contractors shall also be responsible for compliance with said Workmen's Compensation Act by all subcontractors, agents, and invitees. SELLER shall furnish PREPA a certificate from the State Insurance Fund showing that all personnel employed in the work are covered by the Workmen's

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Compensation Insurance, in accordance with this Agreement. Imported technical personnel are exempted, as per Act of May 16, 1958 No 16. SELLER shall furnish evidence of such exemption and certificate from the insurance carrier covering said personnel.

- (b) Commercial General Liability Insurance with limits of \$1,000,000 per occurrence and \$2,000,000 aggregate. There shall be no endorsement or modification of the such insurance limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground property damage. Continuing such insurance shall cover liability arising from products completed operations and liability assumed under an insured contract for at least three (3) years following substantial completion of the work.
- (c) Automobile Liability Insurance with limits of \$1,000,000 combined single limit covering all owned, non-owned and hired automobiles.
- (d) Excess Umbrella Liability Insurance with limits of \$4,000,000 per occurrence in excess of the limits of insurance provided in Article 19.1(c) above.
- (e) All Risk Physical Damage Property Insurance, including machinery coverage to cover all real and personal property of SELLER (including earthquake and hurricane occurrence) to one hundred percent (100%) of replacement cost to the extent available on commercially reasonable terms as determined by SELLER and subject to a reasonable deductible, which shall be the total responsibility of SELLER. This policy of insurance shall be placed into effect on the Commercial Operation Date. The insurance as required in this Article 19.1(e) shall cover work at the Site and shall also cover portions of the work located away from the Site and portions of the work in transit. The policy shall include as insured property scaffolding, false work, and temporary buildings located at the Site.
- (f) Builder's Risk Insurance for the entire work, written in an amount equal to the total contract sum as well as subsequent modifications of that sum. The insurance shall apply on a replacement cost basis and coverage shall be written on a completed value form as follows:
 - 1. The insurance as required above shall be written to cover all risks of physical loss except those specifically excluded in the policy, and shall inure at least against the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft, vehicles, riot, civil commotion, theft, vandalism, malicious mischief, earthquake, and collapse.
 - 2. Any deductible applicable to the insurance purchased in compliance with this requirement shall be paid by SELLER.
 - 3. Waiver of Subrogation. SELLER and its contractors shall waive all rights against PREPA and its officers, directors, agents, and employees for recovery for damages caused by fire and other perils to the extent covered by builder's risk or property insurance purchased pursuant to the requirements of this Agreement, or any other property insurance applicable to the work.
- (g) Employer's Liability Insurance with minimum bodily injury limits of \$1,000,000 for each employee and \$1,000,000 for each accident, covering against the liability imposed by law upon SELLER as a result of bodily injury, by accident or disease, including death arising out of and in the course of employment, outside of and in the course of employment, and outside of and distinct from any claim under the Workmen's Compensation Act of the Commonwealth of Puerto Rico.

- (h) Business Interruption Insurance with respect to the Facility to include business interruption/loss of income for at least twelve (12) Months, with a waiting period of no more than thirty (30) Days, an extended period of indemnity of an additional ninety (90) Days, and coverage for extra expense incurred during any period of interruption based on actual loss sustained. This policy of insurance shall be placed into effect on the Commercial Operation Date.

19.2 Requirements for the Insurance Policies

The Commercial General Liability Insurance and Automobile Liability Insurance required under Article 19.1 shall be endorsed to include:

- (a) As Additional Insured, using ISO Additional Insured Endorsement CG 20 26 11 85 or a substitute providing equivalent coverage:

Puerto Rico Electric Power Authority
Risk Management Office
PO Box 364267
San Juan, PR 00936-4267


- (b) A thirty (30) Days' cancellation or nonrenewable notice to be sent by certified mail with return receipt to the above address.
- (c) An endorsement including this Agreement under contractual liability coverage and identifying it by number, date and the Parties.
- (d) Waiver of Subrogation in favor of PREPA.
- (e) The breach of any of the Warranties or Conditions in these policies by SELLER shall not prejudice PREPA's rights under this policy.

ARTICLE 20. ASSIGNMENT

20.1 Restriction on Assignment

Except as otherwise provided in this Article 20, this Agreement shall not be assigned or transferred by either Party without the prior written consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Any attempt to assign this Agreement without the prior written consent of the corresponding Party shall be void. For the avoidance of doubt, the failure of PREPA to respond to any request by SELLER for consent to assignment pursuant to this Article 20.1 shall not be deemed or construed as an acceptance or consent to such proposed assignment.

20.2 PREPA's Right to Assign

 The Parties acknowledge that PREPA is undergoing a transformation process, and therefore agree that, after the front-end transition period of a Partnership Contract, Sale Contract, or any other PREPA Transaction (as these terms are defined in Act 120-2018), PREPA may sell, assign, convey, transfer, pledge, mortgage, sublease, delegate, hypothecate, or otherwise dispose (each, a "Transfer") any of its rights, title, or interest in this Agreement as permitted by Applicable Law and at any time, without SELLER's consent, and without cost, expense, or incremental liability to

PREPA, to a T&D Operator or to any Governmental Authority of Puerto Rico; provided that PREPA shall notify SELLER no later than thirty (30) Days before the effective date of any such Transfer. Unless otherwise agreed by PREPA, following the Transfer, PREPA shall be released from all obligations under this Agreement to the extent such transferee assumes such obligations in writing.

20.3 SELLER's Right to Assign

SELLER shall have the right to assign this Agreement without PREPA's consent to the Project Lenders as collateral security in order to obtain financing or other funding. PREPA agrees to execute and deliver an agreement consenting to any assignment as collateral security in favor of the Project Lenders containing terms and conditions that are customary for transactions of this kind. PREPA agrees to cooperate in good faith in this regard and to provide other customary and reasonable documents and acknowledgments as the Project Lenders may reasonably request in connection with the financing of the Facility, including a direct agreement or consent to assignment in accordance with this Article 20.3 and a legal opinion addressed to the Project Lenders with respect to due authorization and capacity of PREPA to enter into such agreement or consent, in each case as reasonably acceptable to PREPA, provided that SELLER shall reimburse PREPA for the cost of negotiating and providing such documents, acknowledgments, opinions and agreements. In addition, SELLER shall have the right to assign this Agreement to any agent, trustee or other Person (including any corporation or partnership) representing the Project Lenders under the financing documents. If SELLER shall assign this Agreement as collateral security pursuant to this Article 20.3, then so long as the secured obligations, or any consolidation, modification or extension of such obligation shall remain outstanding, the following provisions shall apply:

- (a) Following receipt by PREPA of written notice of such assignment, PREPA shall, if serving notice of Breach to SELLER pursuant to the provisions of this Agreement, also serve a copy of such notice of Breach upon the assignee, at the address provided in the notice of assignment.
- (b) From and after the date that such notice has been given to an assignee, said assignee shall have thirty (30) Days to remedy an alleged Breach or, if SELLER is given an additional period of time to remedy such Breach, such an extended period for remedying or commencing the remedy of the alleged Breach, or causing the same to be remedied, equal to thirty (30) Days in addition to the cure period given to SELLER pursuant to the terms of this Agreement (or such additional period as PREPA may agree with, and for the benefit of, the Project Lenders).
- (c) PREPA shall accept such performance by or on behalf of such assignee as if the same had been done by SELLER. If SELLER is in Breach of the obligations secured by any assignment of this Agreement, then PREPA shall, on notice from the Project Lenders, make any payments due under this Agreement to the Project Lenders and accept any performance of any obligations, whether or not there has been a Breach or default, from the Project Lenders.
- (d) The making of an assignment pursuant to the preceding provisions of this Article 20.3 shall not be deemed to constitute an assignment or transfer of this Agreement, nor shall any assignee referred to above, as such, be deemed to be an assignee or transferee of this Agreement so as to require such assignee, as such, to assume the performance of any of the terms and conditions of SELLER to be performed hereunder; provided, however, that the purchaser at any sale of this Agreement in any proceeding for the foreclosure of any

assignment, or the assignee or transferee of this Agreement in any proceedings for the foreclosure of any assignment, or the assignee or transferee of this Agreement under any instrument of assignment or transfer in lieu of the foreclosure of any assignment, shall be deemed to be an assignee or transferee within the meaning of this subparagraph and shall be deemed to have agreed to perform all of the terms, covenants and conditions on the part of SELLER to be performed hereunder from and after the date of such purchase and assignment.

- (e) Notwithstanding any other provision of this Agreement, any sale of SELLER's rights in this Agreement in any secured creditor's sale, any proceeding for the foreclosure of any assignment, or the assignment or transfer of this Agreement in lieu of the foreclosure of any assignment, shall be deemed to be a permitted sale, transfer or assignment of this Agreement, and this Agreement shall continue in full force and effect following any such sale, transfer or assignment.
- (f) If this Agreement is terminated prior to the expiration of the Term due to a Breach by SELLER (in which case PREPA shall notify the Project Lenders of such termination) or if this Agreement is rejected or disaffirmed pursuant to any bankruptcy law or proceeding or other similar Applicable Law or proceedings affecting creditors' rights generally with respect to a bankruptcy proceeding relating to SELLER or otherwise, PREPA agrees, if there are outstanding obligations to a Project Lender, subject to the receipt of all necessary approvals, to enter into a new power purchase and operating agreement with the Project Lender (or its designee or nominee) on substantially similar terms to this Agreement; provided that such designee or nominee (x) is controlled by the Project Lender, (y) is approved by PREPA (which approval shall not be unreasonably withheld, delayed or conditioned), or (z) has a tangible net worth of at least twenty-five million dollars (\$25,000,000) (or its direct or indirect parent has a tangible net worth of at least seventy five million dollars (\$75,000,000)), as evidenced by audited financial statements as per GAAP, and is a Qualified Operator, or engages a Qualified Operator for the remainder of the Term upon all of the covenants, agreements, terms, provisions and limitations of this Agreement, effective as of the date of such termination and, in each case, complies with the SELLER requirements of Appendix H.

SELLER shall not have the right to assign its rights, title or interest under this Agreement to any Affiliate of SELLER without the prior express written consent of PREPA, unless (i) such Affiliate agrees to be bound by the terms of this Agreement and to fully perform the obligations of SELLER hereunder (including Appendix H), (ii) the Sponsor maintains the same ownership percentage of the total equity interest, directly or indirectly, in such Affiliate as it owns in SELLER, and (iii) SELLER owns no less than fifty-one percent (51%) of the total equity interest in such Affiliate. PREPA shall be notified of SELLER's intention to assign this Agreement at least thirty (30) Days in advance. Upon such assignment, SELLER will thereafter be relieved of all obligations arising after the date of such assignment under this Agreement.



20.4 Restrictions on Equity Transfers

- (a) SELLER acknowledges that contracts and agreements with a governmental entity are subject to strict statutes and jurisprudential requirements, which limit the capacity of parties to enter into such contracts and agreements. SELLER shall not, and shall ensure that the Sponsor does not, entertain, negotiate or agree to enter into any agreement with a third party that does not comply with said legal requirements.

- (b) Prior to the Commercial Operation Date, SELLER shall not, and shall ensure that the Sponsor does not, sell or transfer, directly or indirectly, all or any portion of its equity in SELLER; provided that the foregoing prohibition shall not apply to equity transfers that occur after the Initial Synchronization Date but prior to the Commercial Operation Date, solely in connection with a financing transaction involving Tax Credits under Section 48 of the U.S. Internal Revenue Code and that do not result in the control of SELLER or the Facility being transferred to a third party other than the Sponsor or SELLER, respectively. For purposes of this Article 20.4, "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of SELLER or the Facility, whether through the ownership of voting securities or otherwise.
- (c) From and after the Commercial Operation Date, SELLER shall not, and shall ensure that the Sponsor does not, sell or transfer, directly or indirectly, all or any portion of its equity in SELLER without PREPA's prior express written consent; provided that no notice to or consent of PREPA shall be required for equity transfers back to the Sponsor or SELLER occurring after the Commercial Operation Date pursuant to the terms of any financing transaction entered into prior to the Commercial Operation Date involving Tax Credits under Section 48 of the U.S. Internal Revenue Code.
- (d) If SELLER or its Sponsor intends to transfer (directly or indirectly) all or any portion of its equity in SELLER pursuant to PREPA's consent under Article 20.4(c), then SELLER shall notify PREPA of the identity of such third party with which it or the Sponsor has reached an agreement to transfer its equity, in whole or in part. PREPA acknowledges and agrees that the identity and existence of such third party, and the potential transfer, shall be kept confidential in accordance with Article 6.8; and if requested by SELLER, PREPA shall enter into a confidentiality agreement with respect to the same, in a form reasonably acceptable to PREPA. PREPA will be afforded thirty (30) Days after PREPA's receipt of notification of the same to consent or object to the transferee, such consent not to be unreasonably withheld, provided that the failure of PREPA to respond to any request by SELLER for consent to transfer pursuant to this Article 20.4, shall not be deemed or construed as an acceptance or consent to such proposed transfer. It is understood and agreed that PREPA will not have any obligation to consider approving any proposed transfer unless and until SELLER (i) causes such third party to provide to PREPA (A) its audited financial statements as per GAAP, demonstrating that such third party has a tangible net worth of at least twenty-five million dollars (\$25,000,000) (or its direct or indirect parent has a tangible net worth of at least seventy-five million dollars (\$75,000,000)), (B) evidence reasonably acceptable to PREPA that such third party is, or has engaged, a Qualified Operator, and (C) the certifications and other documentation required by Appendix H, but construing references to SELLER therein as references to such third party, and (ii) ensures that any regulatory approvals required have been obtained in respect of such transfer and such transfer otherwise complies with Applicable Law.

ARTICLE 21. INTENTIONALLY OMITTED

ARTICLE 22. MISCELLANEOUS PROVISIONS

22.1 Waiver and Amendment

This Agreement, including the appendices hereto, may be amended or waived only by written agreement between the Parties. A waiver of any Breach shall extend only to the particular Breach waived and shall not limit or otherwise affect any rights that either Party may have with respect to

any other or future Breach. The Parties acknowledge and agree that any amendments to the economic or technical terms of this Agreement, or the scope of the Facility, require approval from the PREB.

22.2 Strict Performance

The failure of either Party to insist in any one or more instances upon strict performance of any provisions of this Agreement, or to take advantage of any of its rights hereunder, shall not be construed as a waiver of any such provisions or the relinquishment of any such right or any other right hereunder, which shall remain in full force and effect, unless such waiver is in a written agreement between the Parties.

22.3 No Third-Party Beneficiaries

This Agreement is intended solely for the benefit of the Parties hereto and, solely to the extent rights thereto are provided in this Agreement, for the benefit of the Project Lenders as third-party beneficiaries. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any Person not a Party to this Agreement.

22.4 No Sharing of Benefit

No officer, employee, or agent of SELLER or PREPA or municipal governments shall be entitled to any share or part of this Agreement or to any benefit that may arise therefrom that would be in violation of any Applicable Law of the Commonwealth of Puerto Rico or policy of PREPA.


22.5 No Association, Joint Venture, or Partnership

This Agreement shall not be interpreted or construed to create an association, joint venture, or partnership between the Parties or to impose any partnership obligation or liability upon either Party. Neither Party shall have any right, power or authority to enter into any agreement or undertaking for, or act on behalf of, or to act as, or be an agent or representative of, or to otherwise bind, the other Party.

22.6 SELLER Utilities

During the Base Period, PREPA agrees to provide electric service to SELLER as requested by SELLER, at the most advantageous rate available to SELLER, based on PREPA's approved tariff and shall be consistent with rates charged by PREPA to similar customers. SELLER shall be responsible for its own electricity prior to such date, and for all of its other utilities during the Term.

22.7 Signing Conditions

- 
- (a) The Parties shall complete their respective obligations set out in Appendix H no later than the Effective Date.
 - (b) If any of the required certifications referred to in Appendix H shows a debt, and SELLER has requested a review or adjustment of this debt, SELLER will deliver to PREPA a certificate that it has made such request no later than the Effective Date. If the requested review or adjustment is denied and such determination is final, SELLER will provide, immediately, proof of payment of this debt to PREPA; otherwise, SELLER accepts that

the owed amount be offset by PREPA and retained at the origin, deducted from the corresponding payments.

- (c) Specifically, SELLER recognizes that submittal of the certifications and documents referred to in Appendix H is an essential condition of this Agreement.

22.8 Successors

This Agreement shall inure to the benefit of and be binding upon SELLER and PREPA and their respective successors and assigns.

22.9 Complete Agreement

This Agreement is intended by the Parties as the final expression of their agreement and is intended also as a complete and exclusive statement of the terms of their agreement with respect to the subject matter hereof and supersedes all prior written and oral understandings between the Parties with respect thereto.

22.10 Severability

If any provision hereof shall be held invalid, illegal or unenforceable by the holding of an arbitral authority convened pursuant to Article 22.12, such holding shall not invalidate or render unenforceable any other provision hereof.

22.11 Anticorruption and Antibribery

SELLER certifies as of the Effective Date that, to its actual knowledge, it does not receive payment or benefit of any nature for services rendered regularly through an appointment to a Governmental Authority of Puerto Rico.

22.12 Dispute Resolution

- (a) If a dispute arises between the Parties regarding the application, interpretation, enforceability, validity, performance, or breach of this Agreement or matters arising therefrom or relating thereto, whether sounding in contract, tort, unfair competition, law, equity or any other legal form (a "**Dispute**"), then such Dispute shall be resolved solely by either the agreement of the Parties, with or without a Technical Recommendation (as defined and subject to the terms set forth in (b) below) or in a proceeding before the PREB in accordance with this Article 22.12(a). In the event of a Dispute under this Agreement, the disputing Party may promptly provide written notice of the Dispute (a "**Dispute Notice**") to the other Party. Following delivery of the Dispute Notice, the Parties shall either (i) agree in writing to submit such Dispute for a Technical Recommendation as provided in clause (b) below or (ii) absent such agreement, nominate a member of its respective senior management, who shall have decision-making authority on behalf of such Party, and such senior management members shall promptly meet and seek to achieve settlement, if possible, by negotiation and mutual agreement. If the Dispute is not resolved or submitted for Technical Recommendation within forty-five (45) Days after the Dispute Notice is received by the recipient Party (or such longer period of time as may be mutually agreed by the Parties in writing), then either Party may submit the Dispute to the PREB for final determination.

- (b) If a Dispute hereunder is one that the Parties agree is of a technical nature that they should attempt to resolve through a technical review in proceedings before the Consulting Technical Expert, either Party may submit such Dispute (a "**Technical Dispute**") for a recommended resolution by the Consulting Technical Expert (a "**Technical Recommendation**") by providing to the other Party and the Consulting Technical Expert a written notice, specifying the matter to be determined. Proceedings before the Consulting Technical Expert shall be held in San Juan, Puerto Rico, unless otherwise agreed in writing by the Parties. Within thirty (30) Days or the engagement of the Consulting Technical Expert for a Technical Dispute (or such longer period of time as the Parties may mutually agree in writing), the Consulting Technical Expert shall conduct a hearing; provided that the Parties may agree in writing to waive the hearing and have the Consulting Technical Expert issue the Technical Recommendation on the basis of written submissions alone. The Consulting Technical Expert shall render a written recommendation on the Technical Dispute as soon as practicable after the close of the hearing but, in any case, no later than fifteen (15) Days after the close of the hearing. The Parties may resolve the Technical Dispute based on the Technical Recommendation or any mutually agreed modification thereof. If the Technical Dispute is not resolved in this fashion, the Parties may submit the matter for a final determination before the PREB.

22.13 No Economic Interest

SELLER certifies as of the Effective Date, to its actual knowledge, that no public employee has any personal or economic interest in this Agreement.

22.14 Code of Ethics

SELLER agrees to comply with the provisions of Act of June 18, 2002, No. 84, as amended, which establishes a Code of Ethics for the Contractors, Suppliers and Economic Incentive Applicants of the Executive Agencies of the Commonwealth of Puerto Rico.

22.15 Independent Contractor

SELLER shall be considered as an independent contractor, for all material purposes under this Agreement, and all Persons engaged or contracted by SELLER for the performance of its obligations herein, shall be considered as its employees or agents or those of its subcontractors, and not as employees or agents of PREPA.

22.16 Invoice Certification

All invoices submitted by SELLER shall include the following Certification in order to be processed for payment by PREPA:

No Interest Certification:


Under penalty of absolute nullity, I hereby certify that to our actual knowledge no employee, official or director of PREPA is a Party or has any interest in the profits or benefits to be obtained under this Agreement, or if any employee, official or director of PREPA has any interest in the profits or benefits under this Agreement, a waiver has been previously obtained. I, also certify that the only consideration to provide the services under this Agreement is the payment agreed with PREPA's authorized representative under this Agreement. The total amount of this invoice is fair and correct. The services were provided and no payment has been received for this invoice.

SELLER's Signature

22.17 Green Credits

- (a) Subject to the remainder of this Article 22.17, in no case shall anything in this Agreement be construed to require SELLER to transfer to PREPA or any other Person any Tax Credits or any other tax benefit provided by any Governmental Authority.
- (b) Contemporaneously with the sale of energy hereunder and in partial consideration for the Contract Rate, SELLER shall convey to PREPA, at no additional cost, all of the Green Credits associated with the Net Electrical Output of, or otherwise in connection with, the Facility. SELLER and PREPA shall execute reasonable documentation to confirm the registration of the Green Credits with the North American Renewables Registry or another similar registry acceptable to SELLER and PREPA ("**Registry**") and the transfer of such Green Credits as reasonably requested by PREPA in accordance with the rules of the Registry, in each case, at the expense of SELLER. PREPA shall have the sole right to own, market, trade, sell or otherwise transfer such Green Credits available to or in respect of the Facility to any Person, and any Green Credits that are now available or in the future might become available in respect of the Facility shall inure to the benefit of, and remain the property of, PREPA.
- (c) The term "**Green Credits**" shall mean "renewable energy certificates" and "environmental and social attributes", as such terms are defined in the Puerto Rico Green Energy Incentives Act (Act No. 83 of July 19, 2010), renewable energy credits, environmental attributes, emissions reductions, offsets, allowances or benefits, however entitled (or payments in lieu thereof), whether monetary, fiscal or in the form of physical property, now or in the future available to the Facility, as a facility that generates or produces electricity by means of "green energy" (as such term is defined in the Puerto Rico Green Energy Incentives Act), or from renewable or non-polluting resources, granted or available to SELLER as the owner or operator of the Facility or otherwise, in each case, from any Governmental Authority or third party, including renewable energy credits established pursuant to the Green Energy Incentives Act of Puerto Rico, but shall exclude (i) any Tax Credits and grants in lieu thereof, (ii) other tax benefits or credits, (iii) any accelerated depreciation, and (iv) proceeds from (i) through (iii), in each case, associated with the Facility or otherwise available to SELLER, each of which (i) through (iii) are expressly reserved to SELLER.

22.18 Waiver of Immunity



PREPA unconditionally and irrevocably agrees that the execution, delivery and performance by it of this Agreement and the other project documents to which it is a party constitute private and commercial acts. In furtherance of the foregoing, PREPA hereby irrevocably and unconditionally agrees that to the extent permitted by Applicable Law, (a) should any proceedings be brought against PREPA or its assets in any jurisdiction in connection with this Agreement or any of the transactions contemplated by this Agreement, no Claim of immunity from such proceedings shall be claimed by or on behalf of PREPA on behalf of itself or any of its assets; (b) it waives any right of immunity which it or any of its assets now has or may have in the future in any jurisdiction in connection with any such proceedings; and (c) consents generally in respect of the enforcement of any judgment against it in any such proceedings in any jurisdiction, to the giving of any relief or

Power Purchase and Operating Agreement - PREPA and CIRO One Salinas, LLC

the issuance of any process in connection with such proceedings, including the making, enforcement or execution against or in respect of any of its assets.

22.19 Counterparts

This Agreement may be executed in any number of counterparts with the same effect as if both Parties hereto had signed the same document. All counterparts shall be construed together and shall constitute one instrument.

22.20 Amendment and Restatement

This Agreement amends and restates the Pre-Restatement PPOA in its entirety. Each Party acknowledges and agrees that the execution and delivery of this Agreement does not constitute a novation of the Pre-Restatement PPOA. Each Party further agrees that (a) it hereby waives its rights relating to any breach or default of, or claim against, the other Party, as well as any right to any time extension for achieving any milestone or performing any other obligation under the Pre-Restatement PPOA or arising prior to the Effective Date, and (b) it will not pursue any claim, or request any refund, reimbursement or extension of time, in each case for any event that has occurred prior to the Effective Date.

22.21 Assumption Order

- (a) Promptly after the execution hereof, PREPA shall move for and use reasonable efforts to obtain the issuance of the Assumption Order. PREPA shall keep SELLER abreast of any proceedings before the PROMESA Court related to the Assumption Order and this Agreement.
- (b) No later than thirty (30) Days after the Assumption Order Date, SELLER shall submit a duly completed application to the PREB to initiate the process of certifying SELLER as electricity service company.

22.22 SELLER Certification Requirement

The Parties acknowledge that SELLER has submitted the certification titled "Contractor Certification Requirement" required in accordance with the Contract Review Policy of the FOMB, effective as of November 6, 2017 and amended on October 30, 2020, signed by SELLER's Executive Director (or another official with an equivalent position or authority to issue such certifications). A signed copy of the "Contractor Certification Requirement" is attached hereto as Appendix J.



ARTICLE 23. CHOICE OF LAW AND VENUE

This Agreement shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Puerto Rico without regard to any contrary result required under applicable conflicts of laws rules. The Parties herein agree that all Disputes arising hereunder shall be resolved pursuant to Article 22.12.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

Power Purchase and Operating Agreement - PREPA and CIRO One Salinas, LLC

IN WITNESS WHEREOF, the Parties hereto have agreed to execute this Agreement in San Juan, Puerto Rico, as of the date first written above.

PUERTO RICO ELECTRIC POWER AUTHORITY	CIRO ONE SALINAS, LLC
	
Efran Paredes Maisonet	Mario Tomasini
Executive Director	Authorized Representative
Tax ID Number: 660-43-3747	Tax ID Number: 99-0364306

APPENDIX A HOLIDAYS

The following holidays are recognized by PREPA. All holidays which fall on a Sunday are observed the following Monday.

<u>DAY</u>	<u>CELEBRATION</u>
January 1	New Year's Day
January 6	Three Kings Day/Epiphany
3 rd Monday in January	Martin Luther King
3 rd Monday in February	Presidents and Illustrious Puerto Ricans Day
March 2	American Citizenship Day
March 22	Emancipation Day
Friday of Holy Week	Good Friday
Sunday of Holy Week	Easter Sunday
2 nd Sunday in May	Mothers' Day
Last Monday in May	Memorial Day
3 rd Sunday in June	Fathers' Day
July 4	Independence Day
July 25	Puerto Rico Constitution Day
1 st Monday in September	Labor Day
2 nd Monday in October	Columbus Day
November 19	Discovery of Puerto Rico
November 11	Veterans Day
4 th Thursday in November	Thanksgiving Day
December 24	Christmas Eve
December 25	Christmas Day

APPENDIX B INTERCONNECTION

I. Description of the Interconnection Facilities:

The electrical interconnection single line attached hereto as Appendix B-1 identifies the Interconnection Point, PREPA Interconnection Facilities, the Additional Interconnection Facilities, and Metering location.

II. Interconnection Point Specifications:

(a) Preliminary Scope of Work:

The following is a preliminary scope of work needed to be performed for the interconnection of CIRO. It is not intended to be an all-inclusive scope of work, as a Facility Study and Interconnection Study will be required to determine the design.

1. GENERAL

- i. The Facility requires a 115kV overhead connection to the Aguirre 115kV Swyd located at coordinates: 17°57'11.58"N, 66°13'52.46"W.

2. SUBSTATION SCOPE

i. Physical/Civil:

- A. Install a new 115kV Breaker in the open bay of a breaker and a half scheme located in the existing box structure. The breaker will be located in the center bay (Half breaker) and separate the two existing bus breakers.
- B. Install a new 115kV metering structure at the newly installed 115kV transmission line termination point on the exterior of the existing box structure.

ii. Electrical:

- A. Install a new 115kV Gas Circuit Breaker for the CIRO Solar Facility with manually gang operated disconnect switches at the new 115kV box structure.
- B. Install surge arrestors and lighting protection as applicable.
- C. Install primary and backup metering using independent Current Transformers and Voltage Transformers (VTs) on a metering structure at the newly installed 115kV transmission line termination point on the exterior of the existing box structure.

iii. Protection, Control, and Communication:

- A. A primary and backup protection and control scheme will be installed for the new breaker.

- B. A primary and backup protection scheme will be installed for the new CIRO Solar Facility Interconnection. The new scheme shall incorporate PREPA's latest fiber protection and control requirements for high-speed tripping, which will be performed over the newly installed OPGW wire to the CIRO Solar Facility.
- C. A new primary and back up bus protection scheme will be installed to replace the existing scheme.
- D. A primary and back up metering panel will be installed for the new metering circuit.

3. TRANSMISSION SCOPE

i. Route & Termination Points:

- A. The Facility Interconnect transmission line will consist of approximately 3.51 miles of 115kV overhead line between the SELLER collector station and the PREPA Aguirre 115kV Swyd, primarily through PREPA's existing ROW corridor.
- B. As the line approaches Aguirre, it will turn East and pass under the existing 230KV and 115kV transmission lines. Approximately 100'x100' of additional ROW will need to be acquired for the new line structure to be located at approximately 17°57'15.87"N, 66°13'54.50"W.
- C. The structure of Line 40200 directly adjacent to Aguirre is a 3-Pole deadend (FID# 1000046253 (to be confirmed)), which will need to be replaced with a taller structure to provide enough clearance to allow the new line to pass underneath.

ii. Structures & Foundations:

- A. The new 115kV structures will be galvanized steel monopoles.
- B. Tangent structures will be direct embedded, while running angle and deadend structures will be self-supported on drilled pier concrete foundations.

iii. Conductor, Shield Wire & Communications:

- A. The 115kV conductor will be a single 795kCM 26/7 ACSR "Drake" per phase or as chosen by PREPA.
- B. Shielding and communication will be provided by an overhead 48 fiber OPGW cable.

(b) Codes and Standards Requirements:

Power Purchase and Operating Agreement - PREPA CIRO One Salinas, LLC

1. All designs should be in accordance with the latest PREPA Design Criteria Documents (DCD's) and Standards, applicable ANSI/IEEE and NESC standards, and building codes. This includes but is not limited to:
 - i. PREPA Civil Design Criteria;
 - ii. PREPA Protection and Control Design Criteria;
 - iii. PREPA Substation Design Criteria;
 - iv. PREPA Transmission Design Criteria;
 - v. PREPA Distribution Design Criteria;
 - vi. PREPA Drawings and Specifications Design Criteria;
 - vii. PREPA Telecommunication Design Criteria;
 - viii. NECA/BICSI 607, Standard for Telecommunications Bonding and Grounding Planning and Installation Methods for Commercial Buildings;
 - ix. American Concrete Institute (ACI) Design Codes and Construction Specifications;
 - x. American Institute of Steel Construction (AISC);
 - xi. American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE);
 - xii. American Welding Society (AWS);
 - xiii. American Wood Protection Association (AWPA);
 - xiv. Association of Edison Illuminating Companies (AEIC);
 - xv. Building Industry Consulting Services International (BICSI);
 - xvi. Code of Federal Regulations (CFR);
 - xvii. Construction Specifications Institute (CSI);
 - xviii. Electric Power Research Institute (EPRI);
 - xix. Federal Aviation Administration (FAA);
 - xx. Federal Communications Commission (FCC);
 - xxi. Illuminating Engineering Society (IES);
 - xxii. Institute of Electrical and Electronics Engineers (IEEE);
 - xxiii. Insulated Cable Engineers Association (ICEA);

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- xxiv. International Electrotechnical Commission (IEC);
- xxv. ITSIMM 6th Edition - Information Transport Systems Installation Methods Manual;
- xxvi. National Electrical Code (NEC);
- xxvii. National Electrical Manufacturers Association (NEMA);
- xxviii. National Electrical Safety Code (NESC);
- xxix. National Fire Protection Association (NFPA);
- xxx. NECA/BICSI 568, Standard for Installing Commercial Building Telecommunications Cabling;
- xxxi. North American Electric Reliability Corporation (NERC);
- xxxii. OSPDRM 5th Edition - Outside Plant Design Reference Manual;
- xxxiii. Puerto Rico Building Code 2018;
- xxxiv. Regulations per the Commonwealth of Puerto Rico;
- xxxv. Rural Utilities Service (RUS), United States Department of Agriculture;
- xxxvi. RUS 1724E-300, U.S. Dept. of Agriculture Design Guide for Rural Substations;
- xxxvii. TDMM 14th Edition - Telecommunications Distribution Methods Manual;
- xxxviii. Telecommunications Industry Association (TIA);
- xxxix. ANSI/TIA 568.0-D, Generic Telecommunications Cabling for Customer Premises;
- xl. ANSA/TIA 569-E, Telecommunications Pathways and Spaces;
- xli. ANSA/TIA 606-C, Administration Standard for Telecommunications Infrastructure;
- xl. ANSA/TIA 606-C, Administration Standard for Telecommunications Infrastructure;
- xlii. ANSI/TIA 607-D, Generic Telecommunications Bonding and Grounding (Earthing) for Customer Premises;
- xl. ANSI/TIA 607-D, Generic Telecommunications Bonding and Grounding (Earthing) for Customer Premises;
- xl. ANSI/TIA-1005-A, Telecommunications Infrastructure Standard for Industrial Premises; and
- xl. ANSI/TIA-758-B, Customer-Owned Outside Plant Telecommunications Infrastructure Standard.

(c) Transmission Line Requirements:

1. Tasks to be performed by SELLER:

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- i. all ROW/Easement acquisitions, including any studies, environmental permitting, real estate acquisitions, etc. required as per the Agreement;
 - ii. geotechnical soil borings, grounding tests, and studies along the transmission corridor and right of way;
 - iii. all applicable transmission designs and calculations typically found in typical transmission line design;
 - iv. stringing charts, engineered steel drawings, calculations, and PLS-CADD models of the transmission structures, including the applicable conductor size and OPGW (with 48 Fibers);
 - v. ampacity, shielding, and conductor sizing calculations for the transmission structure for the Interconnection Facilities;
 - vi. design and construction of foundations for transmission structures for the Interconnection Facilities;
 - vii. all transmission and distribution line design required for project completion; and
 - viii. evaluation of existing transmission and distribution poles that may be modified due to new conductors or equipment additions.
2. Tasks to be performed by PREPA: Review and provide comments on all SELLER's drawings, submittals and design inputs for the SELLER's transmission line design.

(d) Transmission Center, Substation and Sectionalizer Requirements:

1. Tasks to be performed by SELLER:
 - i. all real estate acquisitions, including but not limited to, land surveys, land segregation, acquisition of land title/deeds, etc., studies (species, wetlands), and environmental permitting, etc. as required per the Agreement;
 - ii. all required upgrades resulting from calculations and studies are the responsibility of SELLER;
 - iii. short circuit study, coordination studies, and settings;
 - iv. geotechnical soil borings, grounding tests, and studies at the Interconnection Facilities;
 - v. protection and control electrical design, following latest industry standards, e.g., IEEE Standards and PREPA standards;
 - vi. clearing, preparing the site, and civil design for the Interconnection Facilities, including vegetation removal and grading;

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- vii. removal and disposal of the topsoil layer at the site for Interconnection Facilities (if required);
- viii. filling the site with adequate material (crushed stone), to bring to level and all adequate drainage of Interconnection Facilities;
- ix. connect the equipment grounds with the grounding mat;
- x. fill the site with six inches of gravel as per the grounding standard;
- xi. construction of retaining walls and / or fence around the site as required for a complete and secure site;
- xii. construction of new driveway / access road to the Interconnection Facilities as applicable;
- xiii. construction of the grounding mat on the site and connection to existing grounding mat;
- xiv. construction of foundations for the structures of the Interconnection Facilities;
- xv. installation of structures for the Interconnection Facilities;
- xvi. installation of equipment and auxiliaries for the Interconnection Facilities;
- xvii. installation of the meter sockets and metering equipment for billing of Net Electrical Output;
- xviii. provide all materials required to interconnect the new protection and control system with the existing one (if applicable), including, but not limited to, relay panel, breaker control panels, DC upgrades, etc.;
- xix. installation of equipment and auxiliaries in the control house for the Interconnection Facilities;
- xx. design of the new control house (if applicable) layout at Interconnection Facilities, including location, civil design, internal layout, electrical design for lightning, convenience outlets, battery bank, and 125Vac supply panels, disconnects, and other associated materials and localization areas for control and protection panels;
- xxi. install and wire the Dynamic System Monitor (DSM);
- xxii. install the control cables from the equipment to the control house;
- xxiii. install and wire the AC and DC distribution panels;
- xxiv. install and wire the 125 VDC battery bank and related auxiliaries as applicable;
- xxv. all applicable AC and DC sizing calculations and verifications;

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- xxvi. install the wiring for the Transient Recorder as required by PREPA. For security reasons, PREPA's relay personnel will wire these signals from the terminal block to the Transient Recorder. In addition, the following signals are required for the Transient Recorder:
 - A. analog signals - Phase A, B, and C voltage signals;
 - B. analog signals - Phase A, B, and C current signals from each line CT;
 - C. digital 87L output - Output TRIP signals associated with the primary protection of each line;
 - D. digital BU output - Output TRIP signal associated with the secondary protection (21/50/51) of each line;
 - E. digital - Output TRIP signal associated with the breaker failure protection of each line;
 - F. digital - TRIP signal from bus differential protection; and
 - G. digital - Status signal from each breaker;
- xxvii. programming the settings on the protection equipment for the Interconnection Facilities;
- xxviii. cleaning, removal, and disposal of construction debris;
- xxix. label the high voltage and auxiliary electrical equipment according to PREPA's practices; and
- xxx. provide all spare parts as specified by PREPA.

2. Tasks to be performed by PREPA:

- i. project oversight, schedule evaluation, monitoring, and authorizing scope of work modifications and deviations;
- ii. evaluate submittals and design input for all design phases for the following packages:
 - A. civil and physical design for above and below grade for the new or modification to transmission center, substation or sectionalizer;
 - B. protection and control, telecommunications, electrical design, and programming;
 - C. transmission and distribution line design; and
 - D. shop drawings, technical data of equipment and materials, bill of material;

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- iii. evaluate all temporary and permanent modifications to the Interconnection Facility; and
 - iv. evaluate the proposed construction work outage sequence for entire project coordination.
- (e) Transmission Center/ Substation Remote End Requirements (Only applicable to a PREPA Interconnection Facilities that sectionalize an existing transmission line). The details of these remote end upgrades will be identified during the Facility Study and the Interconnection Study but will primarily include relaying upgrades/replacements to match the new sectionalizer relaying.
- 1. Tasks to be performed by SELLER:
 - i. all required upgrades resulting from calculations and studies are the responsibility of SELLER;
 - ii. protection and control electrical design, following industry standards, e.g., IEEE Standards and PREPA standards;
 - iii. installation of equipment and auxiliaries for the Interconnection Facilities;
 - iv. provide all materials required to interconnect the new protection and control system with the existing one (if applicable), including, but not limited to, relay panel, breaker control panels, DC upgrades, etc.
 - v. installation of equipment and auxiliaries in the control house for the Interconnection Facilities;
 - vi. all applicable AC and DC sizing calculations and verifications.
 - vii. programming the settings on the protection equipment for the Interconnection Facilities;
 - viii. cleaning, removal, and disposal of construction debris;
 - ix. install and wire the telecommunication equipment for the Interconnection Facilities;
 - x. programming the communication settings for the relays, meters, and all miscellaneous equipment;
 - xi. installation of conduits for control cables from the equipment to the control house;
 - xii. installation of telecommunications pathways for the Interconnection Facilities, including conduits, cable trays, racks, among others;
 - xiii. install telecommunications facilities and equipment, including all necessary jumper cables and peripherals, with telecommunications equipment labeling and color-coding in compliance with ANSI/TIA 606 Standard;

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- xiv. install communications copper cable, including jumpers, and cross-connects and miscellaneous materials;
- xv. programming the telecommunications equipment (routers, firewalls, and network equipment);
- xvi. install the fiber optic terminations for protection relays at the Interconnection Facilities;
- xvii. all outages and construction work sequence plans will be coordinated with and approved by PREPA;
- xviii. install the wiring for the Transient Recorder as required by PREPA. For security reasons, PREPA's relay personnel will wire these signals from the terminal block to the Transient Recorder. In addition, the following signals are required for the Transient Recorder:
 - A. analog signals - Phase A, B, and C voltage signals;
 - B. analog signals - Phase A, B, and C current signals from each line CT;
 - C. digital 87L output - Output TRIP signals associated with the primary protection of each line;
 - D. digital BU output - Output TRIP signal associated with the secondary protection (21/50/51) of each line;
 - E. digital - Output TRIP signal associated with the breaker failure protection of each line;
 - F. digital - TRIP signal from bus differential protection; and
 - G. digital - Status signal from each breaker.
- xix. provide a PREPA's site representative and the required technical resources from PREPA to comply with the construction milestone schedule.

2. Tasks to be performed by PREPA:

- i. evaluate all drawings, submittals and design inputs for SELLER's remote end design;
- ii. project oversight, schedule evaluation, monitoring, and authorizing scope of work modifications and deviations;
- iii. evaluate submittals and design input for all design phases for the following packages:
 - A. protection and control, telecommunications, electrical design, and programming; and

- B. shop drawings, technical data of equipment and materials, bill of material;
 - iv. evaluate all temporary and permanent modifications to the Interconnection Facilities; and
 - v. evaluate the proposed construction work outage sequence for entire project coordination.
- (f) Telecommunication Requirements (in addition to the requirements as identified in Article 8.8):
- 1. Tasks to be performed by SELLER:
 - i. install, wire and program the SCADA Remote Terminal Units (RTUs) at the Interconnection Facilities and collector site;
 - ii. install and wire the telecommunication equipment for the Interconnection Facilities;
 - iii. programming the communication settings for the relays, meters, and all miscellaneous equipment connected to the RTU;
 - iv. installation of conduits for control cables from the equipment to the control house;
 - v. installation of telecommunications pathways at the Interconnection Facilities, including conduits, cable trays, racks, among others;
 - vi. provide and install telecommunications equipment power systems, with telecommunications equipment labeling and color-coding to comply with ANSI/TIA 606 Standard;
 - vii. program the DSM with the signal list provided by PREPA;
 - viii. design of the control house layout at the Interconnection Facilities and collector site includes location, civil design, internal layout, electrical design for lightning, convenience outlets, battery bank, and 125Vac supply panels, disconnects, and other associated materials and localization areas for SCADA, DSM, and telecommunications equipment;
 - ix. programming the telecommunications equipment (routers, firewalls, and network equipment); and
 - x. install the fiber optic connections including 48-fiber OPGW, pathways, and terminations for the protection relays to allow the PREPA Interconnection Facilities to be fully operational.
 - 2. Tasks to be performed by PREPA:
 - i. review and comment on all submittals and design input for all design phases for the telecommunications packages; and

- ii. support the integration of the new equipment into the overall PREPA Network.

(g) Commissioning and Testing Requirements:

1. Tasks to be performed by SELLER:

- i. all Outages and construction work sequence plans will be coordinated with and approved by PREPA;
- ii. provide any revisions to the Testing Protocol and plans for PREPA's approval prior to performing any acceptance test and energization of any equipment;
- iii. perform the acceptance and commissioning tests on the equipment and auxiliaries according to PREPA's practices and applicable standards at the SELLER collector site only, including but not limited to, voltage signals, current signals, relay outputs, breaker status and cable continuity;
- iv. perform grounding tests at all sites including the transmission corridor;
- v. perform testing on the interconnection of the transmission line;
- vi. perform impedance testing to validate the proper installation of all transmission and high voltage conductors and bus;
- vii. perform tests for the wiring of protection and control systems, RTU, DSM, Transient Recorder, and others associated services for the Interconnection Facility;
- viii. perform adjustments and operation tests for the protection and control systems;
- ix. submit all test reports signed and sealed by a PR licensed electrical engineer for PREPA's review;
- x. perform preliminary testing of the protection, control and telecommunication system and the integration into SELLER's SCADA system. Depending on the type of alarm or signal into SELLER's SCADA system PREPA personnel may act as a witness to validate the input. Final validation and acceptance of the SCADA integration will be performed by PREPA;
- xi. perform operation tests for the telecommunication systems;
- xii. perform operation tests for the DSM;
- xiii. perform operation tests on the equipment and auxiliaries;
- xiv. perform operation tests for the transient recorder;

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- xv. verification of the OTDR tests for fiber optic cable performed by SELLER for the following cables:
 - A. fiber cable between Interconnection Facilities and the Facility;
 - B. fiber cable for interconnection to PREPA's network;
 - C. fiber cable between new control room at Interconnection Facilities and meter cabinet located at the Interconnection Facilities; and
 - D. verification of Telecommunications facilities and equipment installations performed by SELLER at the Interconnection Facilities. This work includes verification, testing, configuration, and inspection of equipment specified by PREPA and materials, cable installation, and testing by SELLER.
 - xvi. provide a PREPA's site representative and the required technical resources from PREPA to comply with the Construction Milestone Schedule;
 - xvii. witness all tests and commissioning of the electrical equipment installed at the Interconnection Facilities and the Site;
 - xviii. submit all test protocols for PREPA approval; and
 - xix. submit all test results in a test book for PREPA approval.
2. Tasks to be performed by PREPA:
- i. evaluate the test results and settings of the protection relays for Interconnection Facilities;
 - ii. evaluate the test results and settings of the communication equipment at the Interconnection Facilities;
 - iii. witness all tests and commissioning of the electrical equipment installed in PREPA Interconnection Facilities;
 - iv. at existing PREPA sites where protection and control components are being updated, modified, or interconnected with, the tests should be done exclusively by PREPA;
 - v. perform final SCADA tests by PREPA acceptance test personnel from the point where the SELLER consolidates SCADA data and transmits it to the PREPA SCADA system;
 - vi. perform the acceptance and commissioning tests on the equipment and auxiliaries according to PREPA's practices and applicable standards at the Interconnection Facility and remote ends; and
 - vii. perform end to end testing of all trips and controls by PREPA's Acceptance Tests Department personnel.

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- (h) Transfer of PREPA Interconnection Facilities: PREPA will provide the detailed requirements for the transfer of the PREPA Interconnection Facilities (including the transmission and distribution equipment, the real estate and ROW easements and environmental permitting and protection) no later than the Approved Design timeline as identified in Article 9.4. To initiate the transfer process, SELLER shall submit to PREPA's San Juan office per Section 3.1 for review:

1. company name;
2. contact person information;
3. physical address of the Site and PREPA Interconnection Facilities;
4. segregation plan;
5. schematic plan;
6. previous due diligences for the acquisition of the property; if the land was financed by a bank, this document is required as part of the purchase and sale;
7. copy and proof of submission of all required permits including the environmental permits;
8. this Agreement; and
9. relevant deeds and leases.

III. Information required for the Interconnection Study needed to interconnect the Facility to the Grid System:

SELLER shall provide the following information:

- (a) Main Generator Step-up (GSU) Power Transformer Data

Item	Unit
Number of Transformers	—
Rating (ONAN/ONAF/OFAF)	MVA
Winding Type (2W, 3W)	—
Winding Nominal Voltages (Primary/secondary/tertiary)	kV
Winding Connection types: Delta or Wye (Primary/secondary/tertiary)	—
Fixed Taps available	Number of Taps / %V
Impedance on MVA base	Z1 %
	X/R Z1

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	Z0 %
	X/R Z0

- (b) Inverter Data and Inverter Step-Up Transformer Data (go to section (b)(i) if the solar photovoltaic and Battery Energy Storage System (BESS) are DC connected; go to section (b)(ii) if the solar photovoltaic and BESS are AC connected).

- (i) If solar photovoltaic and Battery Energy Storage System (BESS) are DC connected, fill out the following tables:

Solar Photovoltaic and BESS Inverter step-up Transformer Data	
Item	Unit
Number of Transformers	—
Rating (ONAN/ONAF/OFAF)	MVA
Winding Nominal Voltages (Primary/secondary)	kV
Winding Connection types: Delta or Wye (Primary/secondary)	—
Fixed Taps available	Number of Taps / %V
Impedance on MVA base	Z1 %
	X/R Z1
	Z0 %
	X/R Z0

Solar Photovoltaic and BESS Inverter Data	
Item	Unit
Number of Inverters to Be Interconnected	—
Inverter Manufacturer	—
Inverter Model	—
Inverters MVA rating	MVA
Number of Inverters	—
Maximum design fault contribution current from inverter (based on IEC 60909)	
Initial symmetrical short-circuit current (Ik")	Amps
First Peak of short circuit current (ip)	Amps

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Steady-state short circuit current (I_k)	Amps
Time to reach steady-state current	ms

(ii) If solar photovoltaic and Battery Energy Storage System (BESS) are AC connected, fill out the following tables below:

Solar Photovoltaic Inverter step-up Transformer Data	
Item	Unit
Number of Transformers	—
Rating (ONAN/ONAF/OFAP)	MVA
Winding Nominal Voltages (Primary/secondary)	kV
Winding Connection types: Delta or Wye (Primary/secondary)	—
Fixed Taps available	Number of Taps / %V
Impedance on MVA base	Z1 %
	Z0 %
	X/R

Solar Photovoltaic Inverter Data	
Item	Unit
Number of Inverters to Be Interconnected	—
Inverter Manufacturer	—
Inverter Model	—
Inverters MVA rating	MVA
Number of Inverters	—
Maximum design fault contribution current from inverter (based on IEC 60909)	
Initial symmetrical short-circuit current (I_k'')	Amps
First Peak of short circuit current (i_p)	Amps
Steady-state short circuit current (I_k)	Amps
Time to reach steady-state current	ms

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BESS Inverter step-up Transformer Data	
Item	Unit
Number of Transformers	—
Rating (ONAN/ONAF/OFAF)	MVA
Winding Nominal Voltages (Primary/secondary)	kV
Winding Connection types: Delta or Wye (Primary/secondary)	—
Fixed Taps available	Number of Taps / %V
Impedance on MVA base	Z1 %
	Z0 %
	X/R

BESS Inverter Data	
Item	Unit
Number of Inverters to Be Interconnected	—
Inverter Manufacturer	—
Inverter Model	—
Inverters MVA rating	MVA
Number of inverters	—
Maximum design fault contribution current from inverter (based on IEC 60909)	
Initial symmetrical short-circuit current (Ik")	Amps
First Peak of short circuit current (ip)	Amps
Steady-state short circuit current (Ik)	Amps
Time to reach steady-state current	ms

(c) Interconnection Facilities – Tie Line Data (complement to the line data in Part A)

Item	Unit
Positive sequence resistance (R) for entire length	p.u.*
Positive sequence reactance (X) for entire length	p.u.*
Zero sequence resistance (R0) for entire length	p.u.*

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Zero sequence reactance (X0) for entire length	p.u.*
Line charging (B/2)	p.u.*

*On 100-MVA and nominal line voltage (kV) Base

(d) Equivalent Collector System Impedance Data

Item	Unit
Nominal voltage	kV
Rating	Amps
Positive sequence resistance (R) for entire length	p.u.*
Positive sequence reactance (X) for entire length	p.u.*
Zero sequence resistance (R0) for entire length	p.u.*
Zero sequence reactance (X0) for entire length	p.u.*
Line charging (B/2)	p.u.*

*On 100-MVA and nominal line voltage (kV) Base

(e) Additional Reactive Compensation Devices (if applicable)

Item	Unit
Type of Device	-
Total Reactive Capability	-
Q max	MVAr
Q min	MVAr

(f) Dynamic Models

The solar photovoltaic and BESS aggregate dynamic mathematical models are required in PSS/E format. If the solar photovoltaic and BESS are connected on the dc side, only a single inverter aggregate model is needed. If the solar photovoltaic and BESS are connected on the ac side, each inverter type requires a separate aggregate model.

PSS/E Generic Photovoltaic Solar and BESS Plant Dynamic Model
REGCAU1
REECCU1
REPCAU1

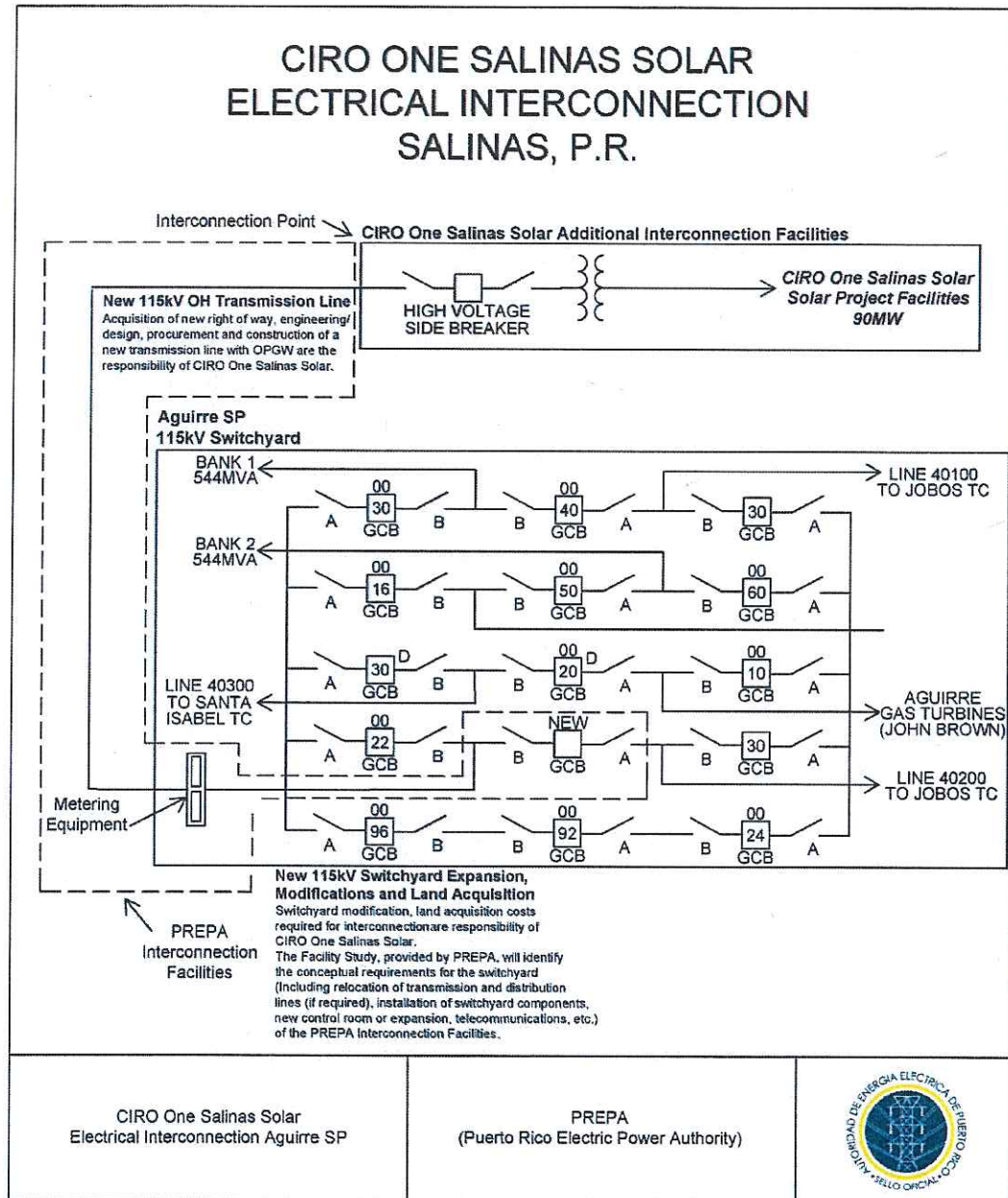
IV. Select Requirements for the Interconnection Construction Contract:

SELLER shall ensure that it and the contractor under the Interconnection Construction Contract:

- (a) disposes of all garbage generated because of the work, in accordance with the all Applicable Law;
- (b) upon completion of the work, hands over the PREPA Interconnection Facilities work area free of contaminants;
- (c) disposes of non-hazardous waste material generated by the PREPA Interconnection Facilities at an authorized landfill;
- (d) complies with all environmental laws, during and after construction, including:
 - 1. submission of the Project Environmental Assessment to and receipt of approval from the Department of Natural and Environmental Resources of Puerto Rico and any other environmental, state and municipality permits for the Interconnection Facilities;
 - 2. all the terms and conditions established in the approvals of the submitted plans, Permits and endorsement from Governmental Authorities; and
 - 3. once the Interconnection Facilities are finished, the closing of any of the acquired permits that require closure.
- (e) mitigates any environmental concern and deficiencies found by PREPA's personnel or any regulatory agencies caused by them at any time.

Appendix B-1

Electrical Interconnection Single-Line



APPENDIX C COMPENSATION AND EXAMPLE OF PRICE CALCULATION

I. Monthly Payment

For each Billing Period, PREPA shall pay to SELLER a payment (the “**Monthly Payment**”) that comprises (a) a payment in respect of any Net Electrical Output, *plus* (b) a payment in respect of any Deemed NEO. The Parties shall calculate the Monthly Payment for Billing Period “n” as follows:

$$MP_n = ((NEO_n + DNEO_n) * CR_n) - (IP_n + OC_n) + RI_n$$

where:

- MP_n** = Monthly Payment for Billing Period “n”, expressed in dollars;
- NEO_n** = Net Electrical Output as metered in accordance with Article 10.2 during Billing Period “n”, expressed in kWh;
- DNEO_n** = Deemed NEO for Billing Period “n”, as determined in accordance with Appendix F, expressed in kWh;
- CR_n** = Contract Rate for Billing Period “n”, as determined in accordance with Article II below, expressed in \$/kWh;
- IP_n** = Insurance proceeds received by SELLER during Billing Period “n” from any insurance policy that SELLER may obtain in respect of PREPA Risk Events, expressed in dollars;
- OC_n** = Other credits or amounts to which PREPA has a right under this Agreement;
- RI_n** = Reimbursement Installment for Billing Period “n”, expressed in dollars; and
- n** = such Billing Period.

If the Commercial Operation Date or a Change occurs during a Billing Period, then (a) the Parties shall perform the calculation set out above in respect of the periods (i) up to the Day of, and (ii) on and after the Day of, such occurrence, and (b) the Monthly Payment for such Billing Period shall comprise the sum of such amounts. SELLER acknowledges and agrees that the Monthly Payment, and through it the Contract Rate, represents the all-in payment for the Production of the Facility, including all Ancillary Services, Green Credits and costs to SELLER of complying with this Agreement.



II. Contract Rate

For each Billing Period, PREPA shall pay a tariff (the “**Contract Rate**”) for the Net Electrical Output and Deemed NEO (if any) applicable to such Billing Period as follows:

- (a) prior to the Commercial Operation Date, the Contract Rate shall equal eighty percent (80%) of the Base Tariff; and
- (b) on or after the Commercial Operation Date, the Contract Rate shall equal:

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1. for the Net Electrical Output and Deemed NEO (if any) during the Agreement Year in which such Billing Period occurs, up to an aggregate volume equal to the Base Volume, the Base Tariff; and
2. for the incremental Net Electrical Output and Deemed NEO (if any) during such Agreement Year in excess of the Base Volume, eighty percent (80%) of the Base Tariff;

where:

"Base Volume" means, for each Agreement Year, the product of (i) the sum of the Expected NEO (calculated for the Base Design Capacity) for each Time Interval of such Agreement Year, *multiplied by* (ii) 1.15; provided that prior to the first Agreement Year, the Parties shall determine the Base Volume as if it were the first Agreement Year.

III. Base Tariff

During the Term, the tariff (the "Base Tariff") shall equal the sum of:

- (a) subject to Section IV below, \$0.0989/kWh, escalated by two percent (2.00%) on July 1 of each Agreement Year (other than the Agreement Year in which the Commercial Operation Date occurs), provided that the rate (expressed in \$/kWh) payable under this paragraph (a) in any Agreement Year shall never exceed a maximum of \$0.141/kWh; and
- (b) any adjustment (expressed in \$/kWh) required to offset SELLER's additional costs (net of cost reductions) resulting from Changes, determined in accordance with Article 18.

IV. Federal Funding

If the Federal Funding Date occurs, then SELLER shall exercise commercially reasonable efforts to take advantage of the funding, financing, guarantee or other benefit made available to SELLER by the relevant Governmental Authority, and the Parties shall negotiate an equitable reduction of the Base Tariff, which will be memorialized in an amendment to this Agreement.

V. Reimbursement Installment Calculation

The Reimbursement Installment equals the product of (i) the Reimbursement Amount *multiplied by* (ii) the following factor:

$$\frac{\left[(1 + 0.085)^{\left(\frac{1}{12}\right)} - 1 \right]}{\left[1 - (1 + 0.085)^{\left(-\frac{300}{12}\right)} \right]} = 0.00784164$$

APPENDIX D TECHNICAL SPECIFICATIONS FOR THE DYNAMIC SYSTEM MONITOR (DSM)


I. Introduction

The following specification defines the minimum requirements for an instrument used in the monitoring and register of dynamic disturbances on electric power systems and the supervision of generator performance according to Grid Codes.

II. Hardware

(a) Inputs:

1. The equipment shall have at least 32 analog inputs with the capacity to increase them to a minimum of 96 inputs depending in the application required analog signals. The minimum resolution for the A/D converter shall be of 16 bit. The sampling rate shall be programmable up to a minimum of 250 samples per cycle (15000 samples per second). The analog inputs shall permit at least the following types of signals:
 - i. PT voltage (150 V rms minimum, Accuracy better or equal to 0.3%);
 - ii. CT currents (5 A rms minimum, Accuracy better or equal to 0.3%);
 - iii. DC voltages of at least 800 V (Accuracy better or equal to 0.3%);
 - iv. Small Analog Signals (Accuracy better or equal to 0.3%);
 - A. Current: 4 – 20 mA; and
 - B. Voltage: 0 – 200 mV, 1V, 10 V;
2. The equipment shall have at least 16 digital inputs with the capacity to increase them to a minimum of 48 inputs depending in the application required digital signals. The minimum input voltage range of the digital inputs should be 0 – 150 V. The digital inputs should be included as a user defined software triggering input.
3. The equipment shall be able to record power system frequency with a resolution of at least 0.001Hz.

- 
- (b) The equipment shall have a built-in microprocessing unit with color monitor, keyboard and mouse from which all commands, controls and setup parameters may be entered. All setup parameters shall be store in a non-volatile media, to prevent loss of setup data if power is interrupted. This microprocessing unit shall be of industrial grade to insure long life in a typical substation or generation plant environment.

(c) Memory and storage capacity:

The equipment shall have a nonvolatile solid state memory (ex. SSD, flash, etc.) with the required capacity to stores at least one (1) year of continuous data based in typical recording periods and typical recording rates. Also the memory shall have a minimum storage capacity of 1,000 RMS Trigger events and 1,000

Instantaneous trigger events based in typical recording rates and recording periods. Typical recording periods and recording rates are:

- i. RMS Trigger Recording Function (Recording rate of 1 sample per cycle on all the signals)
 - A. Pre-Trigger: 60 seconds
 - B. Post-trigger: 300 seconds
- ii. Instantaneous Values Trigger Recording Function (recording rate of 250 samples per cycle on all instantaneous signals)
 - A. Pre-Trigger: 1 second
 - B. Post-Trigger: 2 seconds
- iii. Continuous Recording Function—The recording rate is 1 sample per second on all the signals. This recording function is continuous, but saved in 24 hours period.

All the recording functions mentioned above shall work simultaneously. The equipment shall maintain the date and time in an internal battery-backed clock.

(d) Communication:

The equipment shall have at least two Ethernet 10/100/1000 Mbps port (LAN interface, TCP/IP Protocol) for local and remote network communication.

(e) Power Source:

The equipment shall have a redundant power supply. Two separate inputs (one AC and one DC) 100 – 240 VAC, 60 Hz and 100 – 150 DC. Some applications could require DC supply of 48 VDC +/- 10%, verify before the equipment acquisition.

(f) Measurement accuracy:

1. Voltage measurement error shall be less than +/- 0.3 % of reading.
2. Current measurement error shall be less than +/- 0.3% of reading.

(g) The DSM equipment to be installed and integrated to the grid shall be compatible with the existing PREPA's DSMs network and approved by PREPA.

III. Software

- (a) The software platform of the equipment shall be compatible with the latest version of windows operating system.
- (b) The equipment remote communication shall be thru TCP/IP network connectivity (LAN). The remote communication should permit at least the set up and data retrieval of the

equipment. The equipment should have the capability to perform at least the following functions remotely:

1. Modification of the configuration
 2. Retrieval of captured events
 3. Remote event triggering
- (c) The equipment shall have the capacity of time synchronization with GPS system. A GPS receiver and GPS antenna shall be included.
- (d) Triggers:
1. The equipment shall support user defined programmable triggers. Triggering shall be initiated based upon primary quantities (voltage, current, and frequency), calculated quantities (watts, Var, power factor, apparent power, etc.), digital signals or small analog signals.
 2. The trigger thresholds shall be based on limits, gradients, equations and status. Examples of trigger conditions that shall be available are:
 - i. Level threshold (high level, low level, in-band, out-band, etc.)
 - ii. Rate of change (ex. frequency variation (df/dt))
 - iii. Manual input (keyboard trigger)
 - iv. Request from remote computer
 - v. Event input status (digital signal status)
 3. A re-trigger function shall be available which permits the equipment to generate a new event register if a second disturbance is detected while the recording of the first disturbance is still in process. This process should continue if more disturbances occur in the new registers.
- (e) The acquisition software shall include a user defined pre-trigger interval option as well as a user defined post trigger interval for the information captured in the case of triggered events. The minimum range of the pre-trigger interval should be from 0 to 60 seconds and the minimum range for the post trigger interval should be 0 to 300 seconds. In addition, the date, time, and type of trigger that initiated the event shall be included as part of the disturbance record.
- (f) The acquisition software shall have the following capabilities:
1. Time displays (ex. Oscilloscope)
 2. Digital Status display (ex. High/Low, 1/0)
 3. Multiple displays and multiple signals in displays in real time and off-line

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4. Display resizing
 5. Programmable conversion of range and units of signals
 6. Independent range for signals
- (g) The acquired data shall be available in a format directly compatible with Siemens Power Technologies International (Siemens PTI) PSS/E plotting software.
- (h) The software shall support data export in ASCII, CSV and PSS/E formats.
- (i) The software shall support image export in JPG, BMP or WMF formats.
- (j) The software shall have the following analysis capabilities for the data and signals (primary and calculated):
1. Fast Fourier Transform (FFT)
 2. Peak analysis
 3. Filter functions
 4. Series and scalar mathematic (square root, inversion, square, sum, gain, offset, etc.)
- (k) The software shall perform the following power engineering calculations (on-line and off-line) and measurements:
1. Three phase and single phase Power (Real, reactive, apparent)
 2. Power Factor
 3. Power angle
 4. rms line and phase voltage
 5. rms current
 6. Power system frequency
 7. DC voltage and currents
 8. AC voltage and currents

 **IV. General**

- (a) Environmental Conditions:
1. Operating temperature: 0° C to 50° C
 2. Operating humidity: 95 %, non-condensing

(b) Equipment cabinet and corresponding accessories:

1. The cabinet should have test switches at the front of the panel for the three phase voltages and currents. The test switches should have a minimum rating of 600 V rms and 30 A rms; semi flush mounted, rear connected, equal or similar to ABB FT-1, style no. 129A514G01. The test switches should be assembled horizontally in groups of three FT-1 switches per row, mounted on a 19 inches wide, three-rack unit (3RU) high panel suitable for rack mounting, similar to ABB FR3J014014014.
2. The signals (analog and digital) should terminate on terminal blocks inside the cabinet, before the connection to the Dynamic System Monitor. The AC, DC, digital, exciter voltage and exciter current signals should be in different terminal blocks. The terminal blocks should have a minimum rating of 600 V rms and 30 A rms (except the exciter voltages signals, see below). Examples of terminal blocks are: GE CR151B2 and Marathon 1512 STD. The current signals should terminate on shorting type heavy duty terminal blocks equal or similar to Marathon, catalog number 1506SC. The terminal blocks used for the excitation voltage of the generators must have a nominal voltage capacity greater than 800 V DC. A switch or breaker for isolation purposes is also required for the excitation voltage and current signals.

(c) Documentation:

1. The equipment shall include a documentation package that contains the user, operation and maintenance manuals and the mechanical and electrical equipment drawings. The documentation should be in hard copy and in digital format.
2. The equipment documentation shall include a copy of the software.

(d) Spare parts recommended by the equipment manufacturer shall be included in the dynamic system monitor (DSM) purchase order.

(e) Warranty:

The equipment warranty shall include part and service for a period not less than 60 Months from the delivery day.

(f) Equipment Training, Installation Support and Commissioning:

1. An on-site equipment operation and configuration training should be included.
2. The dynamic system monitor (DSM) manufacturer shall perform the equipment commissioning and offer installation support.

APPENDIX E TECHNICAL REQUIREMENTS FOR OPERATION, PROTECTION, AND CONTROL

1. SELLER shall provide general protection practices, which comply with PREPA's written protection system practices, design criteria documents (DCDs) and philosophy, in all the electrical equipment related to the Interconnection Facilities according to the standards and PREPA requirements in order to ensure personnel safety and secure operation and interconnection with PREPA's Grid System. SELLER is responsible for the design, accurate relay settings (in accordance with the Approved Design) and testing of the protection that shall contain the evaluated Additional Interconnection Facilities' settings. PREPA will evaluate and approve only the protection design, settings and tests of the Additional Interconnection Facilities related to PREPA's system stability, security and optimal performance. Those protection designs, settings and tests of the Additional Interconnection Facilities not related to PREPA's system stability, security and optimal performance will not be evaluated by PREPA.
2. As further defined in Article 4 and Appendix B, SELLER shall be responsible for any protection related equipment, relays, scheme design, coordination and short circuit studies, and relay settings of all the protection equipment within PREPA's installation and remote terminals necessary to safely synchronize the Interconnection Facilities according to the latest technology and standards. For the avoidance of doubt, this includes the protection from (a) the PREPA Interconnection Facilities breaker to the Additional Interconnection Facilities and (b) the differential protection relay from the Additional Interconnection Facilities to PREPA's Interconnection Facilities.
3. SELLER shall submit a complete Additional Interconnection Facility protection report with all relay settings, including all calculations and considerations for the relay settings in addition to coordination and short circuit studies. In addition to the foregoing, the report shall also provide for, including but not limited to, the following:
 - (a) The approved Additional Interconnection Facilities design single line drawings shall have all the equipment information and all the relay's input and output descriptions;
 - (b) The Additional Interconnection Facilities relay settings shall include the logic, inputs, and outputs according to the Approved Design;
 - (c) The backup overcurrent protection units of the Additional Interconnection Facilities relay shall be set so that PREPA does not provide short circuit current for more than one second;
 - (d) The transformer from the Additional Interconnection Facilities to PREPA shall have Delta – WYE configuration to avoid zero sequence current contribution from the Facility during faults at the electrical system;
 - (e) The Additional Interconnection Facilities transformer protection shall be set so that the Additional Interconnection Facilities does not provide short circuit current to PREPA or disconnects instantly;
 - (f) The Additional Interconnection Facilities transformer protection shall provide an overvoltage protection unit on the delta side of the transformer to disconnect the Additional Interconnection Facilities during ground faults on the delta side of the transformer; and

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- (g) SELLER shall provide all the equipment data of the Additional Interconnection Facilities for PREPA's protection studies such as capacity, transformer and line impedances, current and voltage transformer ratios and information and short circuit duty, among others.

For the avoidance of doubt, PREPA does not assume, calculate or interpret any required item from manuals, graphs or relay curves, and SELLER shall ensure that all the required data is included in the report upon first submittal.

APPENDIX F DETERMINATION OF DEEMED NEO

The Parties shall determine the Deemed NEO for each Billing Period (or part thereof) during an Agreement Year by calculating the sum of the Deemed NEO for each Deemed NEO Period of such Billing Period. The Parties shall determine the Deemed NEO for each Deemed NEO Period, as well as Expected NEO or any Time Interval, in accordance with this Appendix F.

I. Facility Performance Model

- (a) For the determination of Expected NEO and Deemed NEO and for recording, monitoring and forecasting purposes, SELLER shall use a commercially available computer program used to calculate the output of utility-scale photovoltaic projects (the “**Facility Performance Model**”) that (i) accounts for and records (A) the global solar irradiation available on the plane of array of solar photovoltaic modules (expressed in kW/m²) (including global horizontal irradiation, direct normal irradiation and diffuse irradiation), in determination of incidence angle irradiance losses, (B) ambient conditions including air temperature, humidity, wind speed and module temperature (expressed in °C), and other data as deemed appropriate for calculating solar panel output including inverter efficiency, transformer efficiency and other Expected Losses (collectively, the “**Ambient Conditions**”), (C) the status of modules, inverters, MV transformers, and MV/HV step-up transformer(s) as available from the SCADA system of the Facility; and (D) NEO, Generating Capacity, power factor and other data, as applicable, and (ii) communicates such data and the Expected NEO and Deemed NEO, in each case for each Time Interval of each hour of each Day. SELLER shall automatically collect and communicate the data in this paragraph (a) to PREPA via its SCADA system. In collecting the required data, SELLER shall:
1. record average values over Time Intervals;
 2. utilize a data logger on the Site and date-stamped collected data;
 3. measure global solar irradiation on the plane of array of solar photovoltaic modules (“**GK**”) using pyranometers mounted in the plane of array of photovoltaic modules (the “**Reference Pyranometers**”), with a number of sensors adequate to provide reliable measurements; not change the location of such Reference Pyranometers without the prior written agreement of PREPA; and group global solar irradiation data into bins of fifty watts per square meter (50 W/m²) or other such increments as recommended by the Consulting Technical Expert;
 4. measure the ambient temperature, humidity and wind speed using sensors mounted at appropriate locations within the Facility (the “**Reference Ambient Sensors**”), adequate to provide reliable measurements of the Ambient Conditions; and not change the location of such Reference Ambient Sensors without the prior written agreement of PREPA;
 5. calculate module temperature including inverter efficiency, transformer efficiency and other Expected Losses using Prudent Electrical Practices, module characteristics, heat transfer coefficients and measured Ambient Conditions; and group such data into bins of five degrees Celsius (5 °C) or other such increments as recommended by the Consulting Technical Expert; and

6. calibrate Reference Pyranometers and Reference Ambient Sensors based on manufacturer's recommendations.

provided that, for any projection or forecast of Ambient Conditions that will occur in the future, the Parties shall determine Ambient Conditions based on the meteorological forecast for the region and site of the Facility during the relevant Time Intervals.

- (b) The Ambient Conditions and other data required in paragraph (a) above for each Time Interval shall be stored and analyzed by the Facility Performance Model in order to determine the relationship between the Expected NEO and Net Electrical Output. SELLER shall ensure that the Facility Performance Model uses this suite of relationships, each a power curve corrected for cell temperature and Expected Losses to calculate the Expected NEO for each Time Interval within plus or minus five percent (5%) of the actual Net Electrical Output of the Facility for any Month.
- (c) The Facility Performance Model shall provide a mathematical representation of the Facility, including its technical configuration, and provide the following outputs:
 1. Actual and projected performance ratios;
 2. Comparison of Expected NEO versus actual Net Electrical Output;
 3. Comparison of expected and actual average Generating Capacity;
 4. Expected and actual Ambient Conditions; and
 5. Forecasted values for Expected NEO over time periods required by this Agreement.
- (d) At PREPA's request, SELLER shall report the status and outputs of the Facility Performance Model to PREPA or its designee in the following formats:
 1. A hard copy of power curves showing binned values only;
 2. A hard copy scatter plot showing the individual average Time Interval values of underlying data and the model outputs calculated in subparagraph (c) above; and
 3. All raw data obtained from the SCADA system, Reference Pyranometers and Reference Ambient Sensors, in electronic format, to enable comparison of the raw data to the binned data.
- (e) SELLER shall present an initial Facility Performance Model to PREPA for approval no later than the Initial Synchronization Date, and the Parties shall validate such model over a minimum period of thirty (30) Days prior to the Commercial Operation Date.
- (f) SELLER shall keep such model up-to-date and accurate as regards the Facility's performance and ensure that the NEO for any hour does not deviate from the Expected NEO applicable to such hour by more than five percent (5%), or other such accuracy as deemed reasonable in writing by the Parties. To improve the accuracy of the Expected NEO and reflect actual conditions of the Facility's equipment, including but limited to panel degradation and other Expected Losses, SELLER shall calibrate the Facility Performance

Model (i) on a quarterly basis, including at least thirty (30) Days prior to the start of each Agreement Year, and (ii) if the Expected NEO for any hour deviates from the actual NEO in such hour by more than five percent (5%), or other such accuracy as deemed reasonable in writing by the Parties, for any reason other than a PREPA Risk Event, then within three (3) Business Days of a Party becoming aware of such deviation.

- (g) PREPA shall have the right to approve the Facility Performance Model and all changes to model parameters, which shall be validated over a minimum period of thirty (30) Days, such approval not to be unreasonably withheld. In each case, within ten (10) Business Days after receipt of each such proposed revisions, PREPA shall either approve such revisions or notify SELLER of further required revisions. SELLER shall submit its revised Facility Performance Model to PREPA within seven (7) Days after such notification, and PREPA shall notify SELLER of its approval or disapproval no later than seven (7) Days after such submittal. The failure of PREPA to respond within the applicable period, unless extended by mutual agreement, shall be deemed as approval by PREPA of SELLER's proposed Facility Performance Model for use in the determination of Expected NEO.
- (h) The Parties acknowledge and agree that Disputes relating to the Facility Performance Model or determination of Generating Capacity, Expected NEO or Deemed NEO under this Appendix F shall constitute Technical Disputes.

II. Facility Availability

"Facility Availability" means the proportion of the Facility that is in a functional and operable state to make Net Electrical Output available at the Interconnection Point during any Time Interval of an Agreement Year. SELLER shall ensure that the Facility Performance Model, unless otherwise agreed in writing, determines the Facility Availability for any Time Interval of a given Day by using the following formula (subject to revisions agreed in writing between the Parties):

$$FA = \frac{\sum_{j=1}^k WA_j}{k}$$

where:

- FA = Facility Availability calculated after "k" Time Intervals have elapsed;
- j = the relevant Time Interval;
- k = number of Time Intervals that have elapsed lesser of (i) the total number of Days since the Commercial Operation Date as of the date of such determination and (ii) thirty (30) Days; and
- WA = weighted average of the availability of the Facility (considering that inverters may be of different capacities and contribute proportionately to the overall Generating Capacity), calculated for every Time Interval by using the following formula:

$$WA = \frac{\sum_{i=1}^n [UA_i \times UC_i]}{NC}$$

where:

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- NC = Nominal Capacity of the Facility, expressed in kW;
- UC_i = nominal capacity of inverter "i", expressed in kW;
- n = number of inverters in the Facility;
- i = the relevant inverter; and
- UA_i = availability of inverter "i", determined for each Time Interval by recording and analyzing the AC power output at the inverter terminal using the following formula:

$$UA_i = \frac{T - U_E - U_I}{T - U_E}$$

where:

- T = number of "k" Time Intervals with array irradiance at or above 100 W/m²;
- U_E = number of Time Intervals from the "T" Time Intervals that constitute Event Intervals; and
- U_I = number of Time Intervals from the "T" Time Intervals affected by failure or unavailability of inverter "i", other than Event Intervals,

provided that, for any Time Interval, if the failure or unavailability of inverter "i" commences (i) during the first five (5) minutes of such Time Interval, then such Time Interval shall be taken into account in the calculation of U_E or U_I above, as applicable, and (ii) during the last five (5) minutes of such Time Interval, then such Time Interval shall not be taken into account in the calculation above.

III. Expected NEO

The Parties shall determine, and ensure that the Facility Performance Model determines, the "Expected NEO" of the Facility as follows (subject to revisions agreed in writing between the Parties):

- (a) Prior to the Commercial Operation Date, Expected NEO for any Day of delay pursuant to Article 14.4 shall be equal to the quotient of the P90 Energy Yield *divided by* the number of Days in such Year.
- (b) For the first Agreement Year, the Facility's Expected NEO for any Time Interval "i" of a given Day "i" shall be based on the readings from the Reference Pyranometers, Ambient Sensors and the average performance of the Facility, corrected for cell temperature if significant, during the most recent seven (7) Days prior to such Day "i" in which no PREPA Risk Event occurred, as calculated in accordance with the following formula (subject to revisions agreed in writing between the Parties):

$$ENEO_i = \frac{\sum_{j=1}^7 \left(\frac{NEO_j}{GK_j} \right)}{7} \times GK_i \times FA$$

where:

- ENEO_i = Expected NEO for Time Interval "i", expressed in kWh;
- NEO_j = NEO of the Facility for each Day "j", expressed in kWh;
- GK_j = global solar irradiance in the plane of array for each Day "j", expressed in kWh, and determined by taking the product of (a) the solar irradiance measured by the Reference Pyranometer during such Day "j", expressed in kWh/m², *multiplied by* (b) the area of the plane of array, expressed in m²;
- j = the most recent seven (7) Days prior to Day "i" in which no PREPA Risk Event occurred, numbered from one (1) to seven (7);
- FA = the average of the Facility Availability for the lesser of (i) the total number of Time Intervals since the Commercial Operation Date and (ii) the most recent thirty (30) Days of Time Intervals, in either case, prior to Time Interval "i" in which no PREPA Risk Event occurred; and
- GK_i = global solar irradiance in the plane of array for Time Intervals "i", expressed in kWh, and determined by taking the product of (a) the solar irradiance measured by the Reference Pyranometer during Time Interval "i", expressed in kWh/m², *multiplied by* (b) the area of the plane of array, expressed in m²; but capped for such Day "i" at the energy volume determined in accordance with paragraph III (a) above.
- (c) After the end of the first Agreement Year, the Facility's Expected NEO for any Time Interval "i" shall be based on the Facility Performance Model and calculated using the following formula (subject to revisions agreed in writing between the Parties):

$$ENEO_i = \left(FA \times EP \times \frac{1 \text{ hour}}{6} \right)$$

where:

- ENEO_i = Expected NEO for Time Interval "i", expressed in kWh;
- FA = the average of the Facility Availability for the most recent Time Interval prior to thirty (30) Days of Time Intervals "i" in which no PREPA Risk Event occurred; and
- EP = estimated Generating Capacity of the Facility during Time Interval "i", as determined by the Facility Performance Model, capped at the Nominal Capacity, expressed in kW.

IV. Deemed NEO

The Parties shall determine the Deemed NEO for each Deemed NEO Period as follows:

- (a) No later than five (5) Business Days after the Day in which such Deemed NEO Period occurs (the "Event Day"), SELLER shall notify PREPA of such Deemed NEO Period, and PREPA shall confirm the occurrence of the relevant PREPA Risk Event.
- (b) The Parties shall compare the Expected NEO for such Deemed NEO Period, using the Facility Performance Model and data communicated through the SCADA system, with the actual Net Electrical Output of the Facility, if any, during such Deemed NEO Period, and determine the Deemed NEO for such Deemed NEO Period "n" as follows (subject to revisions agreed in writing between the Parties):

$$DNEO_n = (ENEO_n - NEO_n) \times AF_n$$

where:

$DNEO_n$ = Deemed NEO for Deemed NEO Period "n";

$ENEO_n$ = Expected NEO for Deemed NEO Period "n", expressed in kWh;

NEO_n = NEO of the Facility for Deemed NEO Period "n", expressed in kWh; and

AF_n = adjustment factor, expressed as a decimal, to reflect the accuracy of the Facility Performance Model over the most recent thirty (30) Days preceding the Event Day in which no PREPA Risk Event occurred ("the **Comparison Period**"), determined as follows:

$$AF_n = \frac{\sum_{i=1}^x NEO_i}{\sum_{i=1}^x ENEO_i}$$

where:

AF_n = adjustment factor for the relevant Event Day;

NEO_i = NEO of the Facility for Time Interval "i", expressed in kWh;

$ENEO_i$ = Expected NEO for Time Interval "i", expressed in kWh;

x = 4320, the number of Time Intervals during the Comparison Period; and

i = each Time Interval during the Comparison Period;

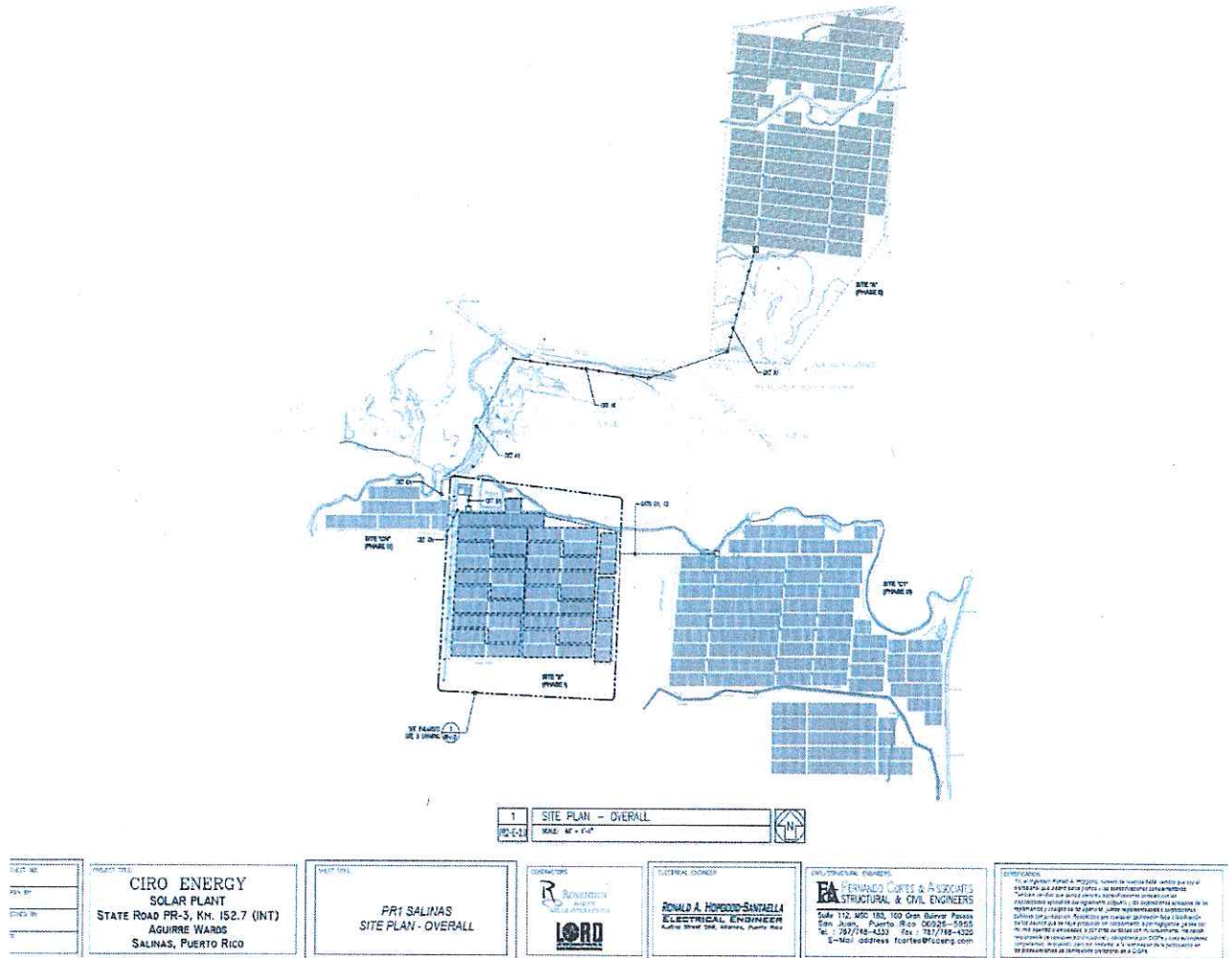
provided that AF shall never exceed one (1).

- (c) Notwithstanding the foregoing, Deemed NEO shall equal zero (0) for any Deemed NEO Period in respect of which:

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1. SELLER has not provided a Facility Performance Model approved by PREPA, such approval not to be unreasonably withheld, as provided in Part I(g) of this Appendix F;
 2. SELLER fails to provide, or there is any interruption to, the input data or outputs of the Facility Performance Model required in Section I for such hour; or
 3. $NEO_n \geq ENEO_n$, each as defined in Section IV(b) above.
- (d) Where the Expected NEO and Deemed NEO has been determined, PREPA or SELLER may dispute the Deemed NEO calculated in terms of this Appendix retrospectively, as a Technical Dispute, if the Deemed NEO calculated based on the Facility Performance Model proves to be different from the Deemed NEO calculated in terms of this Appendix. Overpayments made by PREPA may be set-off against payment due by PREPA, and underpayments may be included in the invoice for the Billing Period after such underpayment was determined. The amount of the overpayment or underpayment determined in this paragraph shall bear Interest from the date of such overpayment or underpayment to, but excluding, the date of repayment or set-off, as the case may be.

APPENDIX G FACILITY SITE



APPENDIX H SIGNING CONDITIONS

I. SELLER shall deliver the following certificates and documents no later than the Effective Date:

- (a) Certification by SELLER, which indicates that it has filed its Income Tax Returns during the five (5) previous years, if required, and that it does not owe taxes to the Commonwealth of Puerto Rico; or is paying such taxes by an installment plan in full compliance with its terms, with a copy of an original certificate of tax status and compliance from the Commonwealth of Puerto Rico for such five (5) previous years (as applicable);
- (b) An Income Tax Return Filing Certificate, issued by the Treasury Department of Puerto Rico, Area of Internal Revenues, assuring that SELLER has filed its Income Tax Return for the last five (5) years, if required. To obtain such Certificate, SELLER will use the Request for Copy and/or Certification of Income Tax Returns Form issued by the Treasury Department of Puerto Rico. In addition, SELLER shall submit a Certification of Debt issued by the Area of Internal Revenues;
- (c) Certification issued by the Municipal Revenues Collection Center, assuring that SELLER does not owe any tax to such governmental agency. To obtain such Certification, SELLER will use the form issued by the Municipal Revenues Collection Center;
- (d) Certificate, issued by the Department of Labor and Human Resources of Puerto Rico, evidencing that SELLER has paid to the Department of Labor and Human Resources of Puerto Rico, if applicable, its employees' contributions, in accordance with the Puerto Rico Employment Security Act (unemployment, temporary disability or sickness or social security for chauffeurs); or is paying such contributions by an installment plan in full compliance with its terms. To obtain such Certificate, SELLER will use the form issued by the Department of Labor and Human Resources of Puerto Rico;
- (e) Certificate, issued by the Child Support Administration (ASUME) evidencing that SELLER is in compliance with the retention, if applicable, that as an employer must do;
- (f) A sworn statement to the effect that, as of the Effective Date, neither SELLER nor any of its members, directors, managers, officers or employees have been convicted of, nor have they pled guilty to, any crime as enumerated in Article 3 of Public Law No. 458 of December 29, 2000 of the Commonwealth of Puerto Rico, as amended. In accordance with Article 6 of Public Law No. 458 of December 29, 2000 of the Commonwealth of Puerto Rico, as amended, SELLER acknowledges that its conviction or guilty plea for any of the crimes as enumerated in Article 3 of such Act shall entail, in addition to any other applicable penalty, the automatic rescission of this Agreement. In addition, but only to the extent required by Public Law No. 458, PREPA shall have the right to demand the reimbursement of payments made pursuant to this Agreement that directly result from the committed crime;
- (g) Certification, as of the Effective Date, that, to its actual knowledge, no public employee has any personal or economic interest in this Agreement, under Article 22.13;

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- (h) Certification, as of the Effective Date, that, to its actual knowledge, it does not receive payment or benefit of any nature for services rendered regularly through an appointment to a Governmental Authority of Puerto Rico, under Article 22.11; and
 - (i) A legal opinion from external counsel in a form reasonably acceptable to PREPA, confirming the representations and warranties made by SELLER under Article 6.
- II. The Parties shall have obtained the FOMB and PREB approvals in respect of this Agreement.

APPENDIX I MINIMUM TECHNICAL REQUIREMENTS

Capitalized terms used throughout this Appendix L have the meaning set forth in the Agreement, unless otherwise defined herein.

SELLER shall comply with the following MTRs:

1. Voltage Ride-Through:

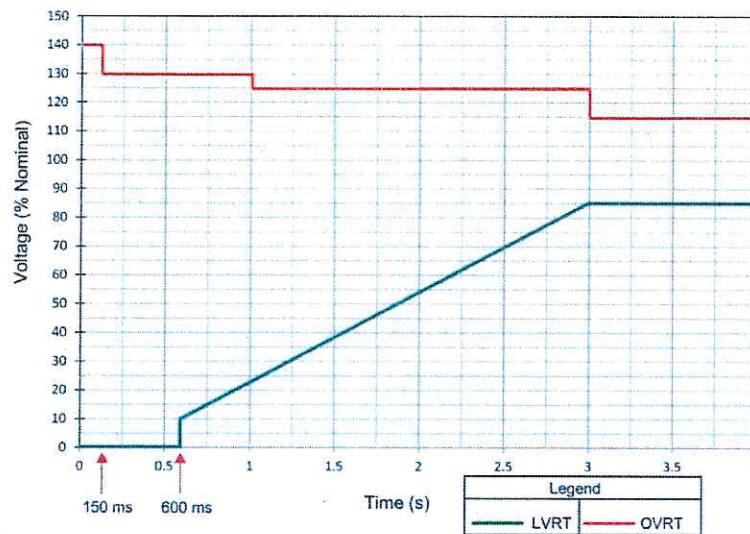


Figure 1 Voltage Ride-Through Requirements

- a. PREPA's Low Voltage Ride-Through (LVRT) Requirements:
- From Figure 1, all generation shall remain online and able to ride-through three phase and single-phase faults down to 0.0 per-unit (measured at the point of interconnection), for up to 600 ms.
 - All generation shall remain online and operating during and after normally cleared faults on the point of interconnection.
 - All generation shall remain online and operating during backup-cleared faults on the point of interconnection.
 - During low voltage fault conditions, the Facility shall operate on reactive current injection mode. This mode of operation shall be implemented with a reactive current droop characteristic, which shall have an adjustable slope from 1 to 5%. A dead band of 15 % is required.
- b. PREPA's Overvoltage Ride-Through (OVRT) Requirements:

- i. All generation shall remain online and able to ride-through symmetrical and asymmetrical overvoltage conditions specified in the following values (illustrated in Figure 1 above):

Overvoltage (pu)	Minimum time to remain online
1.4 – 1.3	150 ms
1.3 – 1.25	1 s
1.25 – 1.15	3 s
1.15 or lower	indefinitely

2. Voltage Regulation System (VRS):

PREPA requires constant voltage control. Photovoltaic System technologies in combination with Static Var Controls, such as Static Var Compensators (SVCs) and STATCOMs are acceptable options to comply with this requirement. SELLER shall submit a complete and detailed description of the VRS control strategy for PREPA's evaluation.

- a. The Facility must have a continuously-variable, continuously-acting, closed loop control VRS; i.e. an equivalent to the Automatic Voltage Regulator in conventional machines.
- b. The VRS set-point shall be adjustable between 95% to 105% of rated voltage at the Interconnection Facilities (connection to PREPA TC, sectionalizer). PREPA's Energy Control Center (via SCADA) must have the ability to adjust the VRS set point.
- c. The voltage regulation at the Interconnection Facilities (connection to PREPA TC or sectionalizer) shall be based in direct measurement of the Interconnection Facilities (connection to PREPA TC or sectionalizer) voltage. Line drop compensation or similar strategies shall not be permitted.
- d. The VRS shall only operate in a voltage set point control mode. Controllers such as Power Factor or constant VAR are not permitted.
- e. The VRS controller regulation strategy shall be based on proportional plus integral (PI) control actions with parallel reactive droop compensation. The VRS Droop shall be adjustable from 0 to 10%.
- f. At zero percent (0%) droop, the VRS shall achieve a steady-state voltage regulation accuracy of +/- 0.5% of the controlled voltage at the Interconnection Facilities (connection to PREPA TC or sectionalizer).
- g. The VRS shall be calibrated such that a change in reactive power will achieve 95% of its final value no later than one (1) second following a step change in voltage. The change in reactive power should not cause excessive voltage excursions or overshoot. If a voltage overshoot is generated during a change in reactive power its value shall be less than 1%.

- h. The VRS must be in service at any time the Facility is electrically connected to the grid regardless of the Facility MW output.
- i. The VRS dead band shall not exceed 0.1%.

3. Reactive Power Capability and Minimum Power Factor Requirements:

- a. The total power factor range shall be from 0.85 lagging to 0.85 leading at the Interconnection Facilities (connection to PREPA TC or sectionalizer). The reactive power requirements are necessary to provide support to the system operation based on the voltage profile and reactive power needs. The Facility shall ramp the reactive power from 0.85 lagging to 0.85 leading in a smooth continuous fashion at the Interconnection Facilities (connection to PREPA TC or sectionalizer).
- b. The +/- 0.85 power factor range should be dynamic and continuous at the Interconnection Facilities (connection to PREPA TC or sectionalizer). The Facility shall respond to power system voltage fluctuations by continuously varying the reactive output within the specified limits. The power factor dynamic range herein specified could be expanded if studies indicate that additional continuous, dynamic compensation is required. The Facility must have a reactive capability that meets +/- 0.85 Power Factor (PF) range based on the Facility Aggregated MW Output, which is the maximum MVAR capability corresponding to maximum MW Output. Positive (+) PF means the Facility is producing MVAR, and negative (-) PF means the Facility is absorbing MVAR.
- c. The MVAR capability at maximum output shall be sustained throughout the complete range of operation of the Facility as established in Figure 2. The MVAR capability shall also be sustained throughout the complete Interconnection Facilities (connection to PREPA TC or sectionalizer) voltage regulation range (95% to 105% of rated voltage at the Interconnection Facilities).

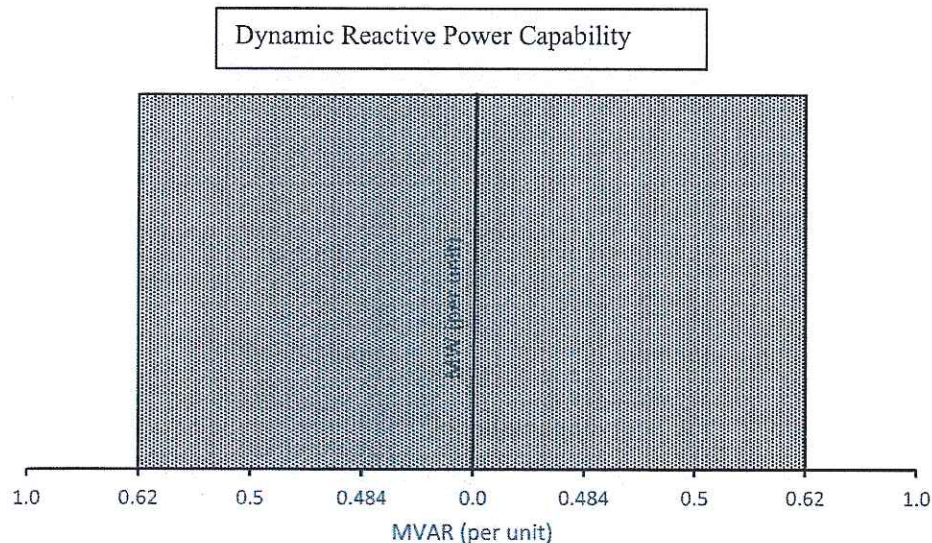


Figure 2 Reactive Power Capability Curve

4. Short Circuit Ratio (SCR) Requirements:

PREPA does not permit Short Circuit Ratio values (System Short Circuit MVA at POI/PV Facility MVA Capacity) under 5. SELLER shall be responsible for the installation of additional equipment, such as synchronous condensers and controls, necessary to comply with PREPA's minimum short circuit requirements.

5. Frequency Ride Through (FRT):

57.5 - 61.5 Hz	No tripping (continuous)
61.5 - 62.5 Hz	30 sec
56.5 - 57.5 Hz	10 sec
< 56.5 or > 62.5 Hz	Instantaneous trip

6. Frequency Response/Regulation:

- a. The Facility shall provide an immediate real power primary frequency response, proportional to frequency deviations from scheduled frequency, similar to governor response. The rate of real power response to frequency deviations shall be similar to or more responsive than the conventional generators' droop characteristic of 3-5% range. The Facility shall have controls that provide both for down-regulation and up-regulation. PV technologies, in combination with energy storage systems such as, but not limited to battery energy storage systems (BESS), and flywheels are acceptable options to comply with PREPA's frequency response and regulation requirements.
- b. The Facility response shall be proportional to the frequency deviation, based on the specified 3-5% range droop characteristic. The droop shall be configurable from 3% to 5% in steps of 0.5% (e.g. 3.0%, 3.5%, 4.0%, 4.5%, 5%). The frequency response dead band shall not exceed 0.02%. For large frequency deviations (i.e. in excess of 0.3 Hz), the Facility shall provide an immediate real power primary frequency response of at least 10% of the maximum AC active power capacity (established in the Agreement). The time response (full 10% frequency response) shall be less than one (1) second. Frequency response shall not be limited by, and shall be decoupled from, the ramp rate control. The frequency response of the Facility shall be continuously in operation, even during ramp rate events. After the two (2) decoupled functions are added together, the Facility shall be able to simultaneously comply with both requirements.
- c. If energy storage systems are utilized to comply with the frequency regulation requirements, and during a disturbance the system frequency stays below 59.7 Hz, the Facility frequency response shall be maintained for at least nine (9) minutes. After the ninth (9th) minute the real power primary frequency response shall not decrease at a ramp rate higher than 10% of the maximum AC active power capacity per minute. The energy

storage systems utilized to comply with the frequency regulation requirement shall be designed based on a storage capacity equivalent to at least nine and a half (9.5) minutes of the 10 % AC contracted capacity measured at the Interconnection Facilities (connection to PREPA TC or sectionalizer) for downward and for upward frequency events. This represents an equivalent of nine (9) minutes full participation, plus one (1)-minute ramp down complying with the ramp rate requirement. This energy will be used on a continuous basis for regulation against frequency deviations. During periods of time where the energy storage system utilized to comply with the frequency regulation requirement is completely charged (i.e. cannot absorb more power), the PV inverters will assume the responsibility of the upward frequency events. If the energy available for frequency regulation is drained, the function shall be restored in a time period less than ten (10) minutes and with at least 95% of the energy capacity restored. The energy charging process shall not affect the ramp rate control requirement or the frequency regulation of the grid.

- d. The operational range of the frequency response and regulation system shall be 10% to 110% of the maximum AC active power capacity (established in the Agreement). The Facility power output at the Interconnection Facilities (connection to PREPA TC or sectionalizer) shall not exceed the maximum AC active power (established in the Agreement) except to comply with the frequency response requirement.

7. Ramp Rate Control:

- a. Ramp Rate Control is required to smoothly transition from one output level to another. The Facility shall control the rate of change of power output during certain circumstances, including but not limited to: (i) rate of increase of power; (ii) rate of decrease of power; (iii) rate of increase of power when a curtailment of power output is released; and (iv) rate of decrease in power when curtailment limit is engaged. PREPA requires a limitation of 10 % per minute (0.1667 % per second) rate based on AC contracted capacity. This ramp rate limit applies both to the increase and decrease of power output and is independent of meteorological conditions. The ramp rate control tolerance shall be +10%.
- b. The energy storage system utilized to comply with the ramp rate control requirement shall be designed based on a minimum storage capacity equivalent to twenty-five (25) minutes of the thirty percent (30%) AC contracted capacity measured at the Interconnection Facilities (connection to PREPA TC or sectionalizer). The minimum nominal power output capacity of the energy storage system utilized to comply with the ramp rate control requirement shall be thirty percent (30%) of AC contracted capacity measured at Interconnection Facilities (connection to PREPA TC or sectionalizer); and for at least one (1) minute, a minimum effective power output capacity of 45% of AC contracted capacity measured at the Interconnection Facilities (connection to PREPA TC or sectionalizer). The transition from effective power output capacity to nominal power output capacity shall not exceed the ramp rate requirement of 10% per minute.
- c. The Frequency Response/Regulation and Ramp Rate Control functions shall be decoupled, continuously in operation. The Facility shall be able to comply simultaneously with both

requirements while generating and injecting power to the grid. For this reason, the energy storage system shall include, as a minimum: 10% of the contracted capacity for Frequency Response/Regulation for at least nine and a half (9.5) minutes (see Section 6 herein for details) and 30% of contracted capacity for Ramp Rate Control for at least twenty five (25) minutes. The energy storage system shall also be able to provide a minimum effective capacity of 45% of the contracted capacity for at least one (1) minute at the Interconnection Facilities (connection to PREPA TC or sectionalizer). Therefore, the minimum acceptable capacity for the energy storage system is a total combined size of 40% of the contracted capacity, and for at least one (1) minute, the system has to have an effective capacity of 45% of the contracted capacity.

- d. If the energy storage system cannot control the ramp rate as required herein because it does not perform according to the minimum required capabilities herein specified, the Facility will be considered in non-compliance. However, (i) rates of change in active power at the Interconnection Facilities (connection to PREPA TC or sectionalizer) in excess of the 10 % per minute rate requirement caused by the loss of generating resource (solar irradiance) that require more than the minimum storage capacity herein defined will not be considered non-compliant with the ramp rate control requirement, and (ii) if the ramp rate is controlled within the limits specified in the ramp rate control requirement, or if the storage system cannot control the ramp rate because it is outside of its minimum required capabilities, but performs as specified, the Facility will not be considered in non-compliance.

8. Auto-Curtailment:

SELLER shall implement an auto-curtailment strategy for the Facility to address and compensate deficiencies that can affect the Facility compliance with the MTRs. The conditions to apply auto-curtailment include but are not limited to the following:

- a. A reduction on the reactive power capacity of the Facility (e.g. due to inverters out of service, or any other condition that can reduce the required reactive power capacity of the Facility).
- b. A reduction in the active power capacity of the energy storage system (e.g. loss of some of the battery strings, a BESS inverter out of service, or any other condition that can reduce the required active power capacity of the energy storage system).
- c. Loss of the Interconnection Facilities (connection to PREPA TC or sectionalizer) readings used for the different controls (voltage, frequency, ramp, etc.) of the Facility. This can happen due to a malfunction of the equipment used for the Interconnection Facilities (connection to PREPA TC or sectionalizer) readings. In this case the Facility should be curtailed to zero (0) output.
- d. A fault in the Voltage Control, Frequency Response Control, Ramp Rate Control. In this case the Facility should be curtailed to zero (0) output.

- e. Any other condition based in the Facility design that can cause a non-compliance with the MTRs.

SELLER must submit to PREPA a complete and detailed description of the auto-curtailement strategy for PREPA's evaluation.

9. Power Quality Requirements:

SELLER shall address in the design of the Facility potential sources and mitigation of power quality degradation prior to interconnection. Design considerations should include Applicable Standards including, but not limited to IEEE Standards 142, 519, 1100, 1159, and ANSI C84.1. Typical forms of power quality degradation include, but are not limited to voltage regulation, voltage unbalance, harmonic distortion, flicker, voltage sags/interruptions and transients

10. Power Management:

The Facility shall provide adequate technology (communicating technology and the corresponding control equipment) and implement PREPA's power management requirements (ramp rate limits, output limits, curtailment).

11. Special Protection Schemes:

The Facility shall provide adequate technology and implement PREPA's special protection schemes, in coordination with power management requirements.

12. General Interconnection Substation Configuration:

An interconnecting generation producer must interconnect at an existing PREPA switchyard, unless PREPA agrees otherwise in the Agreement. The configuration requirements of the interconnection depend on where the physical interconnection is to occur and the performance of the system with the proposed interconnection. The interconnection must conform, at a minimum, to the original designed configuration of the switchyard. PREPA, at its sole discretion, may consider different configurations due to physical limitations at the site.

13. Modeling and Validation:

- a. Once final adjustments and parameter settings related with commissioning and MTR compliance tests are completed, SELLER shall submit a PSS/e Siemens – PTI Certified mathematical model and validation report.
- b. The mathematical model shall include but is not limited to PV inverters, transformers, collector systems, plant controllers, control systems and any other equipment necessary to properly model the Facility for both steady-state and dynamic simulation modules.
- c. SELLER must submit user manuals for both the PV inverter and the Facility models including a complete and detailed description of the voltage regulation system (VRS) and frequency regulation system model implementation. The mathematical models shall be fully compatible with the latest and future versions of PSS/E. SELLER shall use PSS/E standard models. In case that SELLER submits user written models, SELLER shall be

required to keep such models current with the future versions of the PSS/E program until such time that PSS/E has implemented a standard model. SELLER shall submit to PREPA an official report from Siemens – PTI that validates and certifies the required mathematical models, including subsequent revisions. The SELLER shall be responsible of submitting the official reports and certifications from Siemens – PTI, otherwise the mathematical model shall not be considered valid.

- d. SELLER shall be responsible to submit Siemens – PTI certified PSS/E mathematical models of any kind of compensation devices (e.g. SVC, STATCOMs, BESS, etc.) used on the Facility. SELLER shall use standard models provided with PSS/E. In the case that SELLER submits user written models, SELLER shall keep these models current with the future versions of the PSS/E program until such time that PSS/E has implemented a standard model. In its final form, the mathematical model shall be able to simulate each of the required control and operational modes available for the compensation device and shall be compatible with the latest and future versions of PSS/E. The model shall reflect final adjustments and parameters settings related with the control system commissioning process and shall be incorporated to the PSS/E mathematical model and tested accordingly by the PV facility SELLER and PREPA system study groups. SELLER shall be responsible of submitting the official reports and certifications from Siemens – PTI, otherwise the mathematical models shall not be considered valid.
- e. If SELLER provides user written model(s), it shall provide compiled code of the model and maintain the user written model compatible with current and new releases of PSS/E until such time a standard model is provided. SELLER must permit PREPA to make available the Facility models to external consultants with a non-disclosure agreement in place.
- f. SELLER shall submit a PSS/E model validation report. This report shall demonstrate PSS/E simulation results that show the model MTR compliance and performance, based on final adjustment and parameter settings of MTR and commissioning field tests. SELLER shall be responsible of submitting the official reports and certifications from Siemens – PTI, otherwise the mathematical models shall not be considered valid.
- g. Additional details for the adequate PSS/E modelling and the contents of the PSS/E validation report can be found in PREPA's "Guidelines on PSS/E Mathematical Models" document.



14. **Transient Mathematical Model:**

SELLER shall be responsible of providing a detailed transient model of the Facility and to demonstrate that it is capable of complying with PREPA's transient MTRs.

15. **Dynamic System Monitoring Equipment:**

SELLER shall be required to provide, install and commission a dynamic system monitoring equipment that conforms to PREPA's specifications.

APPENDIX J CONTRACTOR CERTIFICATION REQUIREMENT

Contractor Certification Requirement

The following certification shall be provided to the Oversight Board and the Commonwealth's Contracting Government Entity by the Chief Executive Officer (or equivalent highest rank officer) of each proposed contractor under contracts submitted for review:

1. The expected contractor's subcontractor(s) in connection with the proposed contract¹ is (are) the following:

No subcontractor(s) have been engaged as of this date.

2. Neither the contractor nor any of its owners², partners, directors, officials or employees, has agreed to share or give a percentage of the contractor's compensation under the contract to, or otherwise compensate, any third party, whether directly or indirectly, in connection with the procurement, negotiation, execution or performance of the contract.
3. To the best knowledge of the signatory (after due investigation), no person has unduly intervened in the procurement, negotiation or execution of the contract, for its own benefit or that of a third person, in contravention of applicable law.
4. To the best knowledge of the signatory (after due investigation), no person has: (i) offered, paid, or promised to pay money to; (ii) offered, given or promised to give anything of value to; or (iii) otherwise influenced any public official or employee with the purpose of securing any advantages, privileges or favors for the benefit of such person in connection with the contract (such as the execution of a subcontract with contractor, beneficial treatment under the contract, or the written or unwritten promise of a gift, favor, or other monetary or non-monetary benefit).
5. Neither the contractor, nor any of its owners, partners, directors, officials or employees or, to the best of its knowledge (after due investigation), its representatives or sub-contractors, has required, directly or indirectly, from third persons to take any action with the purpose of influencing any public official or employee in connection with the procurement, negotiation or execution of the contract, in contravention of applicable law.
6. Any incorrect, incomplete or false statement made by the contractor's representative as part of this certification shall cause the nullity of the proposed contract and the contractor must reimburse immediately to the Commonwealth any amounts,

¹As used herein, the term "contract" is inclusive of any amendments, modifications or extensions.

²For purposes of this certification, a contractor's "owner" shall mean any person or entity with more than a ten percent (10%) ownership interest in the contractor.

Power Purchase and Operating Agreement - PREPA CIRO One Salinas, LLC

payments or benefits received from the Commonwealth under the proposed contract.

The above certifications shall be signed under penalty of perjury by the Chief Executive Officer (or equivalent highest rank officer) in the following form:

"I hereby certify under penalty of perjury that the foregoing is complete, true and correct."

By: Frank Zhu, CIRO One Salinas LLC

Date: February 1, 2021

Signature: 

Exhibit C

Project Monthly Status Report

Project: CIRO One Salinas, LLC.
Date: January 2022
Recipients: Puerto Rico Electric Power Authority (PREPA)
Puerto Rico Energy Bureau (PREB)

Brief: Project Team Monthly Status Report - As required on Section (d) of Article 4.1 of the Power Purchase and Operating Agreement (PPOA) between Puerto Rico Electric Power Authority and Ciro One Salinas, LLC. dated as of July 14, 2021.

Reference: Report Content Overview

1. Material Updates and Critical Issues – Summary of material updates and critical issues that could impact the project development and/or construction.

2. Review the status of each significant element of the Project Schedule

- I. Permitting
- II. Engineering
- III. Procurement
- IV. Construction
- V. Project Milestones & Notice Requirements

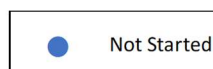
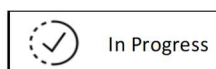
3. Corporate Responsibility / Community Involvement

- I. Local Vendors / Services
- II. Domestic Content (Corporate Wide)

4. Next Steps: Action Items

Status Report:

Tasks and Milestones Table Legend



1. Material Updates and Critical Issues: Summary of material updates and critical issues that could impact the project development and/or construction.

I. Material Updates: Since the last monthly status report.

- General:
 - Ciro One Salinas (COS) Project Team has continued to work with LUMA, PREPA, engineers, suppliers and Contractors (General and Local) to complete engineering of the facility, and place purchase orders for pending components (see material updates below).
 - Development initiatives have continued as reported (see below)
 - **Critical Issue previously reported on the *December 2021 Monthly Report* has created delays on the project timeline (see item II. Critical Issues below).**
- Section II: Engineering (Refer to SECTION II for details)
 - The following initiatives are ongoing, and have minor delays in testing phase (wind tunnel and other third-party validations):
 - Civil Design
 - Structural Design (foundations)
 - Structural Design (PV Plant – Racking)
 - Electrical Design (PV Plant)
- Section II: Procurement (Refer to SECTION III for details)
 - In addition to previously placed purchase orders, the following were issued:
 - Posts – 99%
 - Racking – 95%
 - DC Cable – 95%
 - BESS Equipment – 100%
 - Power Conversion Stations – 100%
- Section V: Project Milestones & Notices Requirements (Refer to SECTION V)
 - Table was updated to provide further clarity on targeted project milestones and other relevant information.
 - There are projected delays on the FNTF, COD, Substantial Completion and Final Completion milestones, based on the delays caused by the Critical Issues (4 months).
 - The PPOA target dates are still possible, but project team needs a resolution to the **Critical Issues** so that LUMA can complete the interconnection studies.
- Item #4. Next Steps: Action Items: Section was updated based on pending initiatives and next steps.

II. Critical Issues: Outstanding issues that could potentially cause delays in the project timeline.

- The **INTERCONNECTION STUDIES** payment **critical issue** reported on previous Monthly Status Reports is still unresolved. There's a 4-month delay as a result to this issue. A summary of the issue is presented below:

- PREPA asked COS to advance **payment** of fees related to the **INTERCONNECTION STUDIES** to LUMA. These payments are typically not required from a project company.
- COS agreed to cover the fee and advance the funds immediately to LUMA but requested written confirmation that these funds were eligible/allowable under the reimbursement mechanism of the PPOA. All parties initially agreed to this request.
- A simple side-letter agreement was prepared by PREPA to document this understanding. COS accepted the documents with no comments or changes.
- The document is yet to be executed. NO other solution has been presented by PREPA. LUMA has reiterated that without this payment (or alternate resolution), they can't continue the Interconnection Studies necessary to achieve FNTF.
- COS has been continually following up on the execution of this document, including meeting with the Executive Director, Subdirector and Deputy Director of Operations, as well as several emails and phone calls.
- This issue has caused a **4-month delay** in the project timeline.
- COS reiterates that is willing to advance the fund necessary for LUMA to complete its studies (refer to **4. Next Steps: Action Items** below)

2. Review the status of each significant element of the Project Schedule:

I. Permitting:

- Overview:

The CIRO One Salinas, LLC. project was fully permitted and considered shovel ready. All permits, studies and endorsements are being evaluated to ensure compliance with all new laws, applicable code changes, and regulations. The process is guided by the engineering review being performed by the Project Team (*see section II. Engineering*).

- Table: Tasks and Milestones include (but are not limited to):

Permit/Approval	Permit Authority	Status	Comments
Location Approval	Planning Board	✓	
Environmental Approval	ARPE, OGPE, DNER	✓	
Nationwide Permit (NWP) 14	USACOE	✓	
Endorsements	<ul style="list-style-type: none"> • Municipality of Salinas, • Hwy and Transportation Authority, • OGPE, • ICP, • PREPA, • Puerto Rico Telecommunications Regulatory Board, • PRASA, • Dept of Agriculture 	✓	Endorsements will be revised after engineering review has been completed.
NPDES General Permit	US EPA	✓	
Construction Related Permits	OGPE	✓	<ul style="list-style-type: none"> • Includes General Consolidated Permits, • Incidental Soil Movement Permits, and • Construction Permits

II. Engineering:

- Overview:

The engineering that was previously completed and approved by PREPA is being revised. The engineering package is being modified to ensure compliance with (among other):

- Changes in any laws and regulations.
- New local code guidelines.
- Updates in technology selection.
- New Minimum Technical Requirements (MTRs).

The Primary Contractor, DEPCOM Power, is working with the Project Team to define and approve new equipment requirements and bill of materials to advance procurement tasks (*see section III. Procurement*)

The table below provides information on all engineering areas previously completed that are under review/validation only.

- Tasks and Milestones include (but are not limited to):

Design / Study	Engineer of Record	Status	Comment
Floodplain Map/Review	CSA Architects & Engineers, LLP	✓	
Hydrology and Drainage Study	GLM Engineering-COOP Timmons Group	✓	
ALTA Survey	JAMS Land Surveying Services	✓	
Civil Design (PV Plant)	Timmons	⊙	Target 02/11/2022
Topo / LiDAR	Timmons Group	✓	
Geotech / Pile Testing (PV Plant)	Suelos, Inc GMTS, PSC	✓	
Corrosion Study	[EOR]	✓	
Cultural Study	AM Group	✓	
Environmental Site Assessment	NAYE Group/Kyros LLC	✓	
Structural Design (PV Plant – Racking)	Gamechange	⊙	Target 02/18/2022
Structural Design (PV Plant – Miscellaneous Foundations)	Buehler and Buehler Engineering	⊙	Target 02/11/2022
Electrical Design (PV Plant)	Hugo R. Durand Schettini, PE	⊙	Target 02/18/2022

III. Procurement:

- Overview:

The CIRO One Salinas Team decommissioned all equipment previously procured for the project to ensure compliance with new PREPA requirements for interconnection and adapt to new available technology. Project team will be placing purchase orders after the engineering review has been completed (please refer to table below for timelines).

- Tasks and Milestones include (but are not limited to):

Description	Vendor	Order Status	Delivery Status	Notes
Posts	GameChange	99%	0%	GameChange E/W Fixed Tilt System
Racking	GameChange	95%	0%	GameChange E/W Fixed Tilt System
MVAC Cable	WESCO	95%	0%	
Combiner Boxes	Olson	0%	0%	
DC Cable	WESCO	95%	0%	
Modules	HT-SAAE	100%	0%	HT-SAAE 450W Bifacial Module
BESS Equipment	VLI/Dynapower	100%	0%	
Power Conversion Stations	Ingeteam	100%	0%	Ingeteam Power Conversion Stations
GSU	WEG	100%	0%	

IV. Construction:

-Overview:

Agreements related to general contractors, subcontractors, engineering, and consultants with various entities are in process.

Minimal site work is in process. No major construction activities have yet begun on the site. Once they do, key metrics on activities within civil/site preparation, mechanical installations and electrical installations will be reported on a monthly basis (as required).

- Key companies / Personnel include (but are not limited to):

Contractor	H/Q Location	Scope	Current Headcount	Peak Headcount	Local Hire Target	Veteran / Minority Target
DEPCOM	Arizona*	Site Oversight and Management	24	TBD	50%	30%
Lord Construction Puerto Rico	Puerto Rico	All Major Site Construction	9	TBD	100%	30%
Other - Various	Puerto Rico	Development, Finance, Engineering, Logistics, Adm., Owners Engineer and Reps, Legal,	29	TBD	75%	30%

*Supervision is from Arizona; all labor is hired locally.

V. Project Milestones & Notice Requirements:

Below find critical milestone dates and related Notice requirements:

Milestone	PPOA Required Date	COS Target Date	Progress	Comments
Kick off meeting between PREPA, LUMA and COS Project Team.	N/A	09/27/21	✓	Recurring Meetings are Being Held Between the Parties (see note below).
Mobilization	N/A	Q1 2022	⌚	Project Timeline is Being Revised to Set Mobilization Date (Status: on-target).
FNTP	8 months after Assumption Order*	03/01/22	●	Estimated to be 30 days after mobilization date (subject to PREPA/LUMA deliverables)
Mechanical Completion		12/16/22**	●	Projected timelines consider completion dates earlier than PPOA requirements.
Commercial Operation Date	24 months after FNTP	04/21/23**	●	
Substantial Completion		05/19/23**	●	
Final Completion		11/17/23**	●	

*Based on Assumption Order Date of 12/08/21.

**Target date based on DEPCOM construction schedule.

Note: COS Project Team is having weekly meetings with PREPA and LUMA personnel to advance the engineering, interconnection scope and other project related initiatives.

Note#2: All Timelines are currently under review.

Please refer to **Addendum #1** for the complete COS Project Schedule. The schedule is a representation of the expected timelines. Certain item dates are dynamic and subject to change.

3. Corporate Responsibility / Community Involvement

Once the project has begun, DEPCOM's Director of Philanthropy will travel to the region and engage with local organizations and entities in an effort to provide some level of community support.

As of yet, no organizations have been engaged with – but DEPCOM is willing to take recommendations from PREPA or Ciro.

I. Local Vendors / Services:

Although no local vendors have been engaged to date, once the project has begun there will be a number of local vendors that DEPCOM will engage with for various support roles. The names of these businesses will be reported on a monthly basis.

II. Domestic Content (Corporate Wide)

Component	% US	% ROW
Cable	100	0
Posts	65	35
Combiner Boxes	89	11
Racking	59	41
PCS	20	80
Modules	7	93
Balance of System	100	0
Labor / Management	100	0
Total	76	24

4. Next Steps: Action Items

- As part of the AI presented on the October 2021 Status Report, starting that *“COS will pay for the LUMA interconnection assessment”* as requested by PREPA, the COS Project Team is waiting for PREPA to validate/execute the Confirmation of Direct Cost under the Amended and Restated Renewable Power Purchase and Operating Agreement (the “Agreement”) by and between CIRO One Salinas, LLC (the “Seller”) and the Puerto Rico Electric Power Authority (“PREPA”), dated July 14, 2021, related to the LUMA INTERCONNECTION STUDIES.
- PREPA/LUMA to continue the evaluation of the engineering submissions to provide feedback.
- PREPA/LUMA to provide responses to RFI’s submitted by COS Project Team.
- PREPA/LUMA to provide response to PPOA preliminary deliverables.
- Continue the weekly follow-up meeting with LUMA personnel (Technical).
- Continue the project reengineering.
- Finalize BESS selection and spec.
- Begin civil construction.

CIRO One Salinas Project Team thanks you for your time and attention to the project initiatives. Please let us know if there is anything we can do to improve!